

HAAL AHWAL

Monthly News Summary on Food and Agriculture

June, 2023

Roots for Equity

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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 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 are very welcome.

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

Glossary

ADB	Asian Development Bank
AEMET	State Meteorological Agency (Spanish: Agencia Estatal de Meteorología)
AFD	French Development Agency
AIIB	Asian Infrastructure Investment Bank
AJK	Azad Jammu and Kashmir
APT	average per-ton price
BISP	Benazir Income Support Program
BMTs	Billion Metric Tons
CAF	Corporate Agriculture Farming
CCI	Council of Common Interests
CDP	Carbon Disclosure Project
CE	Chief Engineer
CEO	Chief Executive Officer
CPEC	China-Pakistan Economic Corridor
CPI	Consumer Price Index
DOAA	Development Objectives Assistance Agreement
DPP	Department of Plant Protection
ECNEC	Executive Committee of the National Economic Council
EFF	Extended Fund Facility
EPA	Environment Protection Agency
EU	European Union
FAO	Food and Agriculture Organization
FBR	Federal Board of Revenue
FED	Federal Excise Duty
FIIP	Financial Inclusion and Infrastructure Project
FX	Foreign Exchange
GACC	General Administration of Customs of China
GDP	Gross Domestic Product
GEF	Global Environment Facility
GMI	Green Media Initiatives
HPP	Hydropower Project
HRCP	Human Rights Commission of Pakistan
IED	Independent Evaluation Department
IES	Institute of Environmental Studies
IGC	Inter-governmental Commission
IMF	International Monetary Fund
IPC	Integrated Food Security Phase Classification
IRSA	Indus River System Authority
IWMI	International Water Management Institute
JAC	Joint Action Committee
JDS	Human Resource Development Scholarship

JICA	Japan International Cooperation Agency
JUI-F	Jamiat Ulema-i-Islam-Fazl
KCA	Karachi Cotton Association
KIU	Karakoram International University
KPRIISP	Khyber Pakhtunkhwa Rural Investment and Institutional Support Project
KU	Karachi University
KWSC	Karachi Water and Sewerage Corporation
LBOD	Left Bank Outfall Drain (LBOD)
LDA	Lahore Development Authority
MDBs	Multilateral Development Banks
MHA	Million Hectare Acres
MoEA	Ministry of Economic Affairs
NCAP	National Clean Air Policy
NGOs	Non-Governmental Organizations
NHSP	National Health Support Program
NIGAB	National Institute of Genomics and Biotechnology
NIH	National Institutes of Health
NSMC	National Seismic Monitoring Centre
NTDC	National Transmission and Despatch Company
OGRA	Oil & Gas Regulatory Authority
PBS	Pakistan Bureau of Statistics
PDMA	Provincial Disaster Management Authority
PEPA	Pakistan Enhanced Partnership Agreement
PET	Polyethylene Terephthalate
PILAP	Public Interest Law Association of Pakistan
PSDP	Public Sector Development Program
PSEs	Public Sector Enterprises
PWC	Punjab Water Council
REAP	Rice Exporters Association of Pakistan
RISE	Resilient Institutions for Sustainable Economy
RSF	Risk-Sharing Facility
RSPN	Rural Support Program Network
RUTF	Ready to Use Therapeutic Food
SAB	Sindh Abadgar Board
SAU	Sindh Agriculture University
SBA	Stand by Arrangement
SBP	State Bank of Pakistan
SCA	Sindh Chamber of Agriculture
SHCC	Safeguarding Health in Conflict Coalition
SIAPEP	Sindh Irrigated Agriculture Productivity Enhancement Project
SLCP	Short-Lived Climate Pollutants
SMEs	Small and Medium Enterprises
SNGPL	Sui Northern Gas Pipelines Limited
SPI	Sensitive Price Index

SPS	Sanitary and Phytosanitary
SSGCL	Sui Southern Gas Company Limited
SUP	Sindh United Party
SWAT	Sindh Water and Agricultural Transformation
TDAP	Trade Development Authority of Pakistan
TTPTA	Transit Trade and Preferential Trade Agreement
UNDP	United Nations Development Program
UNEP	United Nations Environment Program
UN-ESCAP	UN Economic and Social Commission for Asia and the Pacific
UNOCHA	UN Office for the Coordination of Humanitarian Assistance
UoP	University of Peshawar
VCM	Voluntary Carbon Markets
VEC	Variety Evaluation Committee
WAPDA	Water and Power Development Authority
WFP	World Food Program
WRAP	Water Resource Accountability in Pakistan
WWF	World Wide Fund for Nature

USD Exchange Rate List

Date	Day	USD	PKR (\approx)
1 st June	Thursday	1	285
5 th June	Monday	1	286
12 th June	Monday	1	287
19 th June	Monday	1	287
26 th June	Monday	1	287
30 th June	Friday	1	288

Points to Ponder!

With Pakistan's annual budget being announced in June, it is a difficult month for the working class of the country. In essence, the difficult economic situation of the past months results in a feeling of trepidation, knowing the budget will only exacerbate the crisis being faced in the previous months. Unfortunately, the budget did create further hardship for the entire country as it entertained harsh conditionalities set by the International Monetary Fund (IMF), especially increase in taxes. According to the Finance Minister, Ishaq Dar the taxation aims to generate PKR 215 billion (approximately \$750) and cut spending by PKR 85 billion in the next fiscal year. The IMF conditionalities include increasing interest rates by 22%, which is to dampen demand as well to ease the burden on foreign exchange reserves. (However, high interest rates also dampen investor interest in investing in the country). In addition, the government has further hiked fuel and power tariffs, withdrawal of subsidies, market-based exchange rate and higher taxation.

It is important to note that the IMF staff-level agreement with the government is only a nine-month Stand-by Arrangement (SBA) for about \$3 billion. This is the amount which had been expected to be released last year but was stalled by the IMF as the government of Pakistan had not met the various stipulations set by the Fund. The IMF had demanded that Pakistan should secure external financial commitments for \$6 billion from other sources based on which Pakistan had secured \$4 billion, mostly from Saudi Arabia and UAE. A day before the annual budget was to be released, the IMF Resident Representative stated that the draft FY24 budget 'misses an opportunity to broaden the tax base in a more progressive way, ... reduced the fairness of the tax system.'

No doubt, the IMF is to be harshly critiqued for forcing the government to accept conditionalities which will push people into extreme poverty, at a juncture when the impact of the monsoon floods in 2022 are still leaving their mark on the country's economic and social system. According to the World Food Program (WFP), and Food and Agriculture Organization (FAO), in the 84 districts of Pakistan impacted by floods, there is an average severe acute malnutrition rate of 12 percent affecting over 3.5 million children.

Country's exports as well as remittances have shown a negative trend. Federal government borrowing from domestic and external resources rose by 22.5% during the first 10 months of the fiscal year. Debt has soared to PKR 58.6 trillion by end of April 2023, an increase of PKR10.76 trillion from June 2022. According to the State Bank of Pakistan, total external liabilities stood at \$125.7 billion by March 2023.

Apart from the gloomy domestic scenario, the Ukraine war is also affecting food prices negatively. The World Bank has projected Pakistan's economic growth by only 2 percent in the next fiscal year as there is slowing down of industrial production due to limited foreign exchange reserves to pay for imports of food, energy and intermediate inputs.

However, only the IMF cannot be critiqued as elite sections of society are being protected from the IMF conditionalities. Consistent refusal to tax the most prosperous class, the feudal and rich landlords is a case in point. According to a prominent economist Kaiser Bengali, if the agriculture sector is to be taxed it will not generate much revenue as the number of large landholders is small: this is a point of view which needs to be contested. According to the State Bank of Pakistan, there is 42.6 million acres of cultivable land, of which about 45 percent of cultivated area is based on farms with less than 12.5 acres each. This would mean that small farmers collectively hold about 19.1 million acres of land. According to Dr Bengali, 13,500 farms are operating on more than 150 acres of land each, and are collectively based on 1.5 million acres and hence would generate a small revenue from agriculture tax; the figures themselves are incorrect, as dividing 1.5 million acres by 13,500 farms does not give even a minimum average of 150 acres per farm. In addition, these figures do not tally with Government of Pakistan 2013 data, which stated categorically that only 5 percent farm households own 64 percent of total agricultural land. No land reforms have taken place in the last decade and the 2010 agricultural census shows further land concentration; in essence rich landlords, especially the feudal class should not be shielded from the tax net. The extremely powerful feudal

elite in the country is able to pass on the burden of IMF imposed taxation on the working class, which endorses Pakistan being a semi-feudal, semi-colonial state.

The food security situation is also a matter of grave concern. At the National Assembly, the issue was raised: a report on Pakistan from the WFP and FAO has indicated that 8.5 million people will face acute food insecurity later in the year. The Federal Minister for National Food Security and Research, Tariq Bashir Cheema disputed the UN report, as farmers have been able to produce a bumper wheat crop of 28.5 million tons. However, the rejoinder to his remarks was that the issue was high food inflation, making food unaffordable for the people. This is indeed a matter of extreme concern, as the past months have shown escalating inflation, which in May rose to 38 percent, the highest annual rise in prices on record driven by sky rocketing cost of food, house rent, electricity and gas bills and transport.

Various aid agencies are active in the country. For instance, KfW, a German Development Bank has provided €27 million to the Benazir Income Support Program (BISP) to combat poverty and provide aid to flood victims. Similarly, US Agency for International Aid (USAID) is providing \$445.6 million for socio-economic uplift of the country and for so-called climate resilient economic growth, as well as another \$16.4 million for providing among other help, nutrition supplement to flood-affected communities. South Asia is highly vulnerable to climate crisis, and while the western countries are providing a patchwork aid to those affected, one needs to remember that it is these industrially advanced countries with their addiction to fossil fuel production that are responsible for the climate-related havoc created in our countries.

According to the Deputy USAID Administrator, the US has been investing in Pakistan's economy for many years, but real difference would come based on the reform agenda of the Pakistani government. The USAID administrator has made a very important point: all aid is tied aid where the aid providers do have particular political and economic

interests. No doubt, providing micronutrient food supplements are further exacerbating the debt held by the country, it is certainly not eradicating the basic structural fault. The answer lies first in genuine land reforms and in adopting agroecology-based production systems not only as a holistic response to hunger and malnutrition but also climate crisis. It is also important to question the loans being provided by international financial institutions and international government agencies –where are these loans and aid taking the country? Obviously with a debt that has crossed a hundred billion dollars, while all economic indicators are still nose-diving, a policy orientation other than based on neoliberalism should be tested.

Moving on to agriculture production, concerns have been raised with respect to cotton ginneries in Sindh. Initially, PKR 10,000/40 kilogram of cotton was being paid to farmers, dropping down to PKR 6,000, even though the federal government had fixed the rate at PKR 8,500. The Sindh Chamber of Agriculture (SCA) has demanded that the Federal and Sindh government should take action.

The agriculture sector faces serious water shortage for irrigation with nationally, 27 percent water scarcity, and in Sindh 37 percent water shortage.

According to the Trade Development Authority of Pakistan (TDAP), the European Union (EU) has been raising alarm and rejecting Basmati rice being exported to Europe based on detection of Aflatoxin and pesticide residues. The TDAP plans awareness raising campaigns with farmers. This is indeed ironic that our authorities are concerned about toxic chemicals in food products being exported while there is lack of concern for the farmers, rural society and consumers in the country. Toxic pesticides are heavily sprayed on not only rice but a host of other food crops and vegetables and remains a highly unregulated sector. On the other hand, dairy products, especially fresh milk is being scrutinized and destroyed by government authorities where it seems the beneficiaries are monopoly dairy corporations, and not the consumers.

On a more positive note, the Lahore High Court has struck down a decision by the interim government of Punjab to hand over 45,000 acres of land in three districts to the army on a 20-year lease, as the mandate was beyond both parties.

A key government initiative “Agriculture Revolution 2.0” has been launched which sets agriculture growth target at 3.5 percent. According to the Federal Minister for Planning and Development, Ahsan Iqbal has emphasized adopting latest techniques and technology so that the country could be self-sufficient in food. In order to facilitate the process, there is withdrawal of duties on import of seeds, and duty exemption on import of combine harvesters, and suggestions for removal of duties on rice planters, seeders and dryers. PKR16 billion have been set aside for concessional loans and tax relief for agro-based industry.

In the new budget for FY 2024, PKR 2,250 billion will be disbursed for agricultural loans, an amount that has been increased by 25 percent from last year. From this amount, PKR 6 billion is for providing subsidies on imported urea, and PKR 10 billion for loans to small farmers; in other words, in a country where 45% of cultivated area is tilled by small farmers, a mere 0.5 percent of loan allocation to this class of farmers is testimony to government’s lack of attention to the most vulnerable sector of the rural economy. It has been rightly pointed out that these policies are to benefit a small group of large growers and the main cause for rising rural poverty and food insecurity.

The Senate Committee has recommended to the National Assembly that super tax on banking companies should be waived, as well as establish tax free zones for foreign direct investment (FDI). The government has also provided five export-oriented sectors with a gas subsidy for two months. Clearly, there is more and more policy orientation toward promoting and protecting trade liberalization and corporate agriculture.

In terms of geo-political situation, Pakistan is strengthening ties with Russia and China. Russia has cleared 19 rice mills in Pakistan for

receiving rice exports, and China has also opened its market for meat exports.

Ministry of Commerce has announced a list of 57 products for barter trade with Afghanistan, Iran and Russia to save on foreign exchange reserves. Pakistan, for its first government-to-government import of discounted Russian crude paid in Chinese currency, which is a significant shift in its US dollar-dominated export payment policy.

Pakistan and Azerbaijan have agreed to enhance trade and energy cooperation. The Transit Trade and Preferential Trade Agreement (TTPTA) was implemented earlier this year which may result in trade between the two countries to be enhanced greatly. It can be said that the shift is quite positive, especially if South-South cooperation in trade is pursued.

The dilemma of exporting meat, rice, vegetables and food crops raises the question whether it would lead to food shortage at home? As long as the government is hinged on taking loans that keep piling further debt on the people, the situation will remain precarious. An example is that Pakistan was only able to earn \$235 million through vegetable exports as the prices in the world market fell. We import combined harvesters, and other capital intensive, expensive technologies hoping to increase our productivity and earnings, but in more than 60 years of pursuing agro-chemical agriculture production, the economy has not been able to raise its exports. At the same time, agriculture land as well as water courses are getting more and more intoxicated with chemical fertilizers, pesticides impacting ecologies, biodiversity including human health. It is quite interesting to note that Engro, a corporate entity which not only pollutes the environment through its fertilizer production, fossil fuel extraction as well as pushing environmentally hazardous tetra packs are asking to take measures against plastic pollution. Please note South Asia has very poor air quality, resulting in many respiratory diseases. Corporate entities are the most accountable for all forms of pollution, including air pollution.

Mechanization has also resulted in consistent increase in unemployment. Panacea is not neoliberalism, relying on corporate agriculture but to go towards self-reliance in not only in food and agriculture production but across all sectors. Following a trade liberalization agenda where our base remains agrarian which is vulnerable to market fluctuations leaves the country faced with expensive imports and cheap exports.

A key pursuit of course is to ensure building up an industrial sector that would allow self-sufficiency in manufacturing sector as well as in agriculture and this would not only increase our productivity but also stop our reliance on imperialist countries and institutions who no doubt provide assistance based on their self-interest as well as to control over productive and natural resources of countries like Pakistan.

1 Hectare = 2.471 Acres

1 A cres = 4,840 Square Yards

1 Ton = 25 Mann = 1000 Kg

1 Mann = 40 Kg

NEWS EXCERPTS

National News

Agricultural Production Resources

- Sindh Chamber of Agriculture (SCA) general secretary Zahid Bhurgari has expressed grave concern over decline in the prices of cotton crop and urged the federal government to take action against the cotton ginners of Sindh. In a statement, he said that until recently Rs10,000 was offered to farmers and now Rs6,000 per 40kg was being paid as the ginners had established their monopoly, while the federal government had fixed Rs8,500 per 40kg as cotton price.
- Trade Development Authority of Pakistan (TDAP) revealed that over 200 rejections/ interceptions/ rapid alerts were reported by European Union (EU) on account of the detection of more than permissible levels of Aflatoxins and Pesticide residues in the Basmati rice exported from Pakistan, in last two years.
- The Lahore High Court struck down a decision by the interim government of Punjab to hand over 45,000 acres of land in three districts to the army on a 20-year lease, saying that the agreement was beyond the mandate of both — the caretakers and the military. The army wanted ownership of land in Bhakkar, Khushab and Sahiwal for the purpose of Corporate Agriculture Farming (CAF) under the China-Pakistan Economic Corridor (CPEC).
- Serious concern at the water shortage in the country echoed during the meeting of National Assembly Standing Committee on Water Resources.
- Water scarcity in the country is 27% based on figures estimated by the IRSA.
- Punjab is experiencing unpredictable rainfall patterns, leading to increased reliance on groundwater resources causing their depletion.
- Illegal encroachments at the drainage division land in Jhuddo town has become a major obstacle in the rehabilitation of the Left Bank Outfall Drain (LBOD).
- Due to water shortage, the provincial agriculture economy would be affected, Jam Khan Shoro cautioned. Jam Khan Shoro said that at present Sindh was facing 39 percent water shortage.
- The Executive Committee of the National Economic Council (EcneC) approved a total of eight development projects involving an estimated cost of Rs291 billion mainly in the water and road sectors.

Agricultural Inputs

- Finance Minister Ishaq Dar is a significantly large increase in loans for farmers — from Rs1.8tr Rs2.2tr — the allocation of Rs50bn to shift 50,000 tube wells

to solar power, the withdrawal of duties on seed import, and duty exemption on the import of combine harvesters.

- The budget also proposes the removal of duties on rice planters, seeders and dryers, in addition to setting aside Rs16bn for concessional loans and tax relief for agro-based industry.
- Punjab Caretaker Chief Minister Mohsin Naqvi directed officials concerned to continue campaign against fake and adulterated agricultural medicines across the province.
- The government of Sindh intends to spend Rs6.9 billion on the agriculture sector in FY24 out of an estimated Rs700bn budget for development expenditure. Overall, the agriculture sector's development budget, including foreign project assistance, stood at Rs11.9bn.
- With 27.5 percent growth, the agriculture lending financial institutions have disbursed Rs 1.222 trillion on account of agricultural financing during the first nine months (July-March) of this fiscal year.
- Finance Minister Ishaq Dar announced that total agricultural loans will be increased 25 per cent from Rs1,800 billion in the outgoing fiscal year to Rs2,250bn in 2023-24.
- On the government's key initiative, "Agricultural Revolution 2.0," the minister highlighted the importance of increased production of crops, saying a revolution in the sector was needed to meet future challenges.
- Ahsan Iqbal said prompt measures were being taken to prevent the agriculture sector affected by the negative impacts of climate change, besides promoting research and introducing modern technology for getting better production.
- The government will fully focus on agriculture growth in the next fiscal budget and has set the agriculture growth target at 3.5 percent.
- In 2021-22, the latest fiscal year for which provincial data is available, Sindh collected only Rs707.4 million in tax on agricultural income. The sum amounted to less than 0.3 per cent of total provincial tax receipts in the same year.
- The Punjab caretaker cabinet rejected the proposal to impose agricultural income tax on owners of five-acre land.
- The Rice Evaluation Committee of Pakistan Agricultural Research Council recommended 14 high-yield rice hybrids from private seed companies for cultivation in Pakistan.
- The government would ensure provision of timely loans to farmers on easy terms.
- Prime Minister Shehbaz Sharif ordered for direct provision of subsidy to farmers on fertilisers. He said resources would be allocated in the budget for provision of quality seeds, latest machinery, agriculture research, etc.

- The provincial government has decided to give subsidy of Rs60,000 each to over 200,000 small farmers on urea and DAP fertilizer in the budget.

Agricultural Output

- This year's crop of sindhri is faced with multiple issues ranging from pest attacks to climatic conditions, which didn't go down well with the growers. The crop's average yields per acre are likely to be hit this year.

