



VOICE OF INDUSTRY NEWSLETTER

VOL: XXIV

ISSUE # 5-6-7 APRIL-MAY-JUNE 2019

Gas supply to industries likely to improve-MD SSGC

ACTING Managing Director of Sui Southern Gas Company Limited Mohammad Wasim has said that by end of March, gas supply to industries is likely to improve due to improvement in gas supply.



Mr. Saleem Parekh, President, S.I.T.E. Association of Industry Presenting Crest to Mr. Mohammad Wasim, Acting Managing Director, Sui Southern Gas Company limited (SSGCL), on the occasion of his visit to SITE Association of Industry. Present on the occasion are Mr. M. Zubair Motiwala, former chairman, Mr. M. Jawed Bilwani, immediate past President, Mr. M. Arif Lakhany, Chairman APTPMA (S/B. Zone) Mr. Younus M. Bashir, former chairman, Mr. Saeed Ahmed Larekh, Sgm(d) SSGC, Brig. (R) Muhammad Abuzar, Director General, (S&CGTO) SSGCL and Mr. Naveed Wahid, vice president.

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He was addressing Members of SITE Association of Industry on the occasion of his visit. He was accompanied by other high officials of his department.

Mr. Wasim said that closing down of gas supply to industries on Sundays is the last option for SSGC. In case SSGC doesn't close gas supply to industries on Sundays, industries will face problem throughout the week. For the purpose of supplying gas in required pressure, gas lines are being checked simultaneously with gas load checking of industries. This will be done in coordination & consultation of SITE Association and in this regard, SSGC requests SITE Association to nominate its Focal Person.

Mr. Wasim directed his team to resolve issues of Members of the Association on priority and give proper timeframe for their resolution. Replying to a query about excessive billing, he assured the Members to review all such bills issued.

Speaking on the occasion, Patron-in-Chief Siraj Kassam Teli said that our system will not improve until & unless all politicians & bureaucrats mend their ways. Beside he stressed the business community to speak truth and stand with truth always which is the only way to get their issues resolved. He said that non-stop working of industries throughout