Trade

- Pakistan has passed a special order to allow barter trade with Afghanistan, Iran and Russia for certain goods.
- Pakistan's trade deficit narrowed by 40.59% to \$25.791 billion during the first 11 months (July-May) of the current fiscal year 2022-23 as compared to \$43.409 billion during the same period of last year.
- Ministry of Commerce has announced a list of 57 products for barter trade with Afghanistan, Iran and Russia.
- Pakistan paid for its first government-to-government import of discounted Russian crude in Chinese currency.
- For the ninth month in a row, Pakistan's merchandise exports dived by 16.69 per cent year-on-year to \$2.18 billion in May.
- The country's textile group exports declined by around 14.72 percent during the first eleven months (July-May) of the current fiscal year 2022-23.
- As the government keeps struggling to secure \$1.1 billion from the International Monetary Fund (IMF), the country lost \$7.15bn on account of shrinking exports and remittances during the first 11 months of FY 23.
- Remittances fell by 12.8pc to \$24.831bn during the first 11 months of the current fiscal year, posting a net loss of \$3.658bn.

Corporate Sector

- Fruit farmers in Punjab, Khyber Pakhtunkhwa, Gilgit Baltistan have been severely impacted following a drastic decrease of 50 percent in demand of fruit-pulp procurement by the pulping companies/juice manufacturers.

International Aid / Loan

- Pakistan is to receive \$4 billion out of over \$9 billion pledged during the Geneva conference in January 2023 to rebuild destroyed infrastructure owing to the devastating floods of 2022.

- The United States will provide grant assistance of \$445.6 million to Pakistan under a new five-year bilateral Development Objectives Assistance Agreement (DOAA), signed.
- USAID Deputy Administrator Isobel Coleman has announced extra \$16.4 million aid for flood-hit people who were struck by the calamity last year.

International Financial Institutions (IFIs)

- International lenders Asian Development Bank and French Agency for Development have formally asked the Khyber Pakhtunkhwa government for the immediate payment of dues to the contractors of the Peshawar Bus Rapid Transit warning its failure to sort out the issue will negatively impact their partnership for the province’s development. The ADB and AFD have provided a total of \$475.7 million funds for the mass transit. The BRT contractors insist that the provincial government has not paid the five contractors engaged for the public transport system in the past several months with liabilities totalling over Rs1 billion.
- The Asian Development Bank (ADB) will provide \$114 million, approx. Rs34.124 billion, to launch four mega projects in the garrison city to provide clean water to the residents.
- Finance Minister Ishaq Dar said the government now aims to generate another Rs215 billion in taxes and cut spending by Rs85bn in the next fiscal year.
- The International Monetary Fund (IMF) has reached a staff-level pact with Pakistan on a \$3 billion stand-by arrangement.
- The World Bank’s Board of Executive Directors approved \$200 million to strengthen the state capacities to deliver basic services and climate-resilient rural infrastructure in tribal districts of Khyber Pakhtunkhwa.

Policy

- On World Environment Day, speakers at a meeting called upon the government to impose a strict ban on single-use polythene bags and initiate a programme for waste recycling.
- At a workshop jointly organised by the Green Media Initiatives (GMI), Engro Foundation and World Wide Fund for Nature-Pakistan (WWF-P) for journalists covering environmental issues, speakers called upon the government to move towards waste recycling, reuse of plastic and biodegradable options.
- The Sindh Assembly unanimously passed ‘The Karachi Water and Sewerage Corporation Bill, 2023’ to transform the KWSB into a corporation.

- The Sindh Abadgar Board (SAB), which met here to discuss budgetary proposals for the 2023-24 budget, has called for doubling the agriculture credit portfolio in the formal bank credit facility.
- SAB proposed that a raise in input cost should be controlled or compensated through a decrease in the prices of commodities.
- Electricity is available to the extent of 12 hours a day maximum in rural areas; therefore subsidised solar/air turbine solutions should be provided for tube-wells, high efficiency irrigation systems and farming businesses.
- It said that procedures to provide loans should be shortened so that small- and medium-sized growers could get better access to credit.
- Provincial Minister for Agriculture, Energy, Industries, Commerce, Investment and Skill Development SM Tanveer has said that sustainable agricultural development is the top priority of the government. The citrus exports have decreased from 210 million dollars to 100 million dollars.
- Provincial Agriculture Minister SM Tanveer said that like the citrus, development action plans will be devised for edible oil, soybean, wheat, rice and other commodities. He said that being an agricultural country, prosperity and poverty alleviation was directly linked with the sector. He said that agricultural experts, academia, industry and policy makers have to make joint efforts to achieve food security.

Environment

- The Sindh government has allocated Rs214.547 billion for health services in the 2023-24 budget.

Socio-Economical Condition

- The federal government’s borrowing from domestic and external resources rose by Rs 58.6 trillion by the end of April 2023.
- External public debt was recorded at \$85.2 billion at the end of March 2023.
- Federal Minister for National Food Security and Research Tariq Bashir Cheema on the floor of the National Assembly disputed a United Nations report regarding possible “acute food insecurity” in Pakistan, terming it “an effort to spread sensationalism and declare the country a hunger hotspot like African countries”.
- Pakistan’s annual inflation rose to 37.97 per cent year-on-year in May.

Climate Change

- Qambar-Shahdadkot – one of the few districts that were worst-hit by last year’s unprecedented rains and floods – is now facing an acute shortage of water.

- Temperature in Gilgit-Baltistan and southwestern Balochistan is likely to soar significantly higher than normal during July.
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International News

Agricultural Production Resources

- About 3.4 million children in Pakistan are trapped in child labour, condemning them to a life of poverty.
- A UN report shows that 160 million children are trapped in child labour worldwide.
- Agriculture absorbs the highest percentage of children in employment in every South Asian country, including Pakistan.

Agricultural Inputs

- Modern technology must be utilised to reduce the effects of crop burning, instead of banning the practice altogether.

Trade

- Trade between the two countries (Russia and China) last month was worth \$20.5 billion.
- During a summit in March, Chinese President Xi Jinping and Russian leader Vladimir Putin pledged to boost trade to \$200 billion in 2023 as they hailed their “no limits” partnership.

International Financial Institutions (IFIs)

- The World Bank must use “informed risk-taking” to encourage private investors to get more engaged in helping developing countries deal with climate change and leapfrog fossil-fuel energy sources.
- “It is clear that the international financial architecture has failed in its mission to provide a global safety net for developing countries,” United Nations Secretary General Antonio Guterres said, calling the system outdated, dysfunctional and unjust.

Environment

- One in five people in South Asia are estimated to be at high risk due to a lack of access to cooling and safe indoor temperatures

- Forest fires in Canada left Montreal blanketed with smog, giving it the worst air quality of any major city in the world.
- There are 80 active forest fires in Quebec.

Socio – Economical Condition

- The global food import bill will hit a record \$1.98 trillion this year, up 1.5 percent on 2022, but volume will be lower due to the higher prices, the FAO said.
- Russian President Vladimir Putin said the food crisis had been caused by the actions of Western countries, not by what Russia calls a “special military operation” in Ukraine.

Climate Change

- More than 1,600 companies identified by non-profit platform CDP as having the biggest impact on the environment are not disclosing environmental data.
- Some 200 million people in poorer regions will be exposed to unliveable heat, and half a billion will face the destructive ravages of rising seas even if the world meets the more optimistic Paris target of a 1.5C cap.
- The world has just experienced its warmest early June on record.
- The continuing impact of the changing climate will result in 73 more deaths per 100,000 people by the end of the century.
- Since late 2020, countries in the Horn of Africa like Ethiopia, Kenya, and Somalia have been suffering the region’s worst drought in 40 years.
- An estimated 43,000 people died from the drought in Somalia alone in 2022.
- Countries have never, for example, respected their pledges of \$100 billion each year toward a climate transition fund for poor countries and haven’t found the funding to support a loss and damages scheme announced during the COP27 summit in Egypt.
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1 # AGRICULTURAL PRODUCTION RESOURCES

SAU plans museum depicting 5,000-year evolution of farming

Sindh Agriculture University (SAU) has started work on establishing an ‘agriculture museum’ on its campus in Tandojam. The museum would have eight galleries to put on display pictures and models depicting agricultural heritage from the Mohenjo Daro era to present day. Eight galleries planned to be set up in the museum would exhibit visuals of agricultural implements, handmade tools, irrigation systems, crop seeds, old crop patterns, storage systems, and soil samples, as well as models of different animal species, pertaining to the Mohenjo Daro era till date. There would be models of agricultural development from Mohenjo Daro era to the modern times along with animal-driven transport means and loading carts, bullock carts, thread, ropes, textile tools and use of agricultural products in food. (Dawn, June 3rd, 2023, Page 15)

1.1 # Farmer

SCA decries ‘exploitation’ of cotton growers by ginners

Sindh Chamber of Agriculture (SCA) general secretary Zahid Bhurgari has expressed grave concern over decline in the prices of cotton crop and urged the federal government to take action against the cotton ginners of Sindh. In a statement, he said that until recently Rs10,000 was offered to farmers and now Rs6,000 per 40kg was being paid as the ginners had established their monopoly, while the federal government had fixed Rs8,500 per 40kg as cotton price. He said the ginners were violating the prices openly and urged the Sindh and federal governments to take action against them. Their monopoly would undermine the cotton sector as the growers would get disappointed because they had already faced colossal losses in the last flooding season. (Dawn, June 26th, 2023, Page 15)

Rice growing areas: TDAP plans awareness campaigns

Trade Development Authority of Pakistan (TDAP) revealed that over 200 rejections/interceptions/rapid alerts were reported by European Union (EU) on account of the detection of more than permissible levels of Aflatoxins and Pesticide residues in the Basmati rice exported from Pakistan, in last two years. In order to educate farmers on both pre-and post-harvest management of rice so as to minimize the chances of occurrence of Aflatoxins and Pesticide Residues in Basmati Rice, TDAP with the help of ReMIT and in collaboration with other stakeholders is planning to organize awareness campaigns in rice growing areas of Punjab, Sindh, Balochistan and Khyber Pakhtunkhwa. (Business Recorder, June 27th, 2023, Page 7)

1.2 # Land

Move to hand over Punjab farmland to army scrapped

The Lahore High Court struck down a decision by the interim government of Punjab to hand over 45,000 acres of land in three districts to the army on a 20-year lease, saying that the agreement was beyond the mandate of both — the caretakers and the military. The army wanted ownership of land in Bhakkar, Khushab and Sahiwal for the purpose of Corporate Agriculture Farming (CAF) under the China-Pakistan Economic Corridor (CPEC). The petitions were filed by the Public Interest Law Association of Pakistan (Pilap), a not-for-profit legal organisation, and others. The caretaker government of Punjab had agreed to hand over 45,267 acres of land to the army. There was also an option to extend the deal for another 10 years. All subsequent notifications and developments, including the sanction or transfer of state land in favour of the Pakistan Army, were null and void as well. He expressed the hope that the federation of Pakistan, in concert with the army, navy and air force chiefs, will evaluate all activities and projects of the army. They must be ready to take remedial steps in order to ensure that the activities are in conformity with the constitutional and legal mandate of the armed forces. (Dawn, June 22nd, 2023, Page 1)

1.3 # Water

Ecneec puts off allocation of funds for canal projects over Sindh's opposition

Ecneec deferred approval for the allocation of funds for the controversial projects of Greater Thal Canal Phase-II and Chaubara Branch Canal till a consensus was reached among the provinces at a meeting of the Council of Common Interests (CCI). Sindh's representative Senator Nisar Ahmed Khuhro drew the committee's attention towards non-installation of telemetry system to monitor both the water flow and theft at Chashma, Taunsa and Guddu barrages. More water was being released into Chashma Canal while less water was being given from Taunsa to Guddu barrage. Besides, under the existing system, Sindh did not get its actual share. (Dawn, June 1st, 2023, Page 15)

Concerns voiced over water shortages

Serious concern at the water shortage in the country echoed during the meeting of National Assembly Standing Committee on Water Resources. The Committee reviewed water scarcity and continued conflict between Sindh-Punjab as a Special Committee led by Khalid Magsi also failed to present any solution to the conflict on water distribution and losses. The Committee was informed by IRSA officials that water scarcity in the country is 27% based on figures estimated by the IRSA. The Standing Committee was informed that due to blockage in the water discharge tunnel of Neelum-Jhelum Hydro Power Project the project was closed in 2022. Due to the blockage and closure of the

project a loss of billions of rupees has been incurred. However, the repair of maintenance work is rapidly in progress and more than 75% of the work has been completed. Rest of the work shall be completed in eight weeks and thereafter the project including power generation shall be started. (Business Recorder, June 1st, 2023, Page 7)

‘Unpredictable rainfall depleting groundwater resources’

Punjab is experiencing unpredictable rainfall patterns, leading to increased reliance on groundwater resources causing their depletion, warns Dr Mohsin Hafeez, director of Water, Food and Ecosystems at International Water Management Institute (IWMI). Speaking at a workshop organised to mark the World Environment Day under the UK Aid-funded Water Resource Accountability in Pakistan (WRAP) Programme, Mr Hafeez said a comprehensive strategy was needed to check the increasing pressure on subsoil water to save it for the future generations. Quoting a baseline survey, he said 61pc farmers were willing to change their current farming practices, which included flood irrigation, and needed guidance and support from the government to adopt a resilient farming approach. He said through climate-smart interventions, the IWMI Pakistan aimed at guiding the farmers, industrialists, urban water users and other stakeholders on sustainable water use. (Dawn, June 6th, 2023, Page 2)

Encroachments hinder LBOD uplift project

Illegal encroachments at the drainage division land in Jhuddo town has become a major obstacle in the rehabilitation of the Left Bank Outfall Drain (LBOD). A couple of months ago the authorities had started a two-year project to rehabilitate the LBOD to ensure proper and fast drainage of rainwater through natural waterways in Mirpurkhas district as every year after rainfall, a flood-like situation used to occur due to slow drainage, destroying crops and houses in the area. Khalid Arain, focal person of the rehabilitation project, told Dawn that the project was initiated by the Sindh government for which Rs2bn were being provided. Under the project, natural waterways would be restored and illegal encroachments removed. He added that small bridges would be widened, four underpasses constructed and two regulators to be installed. In the second phase, funds would be taken from the World Bank to complete it as strengthening work of the banks of spinal drain and Mirpurkhas Main Drain would also be completed under the stipulated time. (Dawn, June 8th, 2023, Page 15)

‘Sinkhole’ developed near Kotri Barrage structure warrants proper repair

A ‘sinkhole’ has been created near the structure of Kotri Barrage upstream and irrigation department officials are struggling to plug it which is otherwise threatening for the barrage, the last one over Indus river. No fully-fledged investigations were conducted to determine the nature of damage or work that necessitated dumping of ‘heavy stones’

upstream barrage. A repair work at a cost of Rs100m was being carried out chief engineer claiming that 65pc work had been completed. (Dawn, June 9th, 2023, Page 17)

Sindh writes letter to Centre over water shortage

Provincial Irrigation Minister Jam Khan Shoro has contacted the federal government regarding shortage of water in Sindh and asked to stop transfer of water from the Indus River to the Chashma Jhelum Link Canal (CJ Canal). In a letter addressed to Federal Minister of Water Resources, Syed Khurshed Shah, the irrigation minister said on the one hand, water was being stored in water reservoirs, while on the other hand, water was being released to Chashma Jhelum and Taunsa Panjand canals, as a result of which there would be a severe water shortage in the province, the provincial agriculture economy would be affected. He said that at present Sindh was facing 39 percent water shortage. (Business Recorder, June 24th, 2023, page 3)

Wapda asked to rationalise cost of Mohmand Dam HPP

Minister for Planning, Development and Special Initiatives Ahsan Iqbal has directed Wapda to rationalise the cost of 800-MW Mohmand Dam Hydropower Project (HPP). Total cost of the project is Rs 13.822 billion, with a FEC of Rs 5.967 billion @ US\$-Rs 266.67. (Business Recorder, June 26th, 2023, Page 2)

Sindh faces 37pc shortage of water at three barrages: minister

Sindh is experiencing 37 per cent shortage of water currently at its three barrages, but the Indus River System Authority (IRSA) has kept flood canals, including those of Jhelum and Thal, opened. Sindh Irrigation Minister Jam Khan Shoro told journalists that Irsa being a water regulator was filling dams and planning to irrigate millions of acres of land by building Jalalpur canal. He said paddy crop cultivation was being affected in Sindh due to the shortage, but Irsa was providing Taunsa-Panjnad link canal 1,000 cusecs and Chashma-Jhelum link canal 8,000 cusecs. He said that under the Water Accord 1991, a flow of 180,000 cusecs was to be provided to Guddu Barrage, but 160,000 cusecs was being provided at Taunsa which was 300km away from Guddu Barrage. (Dawn, June 26th, 2023, Page 15)

Ecneec clears Rs291bn road, water projects

Ecneec approved a total of eight development projects involving an estimated cost of Rs291 billion mainly in the water and road sectors. Ecneec also approved the Ministry of Water Resources' Makhi Farash Link Canal Project to be executed by the Irrigation Department of Sindh for water supply to Thar Coal in districts Sanghar and Umerkot at the revised cost of Rs12.087bn. The project has been prepared to carry 200 cusecs of canal water for electricity generation and agro-industrial growth. Kachhi Canal Project Restoration of Flood Damages 2022 was also approved by the Ecneec at a cost of

Rs8.28bn to be executed in Punjab’s districts of Dera Ghazi Khan, Muzaffargarh, and Rajanpur by Wapda. The project is related to the water scarcity and the protection of infrastructure from the onslaught of floods. (Dawn, June 28th, 2023, Page 9)

2 # AGRICULTURAL INPUTS

Agriculture Woes

The government has proposed a raft of incentives in the FY 2024 budget to boost the productivity of the agriculture sector and encourage investments in the agro industry. Among the steps announced by Finance Minister Ishaq Dar is a significantly large increase in loans for farmers — from Rs1.8tr to Rs2.2tr — the allocation of Rs50bn to shift 50,000 tube wells to solar power, the withdrawal of duties on seed import, and duty exemption on the import of combine harvesters. The budget also proposes the removal of duties on rice planters, seeders and dryers, in addition to setting aside Rs16bn for concessional loans and tax relief for agro-based industry. On the face of it, all these measures appear to be populist, aimed at pleasing a large electorate associated with agriculture. However, it remains unclear — and doubtful — whether these actions will have a meaningful impact on the lives of farmers, especially the smallholders. Nor is it clear if they are effective enough to address long-standing issues such as the rising cost of inputs, climate change, water shortages, etc, that are pulling down the farm sector and hampering value addition in a part of the economy on which depend, directly or indirectly, two-thirds of the population, for their livelihoods.

Agriculture is a large and diverse segment of the economy which remains criminally neglected, poorly organised and highly inefficient. Its problems are too complex to be dealt with the incentives announced in the budget. With the country trying to cope with a level of hunger that is described as serious by the Global Hunger Index, and having suffered massive damage to its farmlands last year due to climate change-induced floods, a complete rethink of obsolete agricultural policies that focus on fixing the prices of crops and doling out subsidies is needed. Studies have shown that the current policies protect the interests of big landlords, speculators and middlemen. Policies and fiscal interventions on behalf of a small group of large growers are the main reasons for growing rural poverty, low crop value addition, and rising food insecurity. No policy initiative or incentive can turn the agriculture sector around if it doesn’t put the smallholder farmers at its centre.

This means that the government must invest heavily in agriculture research, set up initiatives to encourage the formation of cooperatives and adoption of technologies, and mitigate the impact of climate change. It should also design programmes to enhance the small growers’ access to cheaper formal credit, give them crop insurance, and link them to the markets to eliminate the role of the middleman, thus raising their incomes. A

well-developed agriculture sector can contribute a lot to economic development and alleviate poverty. For this to happen, the policymakers need to clean up the mess they have made in this important sector. (Editorial, Dawn, June 12th, 2023, Page 6)

CM orders crackdown on fake agri medicines

Punjab Caretaker Chief Minister Mohsin Naqvi while presiding over a meeting at CM Office directed officials concerned to continue campaign against fake and adulterated agricultural medicines across the province. The proposals to increase cultivation of oil producing fields were also reviewed in the meeting. It was agreed during the meeting to formulate an effective strategy to increase production instead of under cultivation area of wheat. The proposal to grant further subsidy on agricultural machinery so as to increase the production of wheat, cotton and other fields was reviewed. The experts stressed upon cultivation of fields through a drill machine to increase production.

It was decided during the meeting to launch IT-based Cotton Crop Management Programme in the province. The meeting was informed that database of farmers will be completed during current month across the province. Services of approximately 2 thousand internee agricultural graduates will be availed for cotton campaign advisory service across the province. Satellite image of cotton field will be acquired with the assistance of Suparco. The farmers will be ensured provision of substantial agricultural income across the province. (The News, June 25th, 2023, Page 2)

Agriculture: Breaking down Sindh's agri budget

The government of Sindh intends to spend Rs6.9 billion on the agriculture sector in FY 24 out of an estimated Rs700bn budget for development expenditure. Overall, the agriculture sector's development budget, including foreign project assistance, stood at Rs11.9bn. These development allocations included funds for new and ongoing schemes. Many schemes that were reflected in the FY 23 budget books but could not be worked upon are now part of the budget. A breakdown of the agricultural development budget includes the following: research wing (Rs387m), extension (Rs396m), marketing (Rs125m), Sindh Seed Corporation (Rs50m), training and research (Rs25m), supply and prices component (Rs25m), agricultural mechanisation (Rs2.7bn), and water management (Rs3.3bn). Amid limited resources, the province hopes to tackle ambitious projects such as vertical farming and drainage improvement

The total Rs11.9bn has Rs4.9bn worth of foreign assistance from the Sindh Water and Agricultural Transformation (SWAT) project funded by the World Bank. The Sindh agriculture extension department has a share of Rs4.9bn after irrigation. A multi-billion rupee Sindh Irrigated Agriculture Productivity Enhancement Project (SIAPPEP), funded by World Bank and launched in 2015-16, was going to be completed this year for Rs30.1bn — an ongoing project for which Rs968m were earmarked. SIAPPEP was

launched at a cost of Rs18bn, however, inflationary pressure caused an escalation in its cost that shot from Rs18bn to Rs30bn in the current year. SWAT is another foreign-aided development project with an FY 24 allocation of Rs4.9m. It has been launched in Sindh’s farm and irrigation sectors.

Solar panels would be provided for Rs244.6m out of a total cost of Rs999.3m to a high-efficiency network which had been availed by farmers under SIAPEP. Water storage tanks were built by growers to provide water to land through a drip irrigation system. This scheme remained unapproved in the FY 23 budget with a revised allocation of Rs124.8m but zero releases. The FY 24 budget allocates Rs99m for a vertical farming scheme, of which Rs45.6m was reserved for the water management wing of the department. Subsidies in the form of seeds, material for tunnels, green net, and bed formation would be provided to growers for a two-acre plot. Vegetables would be grown in a controlled environment that has the potential to give better yields. The research wing would be spending Rs25m out of an estimated cost of Rs100m for “vertical development of wheat through speed breeding” in the Hyderabad and Shaheed Benazirabad divisions. An unapproved Rs2.8bn scheme of installation of “pulp processing units for fruits and vegetables in Sindh” was mentioned in this year’s budget with an allocation of Rs713m. Engineering department official said it was to be used mainly in tomato-producing areas for pulp processing. (Dawn, June 26th, 2023, Business and Finance Weekly, Page 2)

2.1 # Agricultural Finance

Banks disburse Rs1.222trn agri credit

With 27.5 percent growth, the agriculture lending financial institutions have disbursed Rs 1.222 trillion on account of agricultural financing during the first nine months (July-March) of this fiscal year. According to Economic Survey of Pakistan, the State Bank of Pakistan (SBP) allocated the indicative agricultural credit disbursement target of Rs 1.819 trillion for FY23, which is 28.2 percent higher than last year’s disbursement of Rs 1.419 trillion. Further, the outstanding portfolio of agricultural loans has increased by Rs 80.2 billion and reached Rs 712.9 billion at end March 2023 compared to Rs 632.7 billion at end March 2022, witnessing 12.7 percent growth. In terms of outreach, the number of outstanding borrowers has reached 3.04 million in March 2023. A analysis of the sector-wise disbursement reveals that out of the total disbursement of Rs 1.222 trillion, the farm sector has received Rs 625.1 billion (51.2 percent) and Rs 596.8 billion (49 percent) has been disbursed to non-farm sector during July March FY2023. (Business Recorder, June 9th, 2023, Page 1)

Allocation for agri loans to rise

Finance Minister Ishaq Dar announced that total agricultural loans will be increased 25 per cent from Rs1,800 billion in the outgoing fiscal year to Rs2,250bn in 2023-24. He said Rs30bn has been allocated to help farmers convert electricity- and diesel-run tube-wells to solar energy. All taxes and duties on the import of quality seeds, combined harvesters and machinery used in plantation and the drying up of the rice crop have also been withdrawn. A sum of Rs5bn has been apportioned for loans at concessional mark-up rates for agro industries. Food-processing units with a turnover of up to Rs800 million a year have been exempt from taxation. The government has also earmarked Rs6bn for extending a subsidy on imported urea and Rs10bn for loans to small farmers at a low mark-up. The provincial governments will share the burden for soft loans for small-holders on an equal basis. (Dawn, June 10th, 2023, Page 3)

2.2 # Agricultural Machinery

Agri sector: minister says country needs to adopt latest techniques

Federal Minister for Planning and Development Ahsan Iqbal said that to make Pakistan self-sufficient in food security the country needs to adopt the latest techniques and technology in the agriculture sector to boost the economy. While chairing a meeting on the government's key initiative, "Agricultural Revolution 2.0," the minister highlighted the importance of increased production of crops, saying a revolution in the sector was needed to meet future challenges. He said prompt measures were being taken to prevent the agriculture sector affected by the negative impacts of climate change, besides promoting research and introducing modern technology for getting better production. Potentially, Pakistan can produce edible oil to meet local demands but over the years owing to inconsistent policies the country failed to achieve it.

He said Pakistan has the potential to export billions of dollars of agricultural products worldwide but unfortunately was importing farm products worth \$10 billion dollars per annum. The minister said the country had immense potential to further progress in the agriculture sector for which research was being promoted to increase the productivity of crops. According to the minister, Pakistan can become a leading exporter of Halal meat, fisheries, dry fruits, fresh fruits, juices, grains, livestock and many other farm products, but to achieve this the country has to change the farming methods. He said that the government will fully focus on agriculture growth in the next fiscal budget and has set the agriculture growth target at 3.5 percent.

According to the State Bank of Pakistan's report released in January 2023, in the first quarter of the financial year 2022-23, Pakistan's palm and soybean-related imports hit US 4 billion dollars in 2021-22 which is the highest spending on food items. Similarly, Pakistan spent millions of dollars on the import of three million tons of wheat and

additional millions of dollars on the import of various pulses, tea, spices, and other items. (Business Recorder, June 3rd, 2023, Page 10)

Sustainable agriculture: experts say ‘AgriTech’ only solution

National and international experts have expressed that food security is a threat due to the shrinking land resources and water scarcity, due to increasing population, settlements on green lands, water logging, and drought in Sindh, while AgriTech is the only solution for sustainable agriculture. Experts told that for years the small farmer has been away from modern technology, while the world is worried about food security and malnutrition. These were discussed by the experts at a provincial seminar titled “The role of AgriTech- unlocking opportunities and overcoming Barriers” under the aegis of Sindh Agriculture University and with the support of European Union, Rural Support Program Network (RSPN) and Growpak. (Business Recorder, June 5th, 2023, Page 3)

2.3 # Agricultural Taxes

Agri tax won’t yield big amount: Bengali

Noted development economist Dr Kaiser Bengali has said attempts to mobilise revenue through income tax on agriculture won’t generate a substantial amount given the average farm size in the country. Dr Bengali said a majority of growers work on small farms and earn barely enough to qualify for income tax. Income tax on agricultural income is a provincial subject and applies to those farmers that earn Rs600,000 or more a year. Its collection remains minimal though, drawing vocal protests from the urban segments of society. “I used to be a proponent of taxing agricultural income until 10-12 years ago. I changed my opinion after looking at data, which shows the number of large landholders is so small that it’d hardly make a significant impact on the total revenue generation,” he said. In 2021-22, the latest fiscal year for which provincial data is available, Sindh collected only Rs707.4 million in tax on agricultural income. The sum amounted to less than 0.3 per cent of total provincial tax receipts in the same year.

However, Dr Bengali said taxing agricultural income is justified from the perspective of equity, which means everyone above a certain income level should pay taxes in proportion to their earnings. Income tax on agriculture equals only 0.5pc of the agriculture GDP while the tax contribution by the manufacturing sector amounts to 29pc of the sectoral GDP, according to Dr Bengali’s calculations. There’re 42.6 million acres of cultivated land distributed among 8.2m farms across the country, according to the 2023 State of Pakistan’s Agriculture report prepared by the Pakistan Agricultural Coalition and the Pakistan Business Council. About 45pc of the cultivated area is in farms that are less than 12.5 acres each. Only 13,500 farms are of more than 150 acres collectively holding 1.5m acres of land. A vast majority of these farms are “highly

unlikely” to own machinery storage, cash reserves given that “they’ve hardly any ability to invest,” according to the report. (Dawn, June 8th, 2023, Page 9)

Super tax waiver, tax on real estate, agri sectors in phases proposed

The Senate proposed 55 recommendations and changes in the Finance Bill 2023 including the abolition of super tax and gradual imposition of taxes on the real estate and agricultural sectors. It has been proposed to gradually impose taxes on the real estate and agricultural sectors. It has been proposed to establish tax-free zones for foreign direct investment and rationalise the subsidy mechanism for seeds, fertilisers, solar energy devices, and essential food items. (Business Recorder, June 20th, 2023, Page 1)

Punjab cabinet rejects proposal for agri tax on five-acre land

The Punjab caretaker cabinet rejected the proposal to impose agricultural income tax on owners of five-acre land. (Dawn, June 23rd, 2023, Page 2)

2.4 # Seed

PARC okays 14 high-yield rice varieties

The Rice Evaluation Committee of Pakistan Agricultural Research Council recommended 14 high-yield rice hybrids from private seed companies for cultivation in Pakistan. In addition, the National Institute of Genomics and Biotechnology (NIGAB) of PARC has introduced four fine rice varieties that have demonstrated significantly higher grain yield compared to the currently grown varieties. These fine rice varieties were also endorsed by the Variety Evaluation Committee (VEC) for cultivation in Pakistan, with the aim of enhancing farmers’ productivity and profitability. In addition to the above recommendations, the VEC also suggested the cultivation of Sona Super Basmati, a long-grain variety measuring 9.5mm, and Vital Super Basmati developed by the Rice Research Institute at Kala Shah Kaku. Vital Super Basmati is notable for its high levels of zinc and iron enrichment. (Dawn, June 20th, 2023, Page 9)

2.5 # Subsidies

Growers to get incentives in budget: PM

Prime Minister Shehbaz Sharif vowed to give priority to the agriculture sector in the forthcoming budget by offering incentives to growers to improve production and rural economy. Mr Sharif reminded the huddle that agriculture sector is the backbone of economy and the country’s progress is not possible without innovations. “Due to the incumbent government’s Kissan package, record wheat yield has been achieved in the current season”. The government would ensure provision of timely loans to farmers on easy terms, the PM said. Mr Sharif ordered for direct provision of subsidy to farmers on fertilisers. He said resources would be allocated in the budget for provision of quality

seeds, latest machinery, agriculture research, etc. He said practical steps should be suggested in the budget for conversion of agriculture tube wells into solar energy.

The prime minister was also informed about the international quality seeds, import of semen for animal breeding, functioning of agriculture institutions and implementation of the Kissan package. The meeting discussed the National Oil Seed Policy whose objective was to reduce dependence on import of edible oil by provision of quality seed. Automatic Seed Certification and Track and Trace System was being introduced for provision of quality seed, it was informed. (Dawn, June 1st, 2023, Page 5)

Subsidy for small farmers

The provincial government has decided to give subsidy of Rs60,000 each to over 200,000 small farmers on urea and DAP fertilizer in the budget for financial year 2023-24. Chief Minister's Agriculture Adviser Manzoor Wassan said that 234,313 farmers having land from one acre to 12.5 acres would be given subsidy in the form of fertilizer. He said that the subsidy amount of Rs14 billion on urea and DAP fertilizer would be given to the registered farmers of the province. (Dawn, June 10th, 2023, Page 15)

Subsidies raised to Rs1.074trn

The federal government has budgeted an increase in subsidies by 62 percent, ie, from Rs664 billion in budget 2022-23 to Rs1.074 trillion in FY 2023-24. For IPPs, an amount of Rs310.075 billion has been earmarked in the budget against budgeted amount of Rs180 billion for 2022-23, showing an increase of 72 per cent. For Passco, Rs7 billion has earmarked for subsidy on account of wheat operations and wheat reserved stocks. An amount of Rs49 billion has been earmarked for other budgeted subsidies of which Rs10.5 billion are for wheat subsidy to GB, Rs30 billion for fertilizer plant, Rs6 billion for import of urea. Rs7 billion for provision of subsidy for interest free loans for farmers in flood affected areas, Rs6.4 billion for markup subsidy and risk sharing scheme for farm mechanization and Rs1.3 billion for interest free loan to landless farmers in flood affected areas. (Business Recorder, June 10th, 2023, Page 1)

3 # AGRICULTURAL OUTPUT

3.1 # Cash Crop

Expert says climate change, water scarcity can affect rice production

Chairman Rice Research and Development Board Punjab Shahzad Ali Malik warned that challenges such as climate change, water scarcity, and pests can affect rice production in Pakistan and hectic efforts must be made on top priority to address these issues through research and development, improved farming practices, and policy support to ensure the continued importance and sustainability of rice as a cash crop in

the country's economy. He said its cultivation serves as a means of poverty alleviation in rural areas of Pakistan. He said small scale farmers, who constitute a substantial portion of the rice-growing community, are able to generate income and improve their living standards through rice farming. (Business Recorder, June 12th, 2023, Page 13)

100pc cotton sowing accomplished in Faisalabad, Sahiwal, Sargodha

The caretaker Chief Minister Punjab Mohsin Naqvi presided over a meeting at his office where it was revealed that the objective of achieving 100% cotton sowing had been accomplished in Faisalabad, Sahiwal, and Sargodha. Over an area of more than 4.6 million acres of land. He reiterated the government's commitment to safeguard the interests of cotton growers at all costs and directed the administration to ensure an adequate supply of urea for the farmers. (Business Recorder, June 14th, 2023, Page 2)

PAD has failed to achieve cotton sowing target: PWC

The Punjab Water Council (PWC) has alleged that the provincial agriculture department has failed to achieve the cotton sowing target while a shortage of water may also leave a negative impact on the area under the crop thus leading to difficulties in achieving the production target. "The Punjab Agriculture Department had fixed the target of cotton sowing over 5 million acres of land this year and in a recent briefing claimed that over 95 per cent of the target had been achieved. However, I think that they had reached only around 4 million acres of land. In comparison, last year the same crop had been sown over 3 million acres of land," said the founder of the Punjab Water Council Farooq Bajwa. He said that water was not provided to growers in proper quantity in the month of May which was the month of sowing of cotton. He also challenged the claim of the department of achieving 96 per cent of the target and alleged that they had no method to measure the cultivation. He said earlier Patwaris visited the field under the canal system and assessed the cultivation. (Business Recorder, June 18th, 2023, Page 5)

3.2 # Fruits

Pest attacks, climatic conditions hit sindhri mango crop

This year's crop of sindhri is faced with multiple issues ranging from pest attacks to climatic conditions, which didn't go down well with the growers. The crop's average yields per acre are likely to be hit this year. Shah Mohammad Talpur, a young mango producer, recalls he didn't see batoor, a Sindhi word for fungal-driven malformation, in orchard during his life at that huge scale. Growers turn to high-density farming to boost production. In this modern concept, more trees are grown with less space between them and shorter canopies. Lower Sindh, home to mango production, had decent flowering and fruit setting around the February-March period, but then came multiple fungal and pest attacks on the crop. (Business Recorder, June 19th, 2023, Page 3)

4 #NON AGRICULTURAL PRODUCTION

4.1 # Dairy

Sales tax zero-rating on supply of dairy products to continue

The sales tax zero-rating on local supplies of dairy products including milk/fat filled milk would remain intact in the upcoming budget (2023-24). Budget makers told that no proposal is under consideration to impose sales tax on milk or any other dairy product at the domestic stage or local supplies. Therefore, the new taxation measure has no revenue impact of sales tax on dairy products, officials added. According to the sources, zero-rating was brought back in 2021-22 to extend support for milk and dairy sectors growth, however taxation on these essential products would increase their prices and lead to reduced demand, affecting dairy farmers.

According to the World Food Programme, Pakistan has one of the highest rates of malnutrition in the world, with an estimated 43.7% of children under the age of five being stunted, 17% being wasted, and 31.5% being underweight. Malnutrition is a serious challenge in Pakistan that is increasing the health bill of the nation by 10% per annum, particularly in rural areas where access to nutritious food may be limited.

Present tax regime has shown remarkable growth in the dairy sector. Despite the country's current annual milk production capacity surpassing 60,000 million tons, only a mere 6 to 7 percent undergoes processing and packaging. Farmers will lose because of low demand of packaged milk and dairy products resulting in poor livelihood of a farmer. There are 10 million people connected with dairy sector which will be deprived due to low demand. (Dawn, June 7th, 2023, Page 12)

5 #Trade

Barter trade set to start with Afghanistan, Iran, Russia

Pakistan has passed a special order to allow barter trade with Afghanistan, Iran and Russia for certain goods, including petroleum and natural gas, the Ministry of Commerce said. Left with barely enough foreign exchange reserves to cover one month's imports, the government is desperately trying to manage a balance of payments crisis and bring inflation under control after it hit a record of nearly 38 per cent last month. The government order, called B2B Barter Trade Mechanism 2023 and dated June 1, lists goods that can be bartered. State and privately owned entities would need approval to participate in the trade mechanism. In May, the Pakistan Petroleum Dealers Association complained that up to 35pc of the diesel sold in Pakistan had been smuggled from Iran. The government has also ordered a clampdown on smuggling of flour, wheat, sugar and fertiliser to Afghanistan. (Dawn, June 3rd, 2023, Page 1)

July-May trade deficit shrinks 40.59pc to \$25.79bn YoY

Pakistan's trade deficit narrowed by 40.59% to \$25.791 billion during the first 11 months (July-May) of the current fiscal year 2022-23 as compared to \$43.409 billion during the same period of last year, the Pakistan Bureau of Statistics (PBS) said. The trade deficit widened by 142.91% on a month-on-month basis and stood at \$2.089 billion in May 2023 compared to \$860 million in April 2022. The country's exports during July-May (2022-23) were recorded at \$25.366 billion against exports of \$28.871 billion in July-May of 2021-22, a decline of 12.14%, according to the trade data released by the PBS. The imports decreased by 29.22% during the period under review by going down from \$72.280 billion last year to \$51.157 billion during the current year. (Business Recorder, June 3rd, 2023, Page 1)

Goods for barter notified

Ministry of Commerce has announced a list of 57 products for barter trade with Afghanistan, Iran and Russia to save the country's foreign exchange at a time when its foreign exchange reserves are running low. The commerce ministry through SRO642 notified a list of goods eligible for import and export under barter trade with Afghanistan. However, only imports are allowed under the scheme with Iran and Russia. (Dawn, June 7th, 2023, Page 9)

Dip in exports, remittances offsets gains of low imports

The fiscal year 2023 was not very different from the previous many years as the external account recorded a dismal performance owing to increased debt repayment, dwindling reserves and falling exports. The government's only solace lay in its success in curtailing the import bill but decreased exports and poor remittance collection significantly offset any gains on that front, according to the Economic Survey 2022-23. Exports fell by 9.8 per cent during Jul-Mar FY 2023 to \$21 billion.

The quantum in the corresponding period last year was \$23.3bn. The total imports during Jul-Mar, FY 2023 stood at \$43.7bn compared to \$58.9 billion in the same period last year, a dip of 25.7pc. The impact of floods also offset the imports target as cotton production fell to 4.91m bales during FY 2023, compared to 8.3m bales last year, forcing the government to import the commodity to meet the domestic requirement of around 15m bales. (Dawn, June 9th, 2023, Page 10)

Payment made in Chinese currency: govt

Pakistan paid for its first government-to-government import of discounted Russian crude in Chinese currency, the South Asian country's petroleum minister said, a significant shift in its US dollar-dominated export payments policy. Discounted crude offers respite as Pakistan faces an acute balance of payments crisis, risking a default on

its debt obligations. The foreign exchange reserves held by the central bank are scarcely enough to cover four weeks of controlled imports. (Business Recorder, June 13th, 2023, Page 1)

Pakistan, Azerbaijan agree to enhance trade & energy cooperation

Pakistan and Azerbaijan agreed to enhance bilateral cooperation in the fields of energy, trade and aviation to reflect the decades-old strong relationship between the two nations. (Business Recorder, June 16th, 2023, Page 1)

Trade with Pakistan set to exceed \$1bn: Uzbek envoy

Uzbekistan Ambassador Oybek Ismanov said the trade between Pakistan and Uzbekistan would surpass USD1 billion, which is currently USD150 million, in the wake of transit trade and preferential trade agreement (TTPTA) implemented in March this year. He recalled that Uzbekistan-Pakistan Inter-governmental Commission on Trade-Economic and Scientific-Technical Cooperation (IGC) was held in February this year in Tashkent. (The News, June 25th, 2023, Page 12)

5.1 # Export

Govt approves Rs4bn SG for Punjab's export-oriented sectors

Federal government approved a supplementary grant of Rs4 billion for a further gas subsidy to Punjab-based five export-oriented sectors for two months. Furthermore, the ECC was informed that a subsidy cover of Rs40 billion for RLNG had been allocated under the federal budget 2022-23 which will be reviewed on a quarterly basis. (Business Recorder, June 1st, 2023, Page 28)

Exports contract by 17pc in May, record ninth straight drop

For the ninth month in a row, Pakistan's merchandise exports dived by 16.69 per cent year-on-year to \$2.18 billion in May, showed data released by the Pakistan Bureau of Statistics. In the first 11 months (July to May) of 2022-23, the exports dipped 12.14pc to \$25.36bn compared to \$28.87bn in the corresponding period last year. At the same time, imports also plunged by 36.76pc to \$4.27bn in May compared to \$6.76bn in the corresponding month last year. Imports fell 29.22pc to \$51.15bn during July-May from \$72.28bn over the corresponding period last year. Between July and May FY 23, the trade deficit decelerated by 40.59pc to \$25.79bn from \$43.40bn over the corresponding months of last year. In May, the trade deficit fell year-on-year by 49.49pc to \$2.08bn. (Dawn, June 3rd, 2023, Page 9)

KCA underscores need for safeguarding interests of all segments of cotton trade

The Karachi Cotton Association (KCA) urged upon the government that the policy of free trading in cotton should be continued in the coming years without any change or modification to safeguard the interests of all segments of the cotton trade. Government has been following the policy of free trading in cotton i.e. free export and import of cotton without any duty and quantitative or qualitative restrictions for the past several years. This policy has been designed to safeguard the interests of all segments of the cotton trade. The KCA, therefore, urges the Government that export of Raw Cotton should be allowed zero rated by withdrawing 18% GST at ginning stage. (Business Recorder, June 3rd, 2023, Page 7)

Pakistan earns \$235m despite record vegetable shipments

Due to falling vegetable prices on world markets, Pakistan earned a meagre amount despite exporting a record quantum of 1.035 million tonnes in the first nine months of the current fiscal year. Pakistan fetched \$235 million from vegetable exports during 9MFY 23 compared to \$240m from 675,331 tonnes in the corresponding period last year. The average per-tonne price (APT) in 9MFY 23 dropped to \$227 from \$356 in the same period last fiscal year. Previously, the country exported 1.022m tonnes in the entire FY 19 which fetched \$234m. (Dawn, June 4th, 2023, Page 11)

20,000 tons of DAP fertilizer sent to Afghanistan from Gwadar port

A private sector consignment of 20,000 tons of DAP fertilizer has been sent from Gwadar port to Afghanistan. This batch of DAP fertilizer was imported from Australia under the Afghan Transit Trade Agreement by KB Fertilizer and Agven Pvt Ltd, enterprises operating in Gwadar Free Zone (South). An official from COPHC told that the DAP fertilizer has been executed by Shipping service provider (Makran Trader) and Ship clearing agent. “Both of them are local companies. This means Gwadar port is providing business opportunities to the locals on a large scale,” he added. In 2022, Gwadar port processed a private sector consignment of 8,000 tons of DAP fertilizers and transported it via road to Afghanistan, marking the first Afghanistan-bound fertilizer shipment. (Business Recorder, June 5th, 2023, Page 7)

China allows Pakistani meat traders to export beef

Businessmen have welcomed the landmark decision of the General Administration of Customs of China (GACC) to allow Pakistani meat exporters to export beef to China. They said the decision of China will enable Pakistani exporters to earn millions of dollars by exporting beef to Chinese importers. They, however, asked the exporters to follow certain guidelines issued by the Chinese authorities for Pakistani exporters for meat exports. (Business Recorder, June 16th, 2023, Page 2)

Russia clears 15 more rice companies for imports

Amid a declining trend in rice exports in the outgoing fiscal year, a ray of hope has emerged with the registration of 15 more rice establishments for exports to the Russian Federation. Russia restricted imports from Pakistan due to pest interception in rice. However, it lifted the ban in 2021 and allowed only four mills which had complied with quality standards. The Department of Plant Protection (DPP), with the support of the Rice Exporters Association of Pakistan (REAP), took special steps to upgrade 15 more mills as per the guidance document of Russia for compliance with the sanitary and phytosanitary (SPS) requirements for rice exports. Now, 19 rice companies can export rice to Russia. The move is good news for rice farmers, especially in Punjab and Sindh as their main source of earnings is based on these exports.

Pakistan's basmati exports shrank to 541,492 tonnes (\$588m) in 11MFY23 from 695,564 tonnes (\$632n) in the same period last fiscal year. Other rice varieties' foreign sales fetched \$1.4bn with shipments of 2.964m tonnes in July-May FY 23 against \$1.6bn (3.816mn tonnes) in the same period last year. (Dawn, June 17th, 2023, page 11)

July-May textile group exports fall 14.72pc to \$15.029bn YoY

The country's textile group exports declined by around 14.72 percent during the first eleven months (July-May) of the current fiscal year 2022-23 and remained at \$15.029 billion as compared to \$17.623 billion during the same period of last year, the Pakistan Bureau of Statistics (PBS) said. (Business Recorder, June 17th, 2023, Page 1)

Over \$7bn lost in exports, remittances

As the government keeps struggling to secure \$1.1 billion from IMF, the country lost \$7.15bn on account of shrinking exports and remittances during the first 11 months of FY 23. Exports plunged by \$3.491bn, or 12 per cent, to \$25.380bn during July-May of FY 23 compared to \$28.871bn in the same period of the last year, official data showed. Similarly, remittances fell by 12.8pc to \$24.831bn during the first 11 months of the current fiscal year, posting a net loss of \$3.658bn. The combined loss from these two sectors is much higher than the country is willing to receive from the IMF and borrow from commercial banks and other agencies. (Dawn, June 18th, 2023, Page 9)

Plan to promote meat industry for export to China

The Punjab government has decided to take steps on an urgent basis for promoting the meat and poultry industry in the province after China expressed interest in importing fresh meat from Pakistan. A Chinese delegation called on Punjab Livestock Minister Ibrahim Murad here and expressed its interest in importing meat, particularly beef, from Pakistan. (Dawn, June 26th, 2023, Page 2)

Non-textile exports fall to \$10.3bn

Pakistan's exports of non-textile products, except sugar and meat, fell 7.91 per cent to \$10.36 billion in the first 11 months of the current fiscal year as against \$11.25bn over the corresponding period of last year. (Dawn, June 29th, 2023, Page 9)

5.2 # Import

Cut in tax rates amongst reasons behind huge income tax exemptions cost

The reduction in tax rates including withholding tax on the import of sugar is one of the reasons for huge cost of income tax exemptions during 2021-22. Tax under section 148 on commercial import of the white sugar was collected at the rate of 0.25% from January 26, 2021 till the June 30, 2021. (Business Recorder, June 12th, 2023, Page 12)

Oil imports shrink 22pc amid demand slowdown

Amid economic slowdown, the country's oil import bill and local production of petroleum products declined 21.84 per cent and 11.23pc, respectively, during the first 11 months of FY 23. Exports of petroleum products were down by 24.61pc in 11MFY 23 from a year ago. The foreign sales of crude oil and petroleum products were down by 21.97pc and 32.65pc, respectively. (Dawn, June 23rd, 2023, Page 9)

Import curbs lifted despite low reserves

The State Bank of Pakistan relaxed the import restrictions imposed in December last year despite dwindling foreign exchange reserves. Earlier, the banks had been advised to prioritise certain types of imports under different categories in the wake of poor foreign exchange reserves and a large trade deficit. (Dawn, June 24th, 2023, Page 9)

6 # CORPORATE SECTOR

Fruit farmers in Punjab, KP, G-B adversely impacted

Fruit farmers in Punjab, Khyber Pakhtunkhwa, Gilgit Baltistan have been severely impacted following a drastic decrease of 50 percent in demand of fruit-pulp procurement by the pulping companies/juice manufacturers. The industry data revealed that the imposition of 10 percent federal excise duty (FED) in the supplementary budget in February 2023 has a direct impact on the farmers engaged in the production of seasonal fruits. According to statistics, the industry procured an estimated 100,000 tons of mangoes, along with other fruits, from local farmers specifically for the purpose of converting them into pulp in 2022. Meanwhile, the formal packaged juice industry has experienced a substantial 45% plunge in March and April 2023 volumes as a direct result of the implementation of a 10% FED on juices in February 2023 through the Supplementary Budget. (Business Recorder, June 5th, 2023, Page 4)

7 #INTERNATIONAL AID / LOAN

German bank to assist BISP in rehabilitation of flood victims

The Benazir Income Support Programme (BISP) signed a MoU with a German bank for alleviation of poverty and rehabilitation of flood victims in the country. Under the agreement, KfW will provide 27 million euros (over Rs8 billion) to the social safety network. (Dawn, June 11th, 2023, Page 5)

Transmission lines, grid stations in Punjab: €180m French loan pact signed for NTDC projects

Dr Kazim Niaz, the federal secretary Ministry of Economic Affairs (MoEA), Nicolas Galey, ambassador of France and Philippe Steinmetz, country director of the French Development Agency (AFD), signed the credit facility agreement worth €180 million to finance the National Transmission and Despatch Company (NTDC) transmission lines and grid stations projects located in Vehari, Arifwala and Sialkot. The Republic of France, through the French Development Agency, is providing technical and financial support in several sectors such as energy, water and sanitation, urban development, and cultural heritage. (Business Recorder, June 15th, 2023, Page 14)

Reconstruction of flood-hit areas: Country to get \$4bn from \$9bn pledged at Geneva moot: officials

Pakistan is to receive \$4 billion out of over \$9 billion pledged during the Geneva conference in January 2023 to rebuild destroyed infrastructure owing to the devastating floods of 2022. Officials said that a portfolio worth \$600 million for Islamic Development Bank has been prepared. Similarly, Sindh has done a tremendous job for the reconstruction of houses damaged by floods. For the purpose, World Bank will provide \$500 million, while Sindh will provide \$200 million from its own resources. (Business Recorder, June 17th, 2023, Page 5)

JDS programme: Japan announces 315m yen grant aid

The government of Japan announced grant aid worth 315 million Japanese yen (around \$2.25 million) for the Human Resource Development Scholarship (JDS) programme in Pakistan. Japan funds solar panels installation project at school in KP. The JDS is designed to support the social and economic development of the country by providing government officials with the opportunity to obtain masters or doctoral degree in Japan. (Business Recorder, June 23rd, 2023, Page 1)

World body to help Pakistan make bio-based textiles

The governing body of Global Environment Facility (GEF) has approved a new project to turn waste from the banana value chain into sustainable bio-based textiles, was

announced during a session of the GEF council in Brazil. Pakistan will receive a grant of \$3.73m over six years. Funding from GEF will valorise waste from banana production in Sindh. It joins 25 other FAO-led initiatives selected as part of the next GEF cycle at the June council, which together will receive \$174.7m in GEF funding and leverage an estimated \$1.2b in co-financing. About two-thirds of biomass produced during banana production is wasted. (Dawn, June 29th, 2023, Page 3)

7.1 # China

SBP gets \$1bn from China

The State Bank of Pakistan (SBP) announced that it has received \$1 billion from China, without sharing any other details about the nature of this inflow. Pakistan reportedly paid \$1bn to China against a reportedly due amount of \$1.3bn. Finance Minister Ishaq Dar was hopeful for the return of \$1bn. Separately, Mr Dar informed a National Assembly Committee that \$300m loan from China Development Bank, maturing on June 26 will be refinanced before June 30. Pakistan is hopeful to roll over \$4bn of bilateral Chinese loans while it is also willing to extend the tenure of the maturity of the bilateral loans. Islamabad owes \$3bn to Saudi Arabia and \$2bn to UAE. Experts believe the total \$9bn bilateral loans could be rolled over through better negotiations with these countries. (Dawn, June 17th, 2023, Page 11)

Pakistan receives another \$300m from China

The country's total liquid foreign exchange reserves fell by \$515 million during the last week, mainly due to external debt servicing. However, Pakistan has received another inflow amounting to \$ 300 million from China. According to State Bank of Pakistan (SBP), the total liquid foreign exchange reserves held by the country stood at \$ 8.864 billion as of June 16, 2023 compared to \$ 9.378 billion on June 6, 2023. During the week under review, the SBP's foreign exchange reserves decreased by \$ 482 million to \$ 3.537 billion down from \$ 4.0187 billion due to external debt payment. Similarly, net forex reserves held by commercial banks also declined by \$32.6 million to reach \$ 5.327 billion during the last week. (Business Recorder, June 23rd, 2023, Page 1)

7.2 # United States Agency for International Development (USAID)

US to provide \$445.6m for uplift

The United States will provide grant assistance of \$445.6 million to Pakistan under a new five-year bilateral Development Objectives Assistance Agreement (DOAA), signed. The agreement will be instrumental for socio-economic uplift of the country, supporting major areas like climate-resilient economic growth, inclusive and accountable democratic governance and a healthier and more educated population. The last development partnership agreement — Pakistan Enhanced Partnership Agreement

(PEPA) — was signed between the two countries in 2010. A statement issued by the Economic Affairs Division says the agreement has been signed between the government and USAID after an extensive consultative process with the federal and provincial departments. (Dawn, June 8th, 2023, Page 3)

USAID raises fund for flood-hit people by \$16.4m

USAID Deputy Administrator Isobel Coleman has announced extra \$16.4 million aid for flood-hit people who were struck by the calamity last year. Ms Coleman said more than 200m calamity-stricken people would benefit from the additional aid. The kitbag distribution ceremony was held with the joint cooperation of the Sindh government, USAID, PPHI, Path fender, and Building Healthy Families Activity. Talking to the media on the occasion, Ms Pechuho said USAID had given 5,000 boxes of nutrition supplements and 150,000 kitbags for the lady health workers. She said the kits provided would be very helpful in check-ups of women, children, and men as they contained medicines and other necessary items. (Dawn, June 8th, 2023, Page 15)

USAID links economic growth with reforms

The government needs to follow a reform agenda and adopt solid macro-economic policies to put the national economy on strong footing, Deputy USAID Administrator Isobel Coleman said at the end of her visit to Pakistan. The United States wants stable and prosperous Pakistan and USAID would help the government in improving its economy. USAID has been investing in Pakistan’s economy for many years, but no amount of USAID funds is going to deliver that; it is the reform agenda that should come from the government. The government, civil society and the private sector with whom USAID works require concerted efforts to put the economy on stronger footing,” she said. (Dawn, June 10th 2023, Page 5)

8 # INTERNATIONAL FINANCIAL INSTITUTIONS (IFIS)

8.1 # Asian Development Bank (ADB)

International lenders ask govt to clear dues of BRT contractors

International lenders Asian Development Bank and French Agency for Development have formally asked the Khyber Pakhtunkhwa government for the immediate payment of dues to the contractors of the Peshawar Bus Rapid Transit warning its failure to sort out the issue will negatively impact their partnership for the province’s development. The ADB and AFD have provided a total of \$475.7 million funds for the mass transit. The BRT contractors insist that the provincial government has not paid the five contractors engaged for the public transport system in the past several months with liabilities totalling over Rs1 billion. In a joint letter, ADB and AFD informed that any further delay in payments to the operators and possible closure of the BRT service

would constitute a violation of the loan and project agreements their financial institutions signed with the provincial and federal governments. “This breach, if not rectified promptly, will have serious consequences for the ongoing projects, future loans, and the continuation of the co-financing being provided by the AFD for the Peshawar BRT project,” the two noted in the communication. According to them, the ADB and AFD are working closely with the KP government for inclusive, resilient and sustainable growth of the province. (Dawn, June 4th, 2023, Page 8)

ADB mulls \$250m for strengthening power lines

The Asian Development Bank (ADB) is considering supporting the development of some of the required transmission lines through a \$250 million loan to the power transmission strengthening project in Pakistan. (Dawn, June 4th, 2023, Page 11)

ADB’s IED terms ‘Pakistan Programme’ highly successful

The Independent Evaluation Department (IED) of the Asian Development Bank (ADB) has rated “Pakistan: Covid-19 Active Response and Expenditure Support Programme” worth \$500 million highly successful on the basis that it was highly relevant, effective, and highly efficient. (Business Recorder, June 7th, 2023, Page 12)

ADB approves \$114 million to resolve Rawalpindi’s water woes

The Asian Development Bank (ADB) will provide \$114 million, approx. Rs34.124 billion, to launch four mega projects in the garrison city to provide clean water to the residents. The projects will start next month. Commissioner Liaquat Ali Chattha said that the ADB would provide funds under phase-I of the Developing Resilient Environment and Advancing Municipal Services (Dreams-I). He said the administration would be able to meet the “future requirements of water” in Rawalpindi and added that the divisional administration was committed to providing clean water to people at their doorsteps at reasonable rates. (Dawn, June 20th, 2023, Page 4)

8.2 # International Monetary Fund (IMF)

Govt looks for new IMF loan deal beyond stalled review

A fresh IMF bailout programme has become inevitable as the lender remains adamant that Pakistan bridge the external financing gap of \$6 billion for this fiscal year and reach an understanding on the next year’s budgetary framework before the current loan deal expires on June 30. Informed sources said the government would be formally approaching the International Monetary Fund for a new programme early next fiscal year after completing the much-delayed ninth quarterly review on a positive note. A new loan deal, they said, was important because the country would need more than

\$25bn in external financing during the next fiscal year, something that could not be raised from commercial banks and capital markets without an IMF umbrella.

Minister of State for Finance and Revenue Dr Aisha Ghaus Pasha told Pakistan was asked to arrange the \$6bn fresh loans to bridge the financing gap until the end of this fiscal year, on June 30. She recalled that the IMF had earlier sought an upfront commitment of half of the external needs of \$6bn to reach a staff-level agreement. The authorities arranged those funds through \$2bn from Saudi Arabia and \$1bn from the United Arab Emirates, who also directly made confirmations to the IMF, she said. As such, the authorities managed to secure about \$4.5bn funding, including from other multilaterals like the World Bank by completing their prior actions for the Resilient Institutions for Sustainable Economy (RISE) for \$450 million, co-financing of \$250m from the Asian Infrastructure Investment Bank (AIIB) and some other inflows against Geneva pledges for flood rehabilitation. (Dawn, June 2nd, 2023, Page 1)

Govt shares some details of federal budget with IMF

Amid rumours of suspension of the International Monetary Fund (IMF) Extended Fund Facility (EFF) programme, the government of Pakistan has shared some of the details of the fiscal year 2023-24 budget with the Fund, confirmed by Esther Perez Ruiz, Resident Representative of IMF in Pakistan. “IMF staff continues the engagement with the Pakistani authorities to pave the way for a Board meeting before the current program expires at end-June, focused on the restoration of foreign exchange (FX) proper market functioning, the passage of a fiscal year 2024 budget consistent with program goals, and adequate financing,” the Fund added. (Business Recorder, June 6th, 2023, Page 1)

Stalled bailout: IMF says govt has to satisfy it on 3 counts, starting with budget

Pakistan has to satisfy the IMF on three counts, starting with a budget due, before its board reviews whether to release at least some of the \$2.5 billion still pending under a lending programme expiring this month, an IMF official said. Esther Perez Ruiz, the International Monetary Fund’s resident representative for Pakistan, said there was only time for one last IMF board review before the end of the \$6.5 billion Extended Fund Facility (EFF) at the end of June.

Pakistan has barely enough currency reserves to cover one month’s imports. It had hoped to have \$1.1 billion of the funds released in November - but the IMF has insisted on a number of conditions being met before it makes any more disbursements. The IMF had tasked Pakistan with securing external financing commitments for \$6 billion from other sources, but so far it has only obtained commitments for \$4 billion, mostly from Saudi Arabia and the United Arab Emirates. The country is reeling from an economic crisis with inflation running at a record 37.97% in May. The government has imposed taxes, raised energy tariffs and scaled back subsidies in an attempt to persuade the IMF

to unlock funding, and its central bank has also raised policy interest rates to a record 21%. (Business Recorder, June 9th, 2023, Page 1)

Tax amnesty in budget ‘against IMF conditions’

The International Monetary Fund (IMF) has raised several issues with the budget for FY 24, tabled by the government in the National Assembly last week, but said the lender remains ready to work with Pakistan to refine the draft ahead of its passage. In a statement, Ms Perez said the new tax amnesty scheme proposed by the government in the budget sets a “damaging precedent” and runs against the programme’s conditionality. The statement did not specify which particular scheme the fund was taking issue with. The statement also notes that the draft FY24 budget “misses an opportunity to broaden the tax base in a more progressive way, and the long list of new tax expenditures reduces further the fairness of the tax system and undercuts the resources needed for greater support for vulnerable BISP recipients and development spending”. With reserves at critical levels for the past several months, Pakistan was expected to get around \$1.2 billion from the IMF in October last year as part of the EFF’s ninth review. But almost eight months later, that tranche has not materialised. (Dawn, June 15th, 2023, Page 1)

Rs215bn in new taxes to help seal IMF deal

The government has made several changes to next fiscal year’s budget, including fiscal tightening measures dictated by the International Monetary Fund (IMF) in a last-ditch effort to secure critical funding. Finance Minister Ishaq Dar said the government now aims to generate another Rs215 billion in taxes and cut spending by Rs85bn in the next fiscal year. Of new taxes, Rs70bn to come from fertiliser duty, Rs45bn from hike in tax on buying, selling property, Rs30bn from increased tax on people earning above Rs200,000 per month, Govt to cut spending by Rs85bn, PDL to be raised from Rs50 to Rs60 per litre, Rs80bn scheme to boost remittances. Though the finance minister announced the new taxes in line with IMF but provided no details. It is expected that government will bring further tax amendments in the finance bill. (Dawn, June 25th, 2023, Page 1)

Pakistan, IMF weigh \$2.5bn ‘standby arrangement’

With time running out, Pakistan and the International Monetary Fund (IMF) are discussing a new short-term — six to nine months — standby arrangement (SBA) worth about \$2.5bn, the remaining part of the Extended Fund Facility (EFF) expiring on June 30. This is one of the two options currently under discussion by the two sides after the government met all the conditions and prior actions of the ninth review, and also those relating to subsequent 10th and 11th tranches without disbursement of \$2.5bn funds outstanding since October 2022.

The two options include disbursement of \$1.1bn under the 9th review. But once approved by the IMF executive board, this would mean the end of the programme, without the possibility of release of two subsequent tranches of \$1.4bn. This, however, is not a preferred option for the government because Pakistan would lose \$1.4bn worth of quota approved by the IMF executive board. The other option under consideration is to enter into a new short-term arrangement with upfront disbursement equivalent to the 9th review (\$1.1bn) within the next 15 days (latest by mid-July), followed by two-three more reviews for up to \$500 million each. For both options, the two sides have to announce a staff-level agreement by June 30 for confidence building. The executive board approval could follow over the next week or so. (Dawn, June 28th, 2023, Page 1)

Pakistan secures critical \$3bn nod from IMF in nick of time

The International Monetary Fund (IMF) has reached a staff-level pact with Pakistan on a \$3 billion stand-by arrangement, the lender said, a decision long awaited by Pakistan, which is teetering on the brink of default. The deal — subject to approval by the IMF board in July — comes after an eight-month delay and offers some respite to Pakistan, which is battling an acute balance of payments crisis and falling foreign exchange reserves. The \$3bn funding, spread over nine months, is higher than expected for Pakistan. The country was awaiting the release of the remaining \$2.5bn from a \$6.5bn bailout package agreed in 2019, which expired on Friday (today). (Dawn, June 30th, 2023. Accessed from <https://www.dawn.com/news/1762360>)

8.3 # World Bank (WB)

WB's \$137m FIIP experiences delays

The World Bank's Pakistan Financial Inclusion and Infrastructure Project (FIIP) worth \$137 million has experienced delays in the implementation of planned payment system upgrades and operationalisation of the risk-sharing facility (RSF) to support lending to Small and Medium Enterprises (SMEs). This has been revealed in the bank's official documents. The project was approved by the World Bank Board on 15 June 2017 and became effective on 28 March 2018. The reallocated funding has been approved by the government; the funds still need to be moved to State Bank of Pakistan (SBP) for implementation. This new LoC will prioritize those in the flood-impacted areas. (Business Recorder, June 6th, 2023, Page 3)

World Bank offers dimmer outlook for Pakistan's economy

The World Bank has projected Pakistan's economy to grow by two per cent in the next fiscal year, compared to the 3.5pc target set by the National Economic Council. "In Pakistan, the lasting effects of the August 2022 floods, along with policy uncertainty and limited foreign exchange resources to pay for imports of food, energy, and

intermediate inputs, have depressed activity, with industrial production contracting by about 25pc in the year to March 2023,” the bank said in its latest Global Economic Prospects report.

It said that consumer price inflation remains above target in most economies and is particularly high in Pakistan and Sri Lanka. While poverty has recently been increasing in countries facing severe economic pressures — notably Afghanistan, Pakistan and Sri Lanka — it is expected that the region will resume its downward trend that was interrupted in 2020-21. Overall, the report forecasts the growth in the region to slow marginally in 2023, to 5.9pc, and more significantly in 2024, to 5.1pc. (Dawn, June 7th, 2023, Page 1)

WB okays \$200m for climate-resilient infrastructure in ex-Fata

The World Bank’s Board of Executive Directors approved \$200 million to strengthen the state capacities to deliver basic services and climate-resilient rural infrastructure in tribal districts of Khyber Pakhtunkhwa. The amount also includes investments for post-flood rehabilitation and reconstruction, and as part of the programme agreed with Pakistani government to respond to the devastating floods that hit the country in the summer of 2022, and build a climate-resilient Pakistan.

It said the Khyber Pakhtunkhwa Rural Investment and Institutional Support Project (KPRIISP) was the first phase of a multiphase approach to increase access to resilient and reliable basic services for rural households in KP’s tribal districts. ‘KPRIISP aims to address development gaps in rural areas that are among the poorest in the country, directly bene-fiting around 5.5 million people by extending public service delivery systems, investing in basic infrastructure like water supply and sanitation, and boosting agricultural productivity and livelihood opportunities,’ said World Bank country director for Pakistan Najy Benhassine. (Dawn, June 15th, 2023, Page 8)

9 # POLICY

9.1 # Developmental Policy

Billions go unspent in Sindh development budget

It’s that time of year again when finance ministers at both federal and provincial levels proudly announce major hikes in development budgets amid a loud thumping of desks by legislators. Populist rhetoric containing eye-popping percentage increases in allocations for development schemes draws jubilant applause. But few pay any attention to the hundreds of billions of rupees that go unspent every year despite being released by the respective finance departments.

A case in point is Sindh. Official data containing the fund release position of the public-sector development programme shows that Rs38 of every Rs100 released by the finance department remained unspent by the end of May, second-last month of 2022-23. In other words, the Sindh government could spend only 62 per cent or Rs214.9 billion by May 26 even though the finance department had released Rs346.9bn. What's worse is that the total released funds of Rs346.9bn in the first 11 months of 2022-23 constituted only 75pc of the originally allocated amount of Rs459.6bn, official data shows.

The spending of released funds by different ministries and departments also remained uneven. Departments that achieved the highest percentage of expenditure against funds released under the provincial development programme included excise and taxation (100pc), Thar coal infrastructure (100pc), provincial assembly (99pc) and information, science and technology (98pc). However, education, health and environment departments could spend only 62pc, 52pc and 31pc, respectively, against the available funds in the 11-month period.

“The unspent funds are carried forward to the next year’s budget,” said Murtaza Wahab Siddiqui. Mr Siddiqui said the underutilisation of released funds meant for development schemes is a chronic issue existing because of three major reasons. One, the procurement process that every government-sponsored development project must adhere to is “tedious and cumbersome”. That alone is responsible for the snail’s pace at which development work progresses at least in the first quarter of every fiscal year, he said. Two, constant litigation against development schemes slows down the pace of work to a major extent, he said, while referring to multiple projects in Karachi that’ve hit snags because of stay orders. Three, cost overruns arising out of the widening gaps between project approvals and actual work mess up the budgeting exercise and lead to further delays, he said. (Dawn, June 4th, 2023, Page 11)

Rs950bn allocated for development

Development projects in exports, equity, empowerment, environment and energy framework and CPEC, as well as projects to help mitigate the effects of the 2022 floods, have been given priority in the Public Sector Development Programme (PSDP) for 2023-24, with a total outlay of Rs950 billion. Priority has also been assigned to infrastructure, with over 52% of the allocations of Rs950 billion, followed by the social sector having 25.5% and regional development (AJK, GB and merged districts of KP) with 12.5%. The allocations mentioned in the infographic above refer to such developmental allocations, and do not constitute the entire budget allocated to these ministries and divisions to run their administrative affairs. For example, the defence budget is Rs1.8tr, while the division’s PSDP allocation is Rs3.4bn. (Dawn, June 10th, 2023, Page 3)

9.2 # Environmental Policy

National action plan sought on plastic waste

Expressing concern over growing plastic pollution across the country that has contaminated the food chain and endangered all forms of life, speakers at a meeting called upon the government to impose a strict ban on single-use polythene bags and initiate a programme for waste recycling. The meeting was held in connection with World Environment Day.

This year's theme focuses on solutions to plastic pollution under the theme 'Beat Plastic Pollution'. Estimates, they said, suggested that over 50 per cent of the total waste generated in Pakistan was made up of plastics whereas up to 55 billion polythene bags were in use in Pakistan and this number kept on increasing every year. At a workshop jointly organised by the Green Media Initiatives (GMI), Engro Foundation and World Wide Fund for Nature-Pakistan (WWF-P) for journalists covering environmental issues, speakers called upon the government to move towards waste recycling, reuse of plastic and biodegradable options. (Dawn, June 5th, 2023, Page 14)

PM urges global action to beat plastic pollution

Prime Minister Shehbaz Sharif said the government has taken several steps to take Pakistan on the path to sustainable use of resources. He emphasized the urgent need to combat plastic pollution under the global theme "Beating Plastic Pollution." As one of the top 10 countries in the world for plastic pollution, with an estimated 70 per cent of plastic waste being improperly disposed of, Pakistan has recognized the urgent need for action. (Business Recorder, June 5th, 2023, Page 2)

9.3 # Neo-Liberal Policy

Water tariff may go up as Sindh assembly adopts bill to turn KWSB into corporation

The Sindh Assembly unanimously passed 'The Karachi Water and Sewerage Corporation Bill, 2023' to transform the KWSB into a corporation and a profit-making utility besides enabling it to meet the growing demand of potable water in the city. The new law also empowers the Karachi Water and Sewerage Corporation (KWSC) to outsource supply of water and maintenance of sewerage or any ancillary services, including communications, complaint management and the recovery of user fees and charges from all consumers in low-income areas and Katchi A badis. As per the bill, the city mayor would be the chairperson of the corporation while it would also have the chief executive officer (CEO) to be appointed by the board for a period of four years. It would also devise strategic plans for effective and sustainable delivery of potable water and sewage disposal. (Dawn, June 9th, 2023, Page 15)

9.4 # Agricultural Policy

SAB presents proposals to improve state of agriculture sector

The Sindh Abadgar Board (SAB), which met here to discuss budgetary proposals for the 2023-24 budget, has called for doubling the agriculture credit portfolio in the formal bank credit facility. It said that the cost of production in the agriculture sector has increased by 100pc to 150pc over the last 12-18 months and it continued to rise. Besides, economic condition of growers was aggravated by the 2022 rains and flood. Therefore, it's important for the federal and provincial governments to devise the budget keeping these factors in mind, the participants said.

SAB proposed that a raise in input cost should be controlled or compensated through a decrease in the prices of commodities. While the government prices fixed for wheat, sugar cane and cotton appreciated, the increasing farm input prices still make it barely viable. It said that the Agriculture Policy Institute should be activated to devise farmers' viability plans by assessing the cost of production of main commodities. Electricity is available to the extent of 12 hours a day maximum in rural areas; therefore subsidised solar/air turbine solutions should be provided for tube-wells, high efficiency irrigation systems and farming businesses. Oilseed development policy should include farmers' viability, regulatory regime, seed availability and provision of palm plants.

The SAB meeting noted that sunflower and soya bean seeds produced high quality oil and, therefore, controlled import regime with tariffs on these oils be evolved so that local production was encouraged. The import bill of pulses has increased to \$820m, therefore, extensive import substitution policy be implemented. It said that quality seeds as well as disease- and pest-control items be provided to growers to ensure enhanced production of pulses.

Small - and medium-sized growers' access to credit is limited as only 5.5pc of formal credit portfolio is allocated to agriculture. Credit availability is less than 20pc of agricultural GDP and within that there are distortions like non-crop sector, provincial disparity, etc. Therefore, SAB said, agriculture credit portfolio needed to be doubled and provinces like Sindh which were getting less formal credit should be increased. It said that procedures to provide loans should be shortened so that small- and medium-sized growers could get better access to credit.

Horticultural products provide an opportunity for the national economy to produce value-added products for export. The horticultural processing industry should be encouraged and supported through public-private partnerships, interest-free loans, marketing support, incubation programmes etc. These programmes or financial structures should be provided for investment in rural areas and are restricted to small- and medium-sized businesses. (Dawn, June 6th, 2023, Page 15)

Punjab CS for steps aimed at giving big boost to agriculture

Chief Secretary Punjab Zahid Akhtar Zaman has emphasized the need to promote mechanization for agricultural development. Secretary Agriculture Ifukhar Ali Sahoo while addressing the conference said that more funds will be provided for agricultural research in the coming years. Secretary Agriculture South Punjab Saqib Ali Aqeel said that climate change has a profound effect on cotton production in Punjab. There is a need to discover cotton varieties that can tolerate high heat and water shortage. Due to the special interest of the present government, more than 4 million acres of area has been brought under cotton cultivation in South Punjab after many years and the agriculture department is standing by the farmers to get more production per acre.

Chief Executive PARB Dr. Abid Mehmood said that Pakistan has the 5th position in the production of cotton at the international level and get 55 percent of foreign exchange. He said that disproportionate use of fertilizers in cotton crop 28 percent, water shortage 51 percent, weeds 52 percent and attack of harmful insects by 36 percent lead to reduction in production and due to these problems about 13 million bales are lost annually. So, need of time is to pay attention for better management of cotton. China's agriculturist Professor Dr. Rui Zhang said that the period of cotton harvest in China is 120 days while in Pakistan it consists of 8 months. He said that by using the experiences of China, Pakistan can achieve more production in a short time. (Business Recorder, June 25th, 2023, Page 3)

Sustainable agri development top priority of govt: minister

Provincial Minister for Agriculture, Energy, Industries, Commerce, Investment and Skill Development SM Tanveer has said that sustainable agricultural development is the top priority of the government. The citrus exports have decreased from 210 million dollars to 100 million dollars, for which a citrus action plan committee is being constituted that will be led by University of Agriculture Faisalabad Vice Chancellor Professor Dr Iqrar Ahmad Khan to address the citrus challenges. The committee will present recommendations in 20 days.

Provincial Agriculture Minister SM Tanveer said that like the citrus, development action plans will be devised for edible oil, soybean, wheat, rice and other commodities. He said that being an agricultural country, prosperity and poverty alleviation was directly linked with the sector. He said that agricultural experts, academia, industry and policy makers have to make joint efforts to achieve food security. He said that despite being an agricultural country, we have to import billions of rupees worth of edible oil every year, for which agricultural scientists have to come up with viable solutions. (Business Recorder, June 26th, 2023, Page 4)

9.5 # Research & Technology

SCA demands Rs4bn for agriculture research bodies

The Sindh Chamber of Agriculture (SCA) has welcomed initiatives announced in the federal budget for agriculture sector, but expressed concern over lack of allocations for research and demanded allocation of Rs4bn for activation of agriculture research bodies. The SCA welcomed subsidies announced in two budgets for the agriculture sector, and hoped that packages announced in budgets would be given effect. The chamber called for speedy activation of research bodies of the agriculture department to produce quality seed and release of Rs4 billion for this purpose.

The meeting noted that budgetary allocations for research purposes must be enhanced and that 93 new seed varieties were introduced in neighbouring country last year and cotton's seed was pest free. It said that farmland was being converted into housing schemes at a fast pace which would lead to food insecurity. The chamber observed that Pakistan was importing \$14.5bn, and said around 18MHA (million hectare acres) land was uncultivable in the country for which efforts should be made to make them productive. (Dawn, June 19th, 2023, Page 15)

Food ministry to retain control of hemp production for further research

The interference of the food ministry has dashed hopes of both the Ministry of Narcotics and the Ministry of Science and Technology to have administrative control over cultivation, harvest, processing and sale of medicinal hemp. The policy for licence to cultivate, produce, local sale as well as export of medicinal hemp has hit snags as the food ministry has demanded at least two years plant quarantine and research of the approved marijuana varieties. The final meeting of the committee to finalise the hemp policy was held recently in the Ministry of Narcotics, and its summary highlighted that the global industrial hemp and medicinal cannabis industry is expected to grow from current \$25 billion to around \$100 billion by 2026. The narcotics ministry has deferred the presentation of summary to the federal cabinet for approval of hemp policy. (Dawn, June 29th, 2023, Page 4)

10 # ENVIRONMENT

World Environment Day being observed today

With 'Beat Plastic Pollution' this year's theme, the World Environment Day, the United Nations' principal vehicle for encouraging worldwide awareness and action for the environment, will be observed today (Monday). The theme for 2023 World Environment Day is "Beat Plastic Pollution", which calls for urgent solutions to combat plastic pollution. More than 400 million tonnes of plastic is produced every year worldwide, half of which is designed to be used only once. Of that, less than 10 per cent

is recycled while an estimated 19 to 23 million tonnes end up in lakes, rivers and seas annually, United Nations Environment Programme (UNEP) said in a statement issued on eve of the World Environment Day.

Pakistan has established the National Plastic Action Partnership to provide platform of action for plastic waste management. A major outcome of this will be the creation and implementation of a circular economy framework to reduce plastic waste and pollution. The country has also encouraged industries and companies to collect their plastic waste and recycle it in an environmentally safe manner on the basis of polluter pay principles and extended producer responsibility.

Pakistan is, like every nation on the planet, no stranger to plastic pollution, and the country produced 3.9 million tonnes of plastic waste in 2020, over 65 per cent of which was mismanaged. Around 18 per cent of municipal solid waste produced in the country is plastics. Only three per cent of plastic used by the manufacturing industry in Pakistan is recycled material, the UNEP says. The UN body says it is committed to working with Pakistan on plastic pollution issue. UNEP Executive Director Inger Anderson recently said that UNEP would support Pakistan to develop its National Adaptation Plan. The organisation is also fully behind the 'Living Indus Initiative', launched by the government, which aims to lead and consolidate initiatives to restore the ecological health of the Indus within Pakistan. This initiative includes an element of plastic pollution, with the Zero Plastic Waste Cities along the Indus River aiming to reduce plastic ending up in the river. This year marks the 50th anniversary of World Environment Day, established by the UN General Assembly in 1972. Over the past five decades, the day has grown to be one of the largest global platforms for environmental outreach. (Dawn, June 5th, 2023, Page 3)

10.1 # Atmosphere

LHC seeks report on tree cutting in Bahria Town

The Lahore High Court summoned reports from the Lahore Development Authority (LDA) on action against encroachments in the city and cutting of trees in Bahria Town housing scheme. Hearing public interest petitions relating to environmental issues, Justice Shahid Karim also directed the Environment Protection Agency (EPA) and the LDA to seal the factories on first violation of the anti-pollution rules and demolish them on subsequent violation. The judge adjourned the hearing till June 16 and directed the LDA, EPA and the PHA to submit reports on the anti-encroachment operation and felling of trees by Bahria Town and other housing societies. He directed the Punjab Forest Department and the PHA to sign tree plantation agreement without further delay. (Dawn, June 10th, 2023, Page 2)

10.2 # Health

‘Violence against healthcare’ in Pakistan doubled in 2022: report

A new report published by the Safeguarding Health in Conflict Coalition (SHCC) says incidents of violence (16 incidents) against or obstruction of healthcare in Pakistan more than doubled in 2022 as compared to 2021, likely reflecting the broader increase in insecurity in the country. Nearly two-thirds of all incidents took place in the border areas of Khyber-Pakhtunkhwa’s southern districts. Attacks on and obstructions of healthcare were also reported in Balochistan and Sindh, but less frequently. By the end of 2022, the highly infectious wild poliovirus had paralysed 20 children, leading to an increase in vaccination drives and a subsequent uptick in violence against these programmes. The report says 2022 marked the most violent year against health workers and facilities in conflicts in the last decade, documenting 1,989 attacks and threats across 32 countries and territories in armed conflict and situations of political violence. The report figure represents the most severe year of attacks against healthcare in the last decade globally. (Dawn, June 3rd, 2023, Page 3)

Water samples being collected across Karachi as Naegleria deaths probe underway

After deaths of three people in the city last month due to the fatal brain infection caused by *Naegleria fowleri*, colloquially known as a ‘brain-eating amoeba’, the Karachi Water and Sewerage Board KWSB has woken up from slumber and started collecting water samples from different places to check the prevalence of the deadly organism. Sources in the water utility said that a large number of water carriers were bringing water from ponds near Hab Dam in Sakran posing a great danger of *Naegleria* outbreak and other water-borne diseases as the water supplied from the outskirts of the city was unchlorinated. There is a possibility of contamination of sewage in the water supplied to the citizens through KWSB lines in some parts of the city, the sources said. (Dawn, June 3rd, 2023, Page 13)

Poliovirus found in Karachi’s sewage

Karachi’s first detection of wild poliovirus in 2023 has been confirmed in an environmental sample from Sohrab Goth. According to the Pakistan Polio Laboratory at the National Institutes of Health (NIH), the sample was collected on May 15, and its genetic sequencing is still awaited. The last positive sample in Karachi was detected in August 2022 in Landhi. (Dawn, June 9th, 2023, Page 5)

Health sector gets Rs214.5bn allocation in Sindh budget

The Sindh government has allocated Rs214.547 billion for health services in the 2023-24 budget. The allocation for health services includes grant-in-aid /single line grants amounting to Rs85.161bn to different institutes, trusts, and non-profit organisations for

the welfare of the poor. Under collaboration between the government and the World Bank, the National Health Support Programme (NHSP) has been launched to provide health coverage to the underprivileged masses. Last year, the government spent over Rs233bn on providing healthcare infrastructure and running programmes for the prevention and control of diseases. (Dawn, June 11th, 2023, Page 15)

10.3 # Pollution

Concern shown on growing ‘plastic pollution’ in country

The unsustainable use and production of plastics poses a serious threat to the environment, wildlife, ecosystems and human health. Pakistan faces worrying trends of an increased of plastic production and its disposal, speakers told a media training workshop organized by Green Media Initiatives (GMI) with Engro Foundation and WWF-Pakistan. Every piece of plastic ever made still exists somewhere in the world and we need to play our role individually in protecting the planet from becoming one big plastic waste dump. They appealed other organizations and public to join the efforts to keep the environment safe and clean. (Business Recorder, June 4th, 2023, Page 3)

Concerns raised over growing air pollution, absence of waste management practices

Several programmes were held in the city in connection with the World Environment Day, where experts expressed concern over the absence of waste management practices in the country and growing air pollution that had jeopardized public health. They also highlighted the hazards of plastic pollution, especially in the marine environment and called for urgent efforts to tackle it. World Environment Day is observed globally on June 5 to raise awareness of the significance of a healthy and green environment. It aims to promote healthy measures for improving quality of life. This year’s theme for World Environment Day is ‘Solutions to Plastic Pollution’, which aims to bring focus on the issue of pollution caused by plastic material and promote its responsible use to protect the environment. (Dawn, June 6th, 2023, Page 14)

11 # SOCIO-ECONOMICAL CONDITION

Govt debt stocks rise to Rs58.6trn

The federal government’s borrowing from domestic and external resources rose by 22.5 percent during the first 10 months of this fiscal year (FY 23) to an all-time high level of Rs 58.6 trillion by the end of April 2023 compared to Rs 47.832 trillion as of June 2022, depicting an increase of Rs 10.766 trillion. (Business Recorder, June 6th, 2023, Page 1)

External public debt recorded at \$85.2bn by March-end

External public debt was recorded at \$85.2 billion at the end of March 2023, revealing a decrease of around \$3.7 billion during the first nine months of the current fiscal year,

given in the Economic Survey 2022-23, however, it does not contain liabilities of foreign exchange, public sector enterprises (PSEs), banks, and private sector. According to the SBP data, total external debt liabilities stood at \$125.726 billion by March 2023 which contains, government external debt, short term, from IMF as well as liabilities of foreign exchange, public sector enterprises, banks and private sector. It was \$130.320 billion by end June 2022. (Business Recorder, June 9th, 2023, Page 14)

Unemployment rate fell to 6.3pc in FY21

Pakistan's unemployment rate fell to 6.3 percent in 2020-2021 from 6.9% in 2018-2019, according to the Pakistan Economic Survey released by Finance Ministry. The Survey does not provide data for 2021-22 which economists claim has witnessed a significant rise in unemployment rates premised on the fact that Large Scale Manufacturing growth has registered negative 8.1 percent July-March 2023 and private sector credit is down by 80.4 percent (July-April 2023) notes that 4.51 million people from the labour force could not get jobs during this period. (Business Recorder, June 9th, 2023, Page 14)

11.1 # Food

Food emulsifiers, stabilisers: FBR body imposes 20pc customs duty

The customs classification committee of the Federal Board of Revenue (FBR) has imposed 20 percent customs duty on the import of "Emulsifier, Combined Emulsifier & Stabilizer" used for foods and dairy products by a multinational company. According to a ruling of the committee issued, the company has declared 3 percent customs duty for clearance of the imported goods. However, the goods actually fall under the Pakistan Customs Tariff heading which is subjected to 20 percent customs duty. (Business Recorder, June 8th, 2023, Page 12)

Governor opens Food Technology Asia Int'l Exhibition

Sindh Governor Mohammed Kamran Khan Tessori inaugurated the 15th Food Technology Asia -2023 International Exhibition. He said that the issue of food insecurity could be faced through such exhibitions. The Governor said that there was a need to take advantage of the experience of international experts. He said that the use of the latest technology for agriculture was inevitable. He said that agricultural production could be increased with the research on seeds. He said that the presence of Turkey, Oman and other countries in the exhibition was appreciated. (Business Recorder, June 18th, 2023, Page 2)

11.2 # Food Scarcity

No food insecurity threat in Pakistan, minister tells NA

Federal Minister for National Food Security and Research Tariq Bashir Cheema on the floor of the National Assembly disputed a United Nations report regarding possible “acute food insecurity” in Pakistan, terming it “an effort to spread sensationalism and declare the country a hunger hotspot like African countries”. Responding to a calling attention notice moved by Aliya Kamran of the Jamiat Ulema-i-Islam-Fazl (JUI-F) “regarding expected acute food shortage in the country as reported by the Food and Agriculture Organisation (FAO) and World Food Programme (WFP)”, the minister categorically stated that sufficient food stock was available to meet the country’s requirements and “there is absolutely no need to worry about in this regard”.

The two UN agencies have further warned that acute food insecurity is likely to deteriorate further in 81 hunger spots — comprising a total of 22 countries during the outlook period from June to November 2023. According to the report, Pakistan, the Central African Republic, Ethiopia, Kenya, Congo and Syria are hotspots with very high concern, and the warning is also extended to Myanmar. Mr Cheema said the country imported three major crops — pulses, edible oil seeds and tea. He said last year the import bill of oil seeds was \$4.5bn and this year due to increase in the sowing area in Punjab and Sindh, they would be able to reduce the import bill to a great extent. He said Pakistan had a bumper wheat crop this year and 28.5 million tonnes of wheat production had been recorded. He also expressed the hope that they would have bumper crops of rice and maize this year. Besides this, he said, they had 7.9 million tonnes production of potato which was much better than the previous year. (Dawn, June 1st, 2023, Page 3)

Pakistan currently facing imminent nutrition crisis, says UN report

Despite the passage of nearly a year since the floods, Pakistan is currently facing an imminent nutrition crisis, which has been aggravated by pre-existing high rates of malnutrition in flood-affected regions, says a new report prepared by the United Nations and its humanitarian partners. Of particular concern is the increasing malnutrition among young children, as under-nutrition accounts for nearly half of all deaths in children under five. Shockingly, one in five children under-five in Pakistan suffer from wasting, with severe and moderate acute malnutrition rates at 8 per cent and 9.7 per cent, respectively, according to the report released by UN Office for the Coordination of Humanitarian Assistance (UNOCHA).

The 84 districts affected by the 2022 monsoon flooding display distressing nutrition indicators. These districts have an average severe acute malnutrition rate of 12 per cent, impacting over 3.5 million children. Among them, more than 1.45m children require treatment with Ready to Use Therapeutic Food (RUTF) due to severe wasting. Several

factors contribute to acute malnutrition, including poor maternal nutrition, inadequate sanitation and hygiene, suboptimal care and feeding practices, and limited access to essential nutrition services and nutritious diets. As of June 5, 2023, the Integrated Food Security Phase Classification (IPC) indicates that approximately 10.5 million people from 43 districts in vulnerable provinces of the country are facing acute food insecurity. Within this population, around 2.1m individuals (6 per cent) are in emergency phase, while 8.4m people (23 per cent) are in crisis phase.

The UNOCHA report further says that rising food prices and limited livelihood options have further exacerbated the challenge of accessing food. The situation is expected to worsen between November 2023 and January 2024, with an estimated 11.8m people (32pc) likely to experience high levels of acute food insecurity. According to the latest FAO-WFP hunger hotspots report, Pakistan has been classified as one of the “hotspots” with significant concern, particularly regarding critical acute food insecurity. The report predicts that an alarming 8.6m individuals may face severe levels of acute food insecurity from June to November 2023. (Dawn, June 15th, 2023, Page 3)

11.3 # Inflation

Annual inflation in May reaches record level of 37.97pc

Pakistan’s annual inflation rose to 37.97 per cent year-on-year in May, the statistics bureau said, showing a continued uptick in the highest ever inflation in the country. The reading is also higher than the finance ministry’s projection of 34-36pc for May, as stated in its monthly economic update and outlook, which said after hitting a peak this month, inflation would start descending owing to the ease in international commodity prices that would absorb the negative impact of currency depreciation. The ministry attributed the potential reasons for the rising price levels to flood damages, disruptions in supply chains, devaluation brought by the macroeconomic imbalances and political uncertainty. Previously, the highest ever percentage of year-on-year inflation was recorded in April at 36.4pc.

The month-on-month rise in May was 1.58pc, the bureau said in a press release, adding vegetables, pulses and chicken prices posted the biggest increases. Inflation has been on an upward trend in Pakistan since early this year after the government took painful measures as part of the fiscal adjustments demanded by the International Monetary Fund (IMF) to unlock stalled funding, which still hasn’t been disbursed. (Dawn, June 1st, 2023. Accessed from <https://www.dawn.com/news/1757288>)

Inflation hits record high as political turmoil simmers

Consumer inflation raced to 38 per cent in May, the highest annual rise in prices on record, driven mainly by skyrocketing costs of food, house rents, electricity and gas

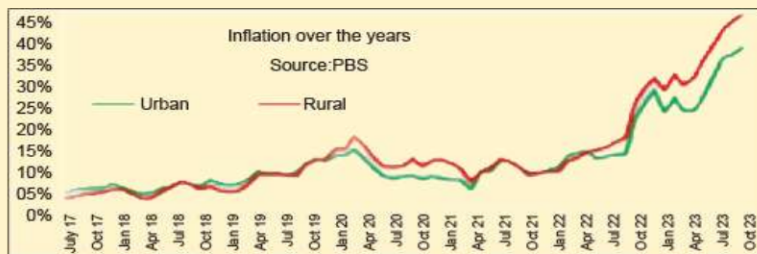
bills, and transport. Non-perishable foods and transport costs climbed more than 50pc over May 2022, while average inflation for this fiscal year has reached 29.2pc, the Pakistan Bureau of Statistics said. (Dawn, June 2nd, 2023, Page 1)

Inflation rockets to 38pc amid economic slide

The Consumer Price Index (CPI)-based inflation increased to 38 percent on a year-on-year basis in May 2023 as compared to an increase of 36.4 percent in the previous month and 13.8 percent in May 2022. On a month-on-month basis, it increased to 1.6 percent in May 2023 as compared to an increase of 2.4 percent in the previous month and an increase of 0.4 percent in May 2022. A verage CPI inflation for July-May 2022-23 stood at 29.16 percent compared to versus 11.29 percent during the same period of last year. (Business Recorder, June 2nd, 2023, Page 1)

Govt asked to increase gas tariff by 50pc

The Oil & Gas Regulatory Authority (Ogra) has asked the government to increase gas tariff by 45 per cent to 50pc for all consumer groups across the country to meet revenue requirement of two gas utilities — Sui Northern Gas Pipelines Limited (SNGPL) and Sui Southern Gas Company Limited (SSGCL) — during fiscal year 2023-24. (Dawn, June 3rd, 2023, Page 3)



Weekly inflation stays above 40pc

The short-term inflation, based on the Sensitive Price Index (SPI), remained elevated year-on-year at 42.67 per cent for the week ending on June 1. The latest year-on-year inflation reading eased from 45pc recorded in the previous week. It reached an all-time high of 48.35pc for the period ending on May 4. However, on a week-on-week basis, it posted a slight rise of 0.03pc. The government has been taking harsh measures — hikes in fuel and power tariffs, withdrawal of subsidies, market-based exchange rate and higher taxation — under the IMF programme to generate revenue for bridging the fiscal deficit, which may result in slow economic growth and higher inflation in coming months. (Dawn, June 3rd, 2023, Page 9)

Weekly inflation steady at 34pc

Short-term inflation was almost steady at around 34 per cent during the week that ended on June 22. When compared with the previous week, the inflation reading was 0.33pc. Weekly inflation, measured by the Sensitive Price Indicator (SPI), has eased in the past weeks compared to the last year after the government cut fuel prices slightly. (Dawn, June 24th, 2023, Page 9)

12 #CLIMATE CHANGE

Climate change: minister says Pakistan has become hotspot

Climate Change Minister Sherry Rehman has said that Pakistan is currently “bracing for one climate emergency after another, which has put parts of the country in a perpetual recovery trap.” She shared these views in a meeting with Danish delegation led by Denmark’s Minister for Development Cooperation and Global Climate Policy Dan Jørgensen. The delegates included Denmark’s Climate Ambassador Tomas Anker Christensen and Danish Ambassador to Pakistan Jakob Linulf.

Minister Jørgensen emphasised on the enhancement of joint efforts on the green framework cooperation between the two countries. “Climate change is no longer a distant concept confined to the future. Rather, it is an immediate reality impacting the present. The devastating floods in Pakistan serve as one of the most severe illustrations of this phenomenon,” the Danish minister said. Both the sides underscored the responsibility of the Loss and Damage Fund Transitional Committee to deliver “tangible outcomes” prior to COP28. (Business Recorder, June 16th, 2023, Page 3)

12.1 #Carbon Emission

‘End fossil fuel financing’

International financial institutions should stop fossil fuel funding in Pakistan while diverting their money towards renewable energy, speakers at the launch of “Energy Finance Outlook: A Case of Pakistan” said. Pakistan’s energy sector continues to rely heavily on fossil fuels, with over 85 per cent of supplies originating from such sources. Thermal sources contribute more than 60pc to electricity production despite the availability of greener alternatives like wind, solar and hydropower, the study showed. China, World Bank, Asian Development Bank and other international and domestic entities have been major financiers in the energy sector. Hydropower received the largest share of financing (45pc), followed by coal (17pc) and nuclear (16pc). The study indicated a potential decrease in the proportion of fossil fuels in the energy mix despite expectations of an increase in coal usage.

The World Bank has extended a total of \$8bn in financing, with 90pc of the amount going towards hydropower energy expansion and the development of renewable energy projects. The International Finance Corporation has allocated a total of \$633 million, which is exclusively directed towards the advancement of renewable energy initiatives. Asian Development Bank provided \$4.4bn from 2019 to 2022 mainly for two active power generation projects i.e. 300MW Balakot hydropower project and 600MW Jamshoro coal power project. (Dawn, June 22nd, 2023, Page 9)

12.2 #Climate Crisis

Dry monsoon season set to hit crop output in Pakistan

Pakistan is expected to witness a dry and warmer monsoon season as a result of hot weather caused by El Nino that threatens crop output across Asia. According to a Met Department advisory, most cities will receive below normal rainfall. Some areas in the northern region may receive above-normal rainfall, while western Balochistan, including the coastal belt, may experience near-normal rainfall. The expected lower-than-normal rainfall and increasing temperature will result in a gradual reduction in soil moisture. This will increase the water requirement for Kharif crops and vegetables, particularly in the southern half of the country, the advisory said. The phenomenon causes hot and dry weather across Asia and Australia while bringing heavier-than-normal rainfall to the southern US and southern South America. “The seasonal outlook in India is a weaker than normal monsoon for the entire country, extending into Pakistan,” said Chris Hyde, a meteorologist at US-based Maxar. (Dawn, June 2nd, 2023, Page 3)

Qambar-Shahdadkot, worst-hit by 2022 floods, braces for drought

Qambar-Shahdadkot – one of the few districts that were worst-hit by last year’s unprecedented rains and floods – is now facing an acute shortage of water. Flows in canals and other irrigation channels had declined drastically leaving vast areas without water and badly affecting paddy cultivation process. Qambar-Shahdadkot district happens to be at the mouth of the deluges gushing from Balochistan. The unprecedented quantum of rainwater and floodwaters had not only destroyed lands in the district but also devastated irrigation infrastructure. However, now when the trauma of flooding is over, the district is running out of water for cultivation of crops. Reports gathered from Shahdadkot, Qubo Saeed Khan and other parts of the district suggested that a big population of the remote area was faced with an acute shortage of drinking water. The sub-soil water in the entire Qambar-Shahdadkot district is highly brackish, animals were also suffering due to the situation. (Dawn, June 24th, 2023, Page 15)

Temperature expected to soar significantly in July

Temperature in Gilgit-Baltistan and southwestern Balochistan is likely to soar significantly higher than normal during July, the Met Office has forecast. However, it said, the rest of the country may also receive rising temperatures than normal. The upcountry may also see above normal rains next month. It forecast dust storm and thunderstorms with isolated heavy rainfall for northern Punjab, upper Khyber Pakhtunkhwa and Kashmir. Southern parts of the country including Sindh, Balochistan and particularly the coastal belt are likely to receive one to two rainy spells over the period, it said. (Business Recorder, June 25th, 2023, Page 5)

12.3 #Climate Policy

Programme to build resilience against climate change launched

The World Wide Fund for Nature (WWF) launched the ‘Climate Resilience Programme’ that aims to proactively identify risks and build resilience to climate change to enhance the resilience of water stewardship and sustainable agriculture in Punjab. The programme was launched in Islamabad to mark World Environment Day at a two-day workshop titled, ‘Integrated Resilience Action Planning for Climate Change’ aimed at bringing together the collective wisdom of key stakeholders from government entities, non-governmental organisations (NGOs) and the private sector. WWF launched the programme in collaboration with coca-cola with whom the organisation has a decade-long partnership encompassing a strong sustainable agenda.

WWF Pakistan Director-General Hammad Naqi Khan highlighted the severe impact of climate change on water resources in Pakistan. “Pakistan’s irrigation system, one of the largest globally, suffers from inefficiencies, leading to substantial water loss. In this context, it’s vital to recognise the potential role of the corporate sector in providing leadership and implementing water stewardship strategies for better water resource management,” he said. “We believe we can strengthen our mutual commitments towards climate resilience to create an integrated framework and solve complex climate change disasters,” said Aisha Sarwari, director public affairs and communications, Coca-Cola Pakistan and Afghanistan Region.

Recently, WWF-Pakistan also conducted a watershed health assessment study in the Ravi Basin supported by the grant funding provided by Coca-Cola, which identified key water-related issues in the area. Based on this local assessment, the next phase of the project will develop interventions that will help develop a watershed management plan. These will cater to the river’s improved water quality and quantity, better ecosystem, and infrastructure improvement and development, WWF highlighted. (Dawn, June 6th, 2023, Page 4)

Climate threat evokes ‘bipartisan’ support on policy actions

Despite a severe financial crunch, Pakistan continued to invest in mitigation and adaptation strategies, owing to its vulnerability to climate change, with pledges to improve policy actions and allocate more resources in future. The government spent over Rs3.3 billion on the Ten Billion Tree Tsunami Project in the last fiscal year, the Economic Survey Pakistan 2022-23 revealed. Over 188m plants were planted from July to March 2023. So far, over 2bn plants have been planted or regenerated under the project. The project had bipartisan support despite Minister for Climate Change Senator Sherry Rehman levelling allegations of massive corruption in the scheme.

The survey highlighted Pakistan’s efforts at the COP-27 conference to mobilise funds for the least developing and most vulnerable nations. Under such initiatives, Pakistan has been added to the Vulnerable 20 Group of countries that will receive funding from developed countries. Moreover, the ‘Global Fertilizer Challenge’, with support from the US and Germany, announced \$135m funding for Brazil, Colombia, Pakistan and Vietnam. The government took a number of policy actions in the wake of the climate crisis. These included the launch of the National Clean Air Policy (NCAP), the setting up of Voluntary Carbon Markets (VCM) and a national inventory for Short-Lived Climate Pollutants (SLCP), among others. The survey stated that a “comprehensive climate change policy” was now in place to provide an evidence-based framework for climate actions. To mitigate the impact of future climate disasters, the government has initiated several projects to strengthen infrastructure resilience to mitigate risks. The government has also ramped up efforts for international climate finance, such as the Green Climate Fund. (Dawn June 9th, 2023, Page 5)

13 # CLIMATE DISASTER

Govt orders mass evacuations ahead of cyclone landfall

Authorities began an evacuation effort to move 80,000 citizens out of the path of an approaching cyclone, which is expected to bring winds of up to 120 kilometres per hour. The cyclone is making its way across the Arabian Sea towards the coastlines of Pakistan and India, forecast to make landfall later this week. (Business Recorder, June 13th, 2023, Page 1)

13.1 # Flood

The cost of 2022 floods

Pakistan is among the countries worst hit by the climate – a trailer of which was witnessed during last year’s floods in the country. As the country is still reeling from the effects of the 2022 floods, the MET office has issued a warning of a catastrophic monsoon and a 2022-like flood situation in the country this year as well.

Climate change factors like heat waves, early monsoons, and glacier melt increase the chances of floods in the country. Unfortunately, the increased risk of flooding in the country is supplemented by widespread destruction appeared due to a lack of preparedness, management, and poor infrastructure. Pakistan Economic Survey 2022-23 reveals that one-third of the country was under water, affecting 33 million people. Approximately 8 million people have been displaced, and the magnitude of the disaster was unprecedented, far outweighing the devastation caused by the 2010 floods.

As expected, the floods most affected communities and households in extreme poverty. The special section on flood 2022 impact assessment in the latest economic survey shows a total of \$14.9 billion, with a \$15.2 billion loss to the GDP and \$16.3 billion required for rehabilitation.

Infrastructure is the first flooding tragedy; the 2022 floods resulted in \$5.6 billion in damage to housing; \$3.7 billion to agriculture, livestock, and fisheries; and \$3.3 billion to transport and communications. However, the recovery and reconstruction needs are in reverse order regarding cost, with transport and communication leading the process, followed by agriculture and livestock, and then household.

Details of the assessment also show region/province-wise damages and needs. Sindh was undoubtedly affected disproportionately, with damage and loss totaling over \$18 billion. And an even more alarming yet qualitative indicator of the 2022 Flood catastrophe is the widening schism in the already existing disparities, such as gender inequalities and polarized communities. (Business Recorder, June 9th, 2023, Page 2)

13.2 # Rainfall

Over two dozen perish as rain, windstorms batter KP

At least 25 people were killed and over 140 injured as a heavy downpour, strong winds and thunderstorms lashed the southern districts of Khyber Pakhtunkhwa on Saturday, toppling walls, uprooting trees and pylons, leaving many areas without power. According to the Provincial Disaster Management Authority, at least 69 homes were damaged in Lakki, Karak and Bannu, and there were fears that the toll could rise further. (Dawn, June 11th, 2023, Page 1)

Lightning kills villager as rains lash several districts in southern Sindh

June Lightning killed a villager as scattered spells of light to moderate spells of rain lashed parts of Mirpurkhas, Thatta, Sujawal and Badin districts under the influence of cyclone Biparjoy. Most parts of Mirpurkhas district received a 30-minute spell of moderate rain coupled with a thunderstorm and strong winds. It was the second spell of moderate rain in the district within two days. The winds caused considerable damage to thatched houses in the rural areas. (Dawn, June 16th, 2023, Page 15)

Tharparkar, Umerkot districts receive ‘record’ June rainfall

Torrential rains coupled with cyclonic winds caused widespread devastation in Nagarparkar, Islamkot and Diplo talukas of Tharparkar region. Under the influence of cyclone Biparjoy, which mainly hit the Indian state of Gujarat after creating chaotic conditions across the coastal belt of Sindh, most parts of Mirpurkhas, Badin, Tharparkar and Umerkot districts received heavy rainfall, besides dust storms, thunderstorms and many back-to-back spells of light, moderate and heavy spells of rain, over the last four days. Residents told the media that over the last 24 hours of continuous downpour, hundreds of the houses and other structures were destroyed rendering thousands of people homeless and leaving a large number of animals dead. They said gusty winds not only uprooted countless trees, but also blew away roofs of thatched houses across the region. (Dawn, June 18th, 2023, Page 15)

7 killed as heavy rain lashes four districts of KP

Seven persons were killed and 72 others were injured after a heavy rain lashed three districts of Bannu division besides provincial capital. At least 27 people had been killed and 145 received injured in the southern districts including Bannu and Lakki Marwat during the first spell of powerful windstorm coupled with heavy rain and hailstones on June 10. (Dawn, June 19th, 2023, Page 9)

Lightning strikes kill eight during rains in Punjab

Eight people lost their lives after they were struck by lightning in Punjab as many areas in the province received heavy rain with strong wind. The extreme weather also caused infrastructure and livestock losses in parts of Punjab and Balochistan. The rain led to flash floods in Ziarat, with water entering residential areas in the valley. Heavy rains may cause urban flooding and trigger landslides in Murree, Galliyat, Kashmir, Gilgit Baltistan, and Khyber Pakhtunkhwa. (Dawn, June 26th, 2023, Page 1)

Pre-monsoon rains could trigger floods and landslides

Federal Minister for Climate Change, Sherry Rehman has warned the people of possible floods and landslides due to pre-monsoon rains in the country and requested them to stay away from vulnerable infrastructure, power poles and rivers during strong winds and rains to avoid any untoward incident. (Business Recorder, June 26th, 2023, Page 1)

3 killed, 8 injured in rain-related incidents in KP

Three persons were killed and eight others were injured in rain-related incidents in different parts of Khyber Pakhtunkhwa. In a related development, PDMA released Rs150 million emergency funds to address monsoon-related contingencies. According to a statement, the funds have been released on the directives of chief secretary to facilitate district administrations. (Dawn, June 27th, 2023, Page 8)

14 # NATURAL DISASTER

14.1 # Earthquake

Over 900 projects still in limbo in quake-hit areas of AJK

At least Rs46 billion are required by the authorities in Azad Jammu and Kashmir (AJK) to complete 1,730 ongoing and yet-to-be-initiated projects in the earthquake-affected-areas, a senior official here said. Of these projects, 919 were in limbo despite being at different stages of execution due to unavailability of funds from Islamabad since April 2021 while the remaining 811 could not even be initiated until this day. (Dawn, June 12th, 2023, Page 4)

Earthquake jolts Swat, adjoining areas

An earthquake measuring 4.4 on the Richter scale hit Swat and adjoining areas. The National Seismic Monitoring Centre (NSMC) confirmed that tremors were felt in Swat and other surrounding areas. The depth of the earthquake was recorded 139 kilometres and its epicentre of the earthquake was in the Hindukush mountain range. Earlier, an earthquake of magnitude 6 earthquake jolted twin cities of Islamabad, Rawalpindi, adjoining areas, and several districts of Khyber Pakhtunkhwa province.

The earthquake tremors were also felt in Swat, Peshawar, Buttgram, Upper Dir, Swabi, Mardan, Kohat districts, and adjoining areas in Khyber Pakhtunkhwa. According to National Seismic Monitoring Centre in Islamabad, tremors were also felt at Lower Dir, Buner, Mohmand, and Charsadda districts of KP. The National Seismic Monitoring Centre said that the intensity of the earthquake was recorded at magnitude six on the Richter scale and the epicentre was in the border area of Afghan-Tajikistan at a depth of 223 kilometres. According to reports, tremors were also felt at Murree, Chiniot, Phalya, Malikwal, Zafarwal, Shakargarh, Jalalpur Bhattian, Sara-e-Alamgir, Sargodha, Hujra Shah Muqem, Farooqabad and Faisalabad. (Business Recorder, June 26th, 2023, Page 3)

14.2 # Landslide

Landslide in Hunza kills two

Two people were killed two others were injured when landsliding hit them during voluntary cleanliness work of a water channel in Hasanabad area of Hunza by villagers. The injured were taken to a government hospital in Aliabad where their condition was stated to be stable. (Dawn, June 5th, 2023, Page 3)

15 # RESISTANCE

Shutdown in Thatta

Residents of Thatta and Makli towns observed a complete shutdown strike over the chronic issues of electricity and gas outages as well as an acute water shortage. They also took out a rally. People from all walks of life participated in the rally. The situation persisted for more than seven months but no official or elected representative appeared ready to do something towards resolving the issues. (Dawn, June 4th, 2023, Page 17)

UoP employees boycott duty

The employees of University of Peshawar (UoP) boycotted their duty to protest what they called the failure of the administration to resolve their issues. The decision of boycott was taken in the meeting of a joint action committee (JAC) of teachers, Class-III and IV employees and sanitation staff of UoP. The meeting announced a complete boycott of classes, administrative work and official affairs. University of Peshawar had remained closed for 43 days due to the protest of teachers and other staffers. The protest ended after an agreement was signed between JAC and the administration of the university. The university employees again threatened to go on strike if the agreement was enforced in letter and spirit. (Dawn, June 9th, 2023, Page 8)

Protesters block Karakoram Highway over 'misuse' of flood-aid money

Flood-affected people from Jaglot blocked the Karakoram Highway to stage a protest against the alleged misuse of rehabilitation funds. According to the protesters, glacial lake outburst flooding caused a blockage of the Hunza River last year, which diverted the water towards residential areas. This caused damages to property, submerging eight homes, cultivated land, fish farms and shops. They claimed that the Gilgit-Baltistan government promised to rehabilitate the affected areas that included channelisation of rivers, reconstruction of homes and construction of protective walls to make the area safe from disasters through a Rs13 million allocation. However, they said the promises were not fulfilled and the affected people were still living in tents. The protesters also demanded a thorough investigation into the alleged mismanagement of Rs3 billion funds approved by the prime minister.

On the other hand, employees at Karakoram International University (KIU) in Gilgit boycotted the classes and administrative operations to record their protest against the decision to pay half their salaries for the month of June. University Road was blocked by the protesters as they gathered for a sit-in at Globe Chowk. They announced that the protest would continue until their demands are met in full. Employees have staged several protests before but HEC ignored their plight. They called on HEC to provide a special bailout package of Rs200 million. (Dawn, June 23rd, 2023, Page 3)

Protests break out over power cuts in Peshawar, Charsadda

People staged street protests in several areas against the prolonged and unscheduled power cuts. The demonstrators also blocked the Kohat Road, GT Road and University Road. The protesters also complained that power outages also caused acute water shortage in many areas forcing residents to fetch water from far-off areas. The protesters demanded smooth power supply to the villages around the Kohat Road.

In Charsadda, people took to the streets in different parts of the city amid severe heat against the excessive power cuts, tripping and low voltage. The rallies were staged in Tangi, Umarzai, Shabqadar Saddar Garhi, Sardheri, Uthmanzai and other areas. The protesters blocked roads shouting slogans against Pesco and demanding smooth electric supply. They complained that prolonged and unscheduled power cuts coupled with low voltage had troubled them. The protesters ended the agitation after negotiations with the police and getting an assurance from Pesco executive engineer rural that their concerns would be addressed. Similarly, the protesters, who blocked the Hangu highway, warned that if Pesco did not end loadshedding and improve voltage they would gain come onto the roads. (Dawn, June 23rd, 2023, Page 8)

No democratic movement possible in the absence of vibrant labour movement

At its national conference on the right to dignity of labour and decent work for all, the Human Rights Commission of Pakistan (HRCP) has observed that the backbone of any true democratic movement is a strong labour movement that advocates for social protection, fair wages without discrimination, the right to collective bargaining and humane working conditions. (Business Recorder, June 26th, 2023, Page 4)

Protesters demand irrigation water in Dadu district

Activists of the Sindh United Party (SUP) staged a demonstration on the Mehar-Larkana Indus Highway near the Mehar bypass in protest against what they termed shortage of irrigation water in Mehar and KN Shah talukas of Dadu district. Though the growing season of paddy and cotton had begun, the local abadgars were still experiencing artificial water shortages. (Business Recorder, June 26th, 2023, Page 15)

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1 #AGRICULTURAL PRODUCTION RESOURCES

Agriculture traps millions in child labour across S. Asia: UN

About 3.4 million children in Pakistan are trapped in child labour, condemning them to a life of poverty and want, says a UN report released on the World Day Against Child Labour. A UN report shows that 160 million children are trapped in child labour worldwide. Recent conflicts, crises, and the Covid-19 pandemic, have undermined the progress made since 2000, and have forced millions more children into child labour. Child labour also remains prevalent in Pakistan and cuts across sectors but is especially widespread in the rural economy. Agriculture absorbs the highest percentage of children in employment in every South Asian country, including Pakistan. (Dawn, June 13th, 2023, Page 11)

2 #AGRICULTURAL INPUTS

Crop burning should be reduced through technology: UN body

Modern technology must be utilised to reduce the effects of crop burning, instead of banning the practice altogether, a report by a United Nations body has suggested. The report, Sustainable Management of Crop Residues in Bangladesh, India, Nepal, and Pakistan: Challenges and Solutions, released by the UN Economic and Social Commission for Asia and the Pacific, (UN-ESCAP), noted that residue burning plays an active role in contributing to air pollution in the Indo-Gangetic plains of South Asia. The UN report observed that crop residue burning increases the concentration of particulate matter and black carbon in the air, adversely affecting the health of both rural and urban populations. This burning degrades soil fertility which needs to be compensated by greater use of fertilizers and can reduce agricultural productivity in the long run. Greenhouse gases emitted from burning also contribute to global warming and climate change.

In Pakistan, the burning of combined harvested wheat straw is reported to have increased. Due to challenging management practices, limited resources of the farming community, and a short window for seeding the next crop, rice straw accounts for a substantial percentage of residue burning, the report says. The burning of crop residue depletes the soil of its organic matter, and major nutrients and reduces microbial biomass in soil that ultimately impairs the efficacy of organic matter application in the next cropping season. In addition, it causes the loss of vital components such as nitrogen, phosphorus, sulfur, and potassium from the topsoil layer, making the land less fertile and unviable for agriculture in the long run. (Dawn, June 13th, 2023, Page 3)

3 # AGRICULTURAL OUTPUTS

Not any preferable news to be included in this month.

4 # NON AGRICULTURAL PRODUCTION

2nd batch of 200 Indian fishermen released

The second batch of 200 Indian fishermen imprisoned in the Malir District Jail for having mistakenly crossed over this side were released and sent to Lahore via the Allama Iqbal Express from Railway Station. (Dawn, June 2nd, 2023, Page 13)

200 Indian fishermen released

Pakistan released another 200 fishermen, bringing the total number of fishermen from the hostile neighbour set free in about three weeks to around 400 (198 Indian fishermen were repatriated on May 12). The fishermen often languish in jail, even after serving their terms, as poor diplomatic ties between the two neighbors mean fulfilling bureaucratic requirements can take a long time. Informed sources told that yet another batch of Indian prisoners is likely to be released next month as well. (Dawn, June 3rd, 2023, Page 2)

Two held for poisoning Rawal Dam water

Two persons were arrested after being found to be involved in poisoning the water of Rawal Dam to catch fish, police said. Over the issue, a case has been registered. The staff of a contractor that got a fishing contract in the Rawal Dam spotted two persons near Dhokari Nullah when they contaminated the dam's water with chemicals and poison to catch fish. In response, the staff caught the two persons, and in the meantime, fish, birds of different species, and other aquatic life started dying. (Dawn, June 3rd, 2023, Page 4)

5 # TRADE

China trade with Russia hits highest level since Ukraine war

China's total trade with Russia in May soared to levels not seen since the beginning of Moscow's war in Ukraine, official data showed, as Beijing steps up support for its sanctions-hit ally. Trade between the two countries last month was worth \$20.5 billion, data from Beijing showed, with Chinese imports from Russia worth \$11.3 billion. Rising global inflation, the threat of recession elsewhere and geopolitical tensions with the United States have weakened demand for Chinese products. But China's trade with Russia bucked the otherwise grim trend for Beijing. China is Russia's largest trading partner, with trade between them reaching a record \$190 billion last year, according to Chinese customs data. During a summit in March, Chinese President Xi Jinping and

Russian leader Vladimir Putin pledged to boost trade to \$200 billion in 2023 as they hailed their “no limits” partnership. (Business Recorder, June 8th, 2023, Page 11)

6 #CORPORATE SECTOR

Not any preferable news to be included in this month.

7 #INTERNATIONAL AID / LOAN

Not any preferable news to be included in this month.

8 #INTERNATIONAL FINANCIAL INSTITUTIONS (IFIS)

World Bank cuts 2024 global growth forecast as rate hikes bite but lifts 2023 outlook

The World Bank raised its 2023 global growth outlook as the US, China and other major economies have proven more resilient than forecast, but said higher interest rates and tighter credit will take a bigger toll on next year’s results. Real global GDP is set to climb 2.1% this year, the World Bank said in its latest Global Economic Prospects report. That’s up from a 1.7% forecast issued in January but well below the 2022 growth rate of 3.1%. The development lender cut its 2024 global growth forecast to 2.4% from 2.7% in January, citing the lagged effects of central bank monetary tightening and more restrictive credit conditions that were reducing business and residential investment. These factors will slow growth further in the second half of 2023 and into 2024, but the bank released a new 2025 global growth forecast of 3.0%. Two thirds of developing economies will see lower growth than in 2022, dealing a major setback to pandemic recovery and poverty reduction and increasing sovereign debt distress, he added. “Even by the end of next year, a third of the developing world will not beat the per-capita income levels that they had at the end of 2019,” Gill told reporters. “That’s five lost years for nearly a third of the world’s countries.” (Business Recorder, June 7th, 2023, Page 11)

‘World Bank needs new playbook to boost private investment in emerging markets’

The World Bank must use “informed risk-taking” to encourage private investors to get more engaged in helping developing countries deal with climate change and leapfrog fossil-fuel energy sources, its new president, Ajay Banga, said. Banga told that efforts now under way to stretch the World Bank’s lending capacity and revamp its business model could potentially free up “tens of billions” of dollars, not the estimated trillions of dollars needed to ensure a just energy transition. Private sector capital was critical since funds from governments, philanthropies, the World Bank and other multilateral development banks (MDBs) would never suffice to help poor countries adapt to and mitigate climate change. (Business Recorder, June 12th, 2023, Page 12)

Use ‘wasted’ subsidies to fight climate change: WB

Trillions of dollars which could be used to tackle climate change are being wasted on harmful and unnecessary subsidies, the World Bank said in a report. The World Bank report said \$1.25 trillion in direct subsidies are currently given to the agricultural, fishing and fossil fuels sectors each year. Fossil fuel subsidies alone make up around six times what countries pledged to mobilise annually under the Paris Agreement for renewable energies and low-carbon development, the bank said. Another WB report also identified around \$6tr in what it called “implicit subsidies” being wasted each year. (Dawn, June 16th, 2023, Page 9)

WB, IMF take steps to boost crisis financing

The World Bank will ease financing for countries hit by natural disasters as the International Monetary Fund announced it had hit its target of making \$100 billion in special drawing rights available for vulnerable nations. The two announcements were made at a gathering in Paris of some 40 leaders, including about a dozen from Africa, China’s prime minister and Brazil’s president, that aims give impetus to a new global finance agenda. It aims to boost crisis financing for low-income states and ease their debt burdens, reform post-war financial systems and free up funds to tackle climate change by getting top-level consensus on how to promote a number of initiatives struggling in bodies like the G20, COP, IMF-World Bank and United Nations.

“It is clear that the international financial architecture has failed in its mission to provide a global safety net for developing countries,” UN Secretary General Antonio Guterres said, calling the system outdated, dysfunctional and unjust. Leaders are set to back a push for multilateral development banks like the World Bank to put more capital at risk to boost lending, according to a draft summit statement. World Bank president Ajay Banga outlined a “toolkit”, including offering a pause in debt repayments, giving countries flexibility to redirect funds for emergency response, providing new types of insurance to help development projects and helping governments build advance-emergency systems. (Dawn, June 23rd, 2023, Page 9)

Food Security Update: Prices may remain on the higher side: World Bank

The World Bank has warned that prices will continue to rise and are expected to remain on the higher side in Pakistan. The bank in its latest, “Food Security Update,” noted that in April 2023, year-on-year consumer price inflation for food prices was highest in Pakistan in South Asia with 48.1 per cent, 4.2 percent in India, 8.8 per cent in Bangladesh, 6.9 per cent in Nepal, and 27.1 per cent in Sri Lanka. With the exception of Pakistan (flooding), rice yields in Asia have been generally at or above year-ago levels, but if shortages of fertiliser components persist into the new crop year, yields could be affected, the bank added. The Central African Republic, the Democratic

Republic of the Congo, Ethiopia, Kenya, Myanmar, Pakistan, and Syria are of very high concern. All these hotspots have many people are expected to intensify life-threatening conditions in the coming months. Guatemala, Honduras, and Malawi remain of high concern, with acute food insecurity likely to deteriorate further during the outlook period. (Business Recorder, June 27th, 2023, Page 7)

9 # POLICY

Not any preferable news to be included in this month.

10 # ENVIRONMENT

20pc people in S. Asia at high risk due to lack of access to cooling

One in five people in South Asia are estimated to be at high risk due to a lack of access to cooling and safe indoor temperatures which are not a luxury but a development imperative, says a World Bank report titled, ‘Thermal Comfort and Indoor Air Quality in South Asia’. As temperatures rise because of the climate change, demand for cooling and ventilation is expected to skyrocket, with large energy and climate implications, the report says. Exposure to air pollution contributes to nearly 20 per cent of all causes of death and exacerbates acute and chronic respiratory illnesses in millions of people in South Asia. The region has one of the highest concentrations of black carbon emissions globally, emanating from vehicles, stoves, agricultural practices and industries.

Most air contaminants are often found at the highest levels in densely-populated metropolitan regions and industrialised zones. Ozone and ammonia are the exceptions, which are frequently higher in rural locations. Bangladesh, India, Nepal, and Pakistan consistently rank among the world’s top four countries in terms of air pollution, while 42 out of the 50 cities with the poorest air quality are in South Asia. South Asia is home to 23 per cent (1.9 billion) of the world’s population and it faces significant risks due to climate change. These effects are expected to intensify with rising regional temperatures and magnitude of climate change. (Dawn, June 14th, 2023, Page 3)

Montreal has worst air of any major city

Forest fires in Canada left Montreal blanketed with smog, giving it the worst air quality of any major city in the world. Quebec province’s most populous city had ‘unhealthy’ air quality according to IQAir, which tracks pollution around the globe, as hundreds of wildfires burned across the country. Environment Canada issued smog warnings in several Quebec regions due to the fires, saying, “high concentrations of fine particulate matter are causing poor air quality and reduced visibilities”. There are 80 active forest fires in Quebec. (Dawn, June 27th, 2023, Page 10)

Indian firm used ‘toxic industrial-grade’ ingredient in syrup

The Indian manufacturer of cough syrups that Uzbekistan said last year had poisoned 19 children used a toxic industrial-grade ingredient rather than the legitimate pharmaceutical version. The company, Marion Biotech, bought the ingredient propylene glycol (PG) from trader Maya Chemtech India. But Maya did not have a licence to sell pharmaceutical-grade materials and “dealt in industrial-grade only”. The two sources said the syrup was made with industrial-grade PG, a toxic material widely used in liquid detergents, antifreeze, paints or coatings, and to enhance the effectiveness of pesticides. Uzbekistan in January arrested four people in relation to the 19 deaths, including two executives at a company that imported the Marion drugs. (Dawn, June 29th, 2023, Page 10)

11 #SOCIO – ECONOMICAL CONDITION

World food prices fall to two-year low in May: UN food agency

The United Nations food agency’s world price index fell in May to its lowest in two years, as a slump in prices of vegetable oils, cereals and dairy outweighed increases for sugar and meat. The Food and Agriculture Organization’s (FAO) price index, which tracks the most globally-traded food commodities, averaged 124.3 points in May against a revised 127.7 for the previous month. The May score marked the lowest since April 2021 and meant the index was now 22 percent below an all-time peak reached in March 2022. (Business Recorder, June 3rd, 2023, Page 1)

Rising prices: Poorer nations will cut food imports: UN

High food prices will prompt poorer nations to cut back on food imports this year, the UN’s Food and Agriculture Organization said. Global production of maize, milk and meat has increased this year, allowing developed nations to ramp up their own food imports, the FAO said in its biannual global Food Outlook report. But imports in the world’s 47 least developed countries, mainly in Africa, will fall 1.5 percent, the FAO said. The drop will be closer to five percent in developing countries that are net food importers, including Turkey, Egypt and Pakistan, highlighting a fall in purchasing power, it said. Prices for fruit, vegetables and daily products are continuing to rise, curbing demand. The global food import bill will hit a record \$1.98 trillion this year, up 1.5 percent on 2022, but volume will be lower due to the higher prices, the FAO said. (Business Recorder, June 16th, 2023, Page 1)

Putin blames West for global food crisis

Exports of Ukrainian grain under a deal ensuring its safe passage through the Black Sea are not helping to resolve Africa’s problems with high global food prices as only three per cent have gone to the poorest countries, Russian President Vladimir Putin told

African leaders. Putin said the food crisis had been caused by the actions of Western countries, not by what Russia calls a “special military operation” in Ukraine. (Dawn, June 18th, 2023, Page 10)

Egypt’s annual headline inflation rate speeds up to 32.7pc in May

Egypt's annual headline annual inflation accelerated faster than anticipated in May, only a month after it cooled down, propelled by higher food and beverage prices. Prices were up at 32.7 percent, from 30.7 percent in April, matching a peak in March. The government secured a \$3 billion financial support package from the International Monetary Fund (IMF) in December. (The News, June 11th, 2023, Page 18)

12 #CLIMATE CHANGE

Over 1,600 high-emitting firms directed to disclose data

More than 1,600 companies identified by non-profit platform CDP as having the biggest impact on the environment are not disclosing environmental data, it said as it launched its latest campaign to get firms to provide the information. CDP, which has standardised data to allow investors and others to compare corporate performance in areas like climate change, water and deforestation, said 288 financial institutions with around \$29 trillion in assets will write to the companies to urge them to disclose the data. The companies targeted in the 2023 campaign include repeat non-disclosers such as Exxon Mobil, Glencore and Caterpillar, CDP said in a statement. (Business Recorder, June 1st, 2023, Page 28)

1.5C of warming is too hot for a just world: study

Curbing global heating at 1.5 degrees Celsius will avert runaway climate change but not mass suffering in developing nations, a consortium of 50 researchers warned. Some 200 million people in poorer regions will be exposed to unliveable heat, and half a billion will face the destructive ravages of rising seas even if the world meets the more optimistic Paris target of a 1.5C cap, they reported in a major study. If exposing large swathes of humanity to “significant harm is to be avoided, the just boundary should be set at or below 1C,” the scientists said. The Earth’s average surface temperature has already risen 1.2C. These are sobering conclusions because greenhouse gas emissions remain at record levels, and current policies are on track to see 2.7C of warming by century’s end. The scientists say atmospheric concentration of carbon dioxide must also be cut by a sixth, with the world’s richest one percent emitting twice as much as the poorest 50 percent, the study noted.

In 2009, Johan Rockstorm, lead author of the new study, and colleagues identified nine such boundaries and said we had already stepped outside the safe zone of three: planet-warming gases in the air, accelerating species extinction, and an excess of nitrogen and

phosphorus in the environment (mostly from fertiliser). Today we have breached three more: deforestation, overuse of fresh water, and the omnipresence of synthetic chemicals, including plastics.

The Greenland ice sheet, large swathes of permafrost and the Amazon forest, for example, are approaching points of no return beyond which they will, respectively, lift oceans by metres, release billions of tonnes of CO₂ and methane and turn tropical forests to savannah. Only the restoration of the life-protecting ozone layer — the ninth boundary — is clearly moving in the right direction. Besides climate change, they found the tolerable threshold of ambient particle pollution — especially across Asia — must also be lowered compared to the original planetary boundaries schema. (Business Recorder, June 1st, 2023, Page 28)

World breaks average temperature record for early June

Average global temperatures at the start of June were the warmest the European Union’s climate monitoring unit has ever recorded for the period, trouncing previous records by a “substantial margin”. “The world has just experienced its warmest early June on record, following a month of May that was less than 0.1 degrees Celsius cooler than the warmest May on record,” said Samantha Burgess, deputy director of the Copernicus Climate Change Service (C3S). Copernicus recently announced that global oceans were warmer last month than in any other May on record. The unit also said that at the beginning of June, global temperatures exceeded pre-industrial levels by more than 1.5C (34.7 degrees Fahrenheit), which is the most ambitious cap for global warming in the 2015 Paris Agreement. (Dawn, June 16th, 2023, Page 10)

Nobel-winning economist calls for climate tax as carbon costs lives

Climate change driven by rich countries will cause mortality among poor nations to skyrocket, Nobel prize winning economist Esther Duflo warned in an interview, calling for a global tax. The world has already warmed an average of nearly 1.2C since the mid-1800s, according to a report by global climate scientists, unleashing a devastating cascade of extreme weather from more intense heatwaves to severe storms. The continuing impact of the changing climate will result in 73 more deaths per 100,000 people by the end of the century, said Duflo. “This may seem an abstract figure but... it’s the equivalent of all the deaths from infectious diseases today”.

Parts of India saw temperatures above 44C (111F) in mid-April, with at least 11 deaths near Mumbai attributed to heat stroke on a single day. Since late 2020, countries in the Horn of Africa like Ethiopia, Kenya, and Somalia have been suffering the region’s worst drought in 40 years. NGOs said that despite the aid poured into the region last year, an estimated 43,000 people died from the drought in Somalia alone in 2022.

Placing the responsibility of on rich nations, Duflo said, “We are imposing an enormous cost on the poorest countries by the way in which we decide to live today.” Duflo says the situation is ever-more urgent with extreme poverty on the rise since 2020 after having been halved since the 1990s. Pointing to widening inequality, she said rich countries spent 27 per cent of their GDP on measures to support their populations during the pandemic, while pour countries spent just two per cent and global solidarity was “almost at a zero level” when it came to international aid and vaccines.

Countries have never, for example, respected their pledges of \$100 billion each year toward a climate transition fund for poor countries and haven’t found the funding to support a loss and damages scheme announced during the COP27 summit in Egypt. Speaking ahead of a global summit in Paris that aims to reimagine the global financial system to take better account of climate change, Duflo expressed doubt any concrete commitments would be taken.

Instead, she called for “a mechanism for taxing countries” on an international scale that’s “binding”, by either increasing the minimum tax on multinational corporations or taxing the planet’s wealthiest. Part of the tax would go into the bank accounts of those facing the greatest environmental hazards, she said, “for example people affected by floods, extreme heat, allowing them to move temporarily or permanently so they can adapt to a new way of life.” (Dawn, June 22nd, 2023, Page 10)

Climate-vulnerable nations lead the way on finance reform

The current financial architecture is “not fit for climate purpose”, said Sara Jane Ahmed, finance adviser to the V20 group of more than 50 climate-vulnerable countries, which has drawn up its own vision for reforms. “The most vulnerable have the least access (to financing) and are actually being punished for trying to have climate action because of high interest rates, and credit ratings on the floor,” she told.

Developing countries have long pushed for changes to the global lending system, but this time seems different. Ahmed said proliferating climate disasters — which can wipe out chunks of a country’s economy overnight and take years to recover from — are focusing minds. Countries are increasingly being lashed by costly extreme weather on top of a range of other challenges, from inflation to collapsing ecosystems.

Rich countries have still not made good on their promise of providing \$100 billion in climate financing annually by 2020 to help developing economies cut emissions and prepare for climate impacts. But experts estimate that by 2030 developing countries will need to spend more than \$2 trillion a year on climate resilience and development priorities. (Business Recorder, June 22nd, 2023, Page 6)

West ‘pledges’ \$200bn for climate fight

Multilateral development banks like the World Bank are expected to find \$200 billion in extra firepower for low-income economies by taking on more risk, a move that may require wealthy nations to inject more cash, world leaders said. The leaders, gathered at a summit in Paris to thrash out funding for the climate transition and post-Covid debt burdens of poor countries, said their plans would secure billions of dollars of matching investment from the private sector. An overdue pledge of \$100bn in climate finance for developing nations was also now in sight, they said. Many in attendance, however, said over the two-day summit that the World Bank and the IMF were increasingly ill-suited for tackling the most pressing challenges and needed a broad revamp.

“We ... expect an overall increase of \$200bn of MDBs’ lending capacity over the next ten years by optimising their balance sheets and taking more risks,” the summit’s final statement obtained by Reuters said. “If these reforms are implemented, MDBs may need more capital,” it added, recognising in a final summit document for the first time that wealthy nations may have to inject more cash. The final summit document called for each dollar of lending by development banks to be matched by at least one dollar of private finance, which analysts said should help international institutions to leverage an additional \$100bn of private money in developing and emerging economies. The announcements mark a scaling up of action from the development banks in the fight against climate change and set a direction for further change ahead of their annual meetings later in the year. However, some climate activists were critical of the results.

At the summit, the United States and China — long at odds on how to tackle debt restructurings for poor countries — sought to strike a more conciliatory tone after a landmark deal was reached to restructure \$6.3bn in debt owed by Zambia, most of it to China. The summit statement said there was a “good likelihood” of finalising this year a \$100-billion climate finance pledge to developing countries. Many of the topics discussed in Paris took up suggestions from a group of developing countries, led by Barbados Prime Minister Mia Mottley, dubbed the ‘Bridgetown Initiative’. (Dawn, June 24th, 2023, Page 12)

13 #CLIMATE DISASTERS

Street sellers struggle as Hanoi sweats through heatwave

Thousands of street vendors, mostly women, in Vietnam’s capital have had no choice but to work through a series of heatwaves that have struck the north of the country in recent weeks. Scientists say global warming is exacerbating adverse weather, and Vietnam is just one of many countries across South and Southeast Asia to have suffered record temperatures in recent weeks. In early May, Vietnam reported its highest-ever

temperature, 44.1 degrees Celsius, prompting a warning from health officials to avoid the heat as much as possible. (Dawn, June 2nd, 2023, Page 10)

Evacuation alert in Japan after heavy rain

Hundreds of thousands of residents in Japan were urged to evacuate as tropical storm Mawar brought heavy rain, causing several rivers to overflow and leaving two people missing. A non-compulsory evacuation order was issued to more than 410,000 people in Toyota in the central Aichi region, as well as in other parts of western and central Japan. The highest evacuation alert was issued to some 130,000 people in Toyohashi. (Dawn, June 3rd, 2023, Page 11)

14 die in Kazakhstan forest fires

Fourteen people have died in major forest fires in northeastern Kazakhstan, the emergency situations ministry said, the Central Asian country's highest such toll in years. "In total, 14 bodies have been found," the ministry said in a statement, having previously announced it was searching for trapped forest rangers as fires consumed 60,000 hectares (148,000 acres) of land. The ministry said 316 people had been evacuated but that the situation was under control and homes safe, despite the high temperature and the changing direction of the wind hindering the response. (Business Recorder, June 11th, 2023, Page 8)

Tornado kills four in Texas, flattens buildings

A tornado ripped through the northern Texas town of Matador, killing four people and injuring several others while damaging at least a dozen buildings, officials said. At least ten people were transported to area hospitals, of which one died. Video of the aftermath showed a string of homes flattened to a rubble and downed power lines. About two dozen emergency vehicles helped to illuminate the dark road in the video shared by the fire agency in nearby city of Lubbock. Last week, Perryton, Texas, was struck by one or more tornadoes, which killed at least three people and injured dozens of others. Hundreds of homes, many of them in a trailer park, were damaged or destroyed. (Dawn, June 23rd, 2023, Page 11)

Spain swelters as mercury soars to record highs

Spain was in the grip of its first summer heatwave with soaring temperatures that could push the mercury above 44 degrees Celsius, the AEMET weather agency said. Spain, which had its hottest year on record in 2022, is expected to be one of the European Union countries worst hit by climate change. Although it has become accustomed to soaring summer temperatures, notably in the south, Spain has experienced an uptick in longer and hotter heatwaves. (Dawn, June 27th, 2023, Page 10)

14 #NATURAL DISASTERS

Evacuation on as Philippine volcano spews ash, rocks

Thousands of people living near a Philippine volcano have taken shelter in evacuation centres as officials warned of health risks from ash and toxic gases spewing from the rumbling crater. Seismology researchers said they had recorded at least one volcanic earthquake in the past 24 hours and red-hot rocks were falling from Mount Mayon in the central province of Albay. More than 12,800 people have been moved to evacuation centres, the Philippine civil defence office said, most from farming villages at or near the foot of the volcano. (Dawn, June 12th, 2023, Page 11)

Massive rockslide misses village in Switzerland ‘by a hair’

A Swiss village came within a hair’s breadth of being wiped off the map when a mountain towering above it collapsed overnight. The massive rockslide missed Brienz in the east of the country “by a hair”. (Dawn, June 17th, 2023, Page 12)



15 #RESISTANCE

50 cops hurt in clash with leftists in Germany

German Interior Minister Nancy Faeser called out “senseless violence” by far-left protestors after clashes with police in the eastern city of Leipzig left dozens injured. Protestors set up roadblocks, started fires and threw projectiles at security forces over the weekend in protest at the jailing of four far-left activists. Around 50 officers were injured in the course of the protests with three left “unable to serve”. Almost 30 people had so far been arrested, police said, while “up to 50” people were put in preventative detention before being released again. (Dawn, June 5th, 2023, Page 10)

Environmental activists protest at Dutch Tata Steel plant

Hundreds of environmental activists wearing red jumpsuits marched with flags and banners into the grounds of Tata Steel’s plant in the Dutch city of IJmuiden to protest over air and soil pollution in the surrounding area. Led by Greenpeace, the activists were joined by local residents who say the Indian company’s facility in the coastal city is responsible for high levels of heavy metals in nearby soils. Tata said it respected protesters’ right to demonstrate but urged them to leave the premises for their own safety, adding that it could not shut down the facility during the course of the protest.

One group of protesters used boats to hang a banner reading “Tata Steel, You Sicken Us” at the port where the facility receives coal and iron ore. The facility is under scrutiny by environmental agencies and prosecutors are investigating alleged intentional pollution of nearby groundwater, which Tata denies. The Indian company is the largest emitter of planet-heating carbon dioxide in the country “First of all, the coke factories must close,” said Faiza Oulahsen of Greenpeace. “Poisonous clouds are released there almost every day ... That has to stop,” she said. Tata, the largest emitter of planet-heating carbon dioxide in the Netherlands, has plans to change to hydrogen-based “green” steel making- a process that may take two decades if it receives funding. (Dawn, June 25th, 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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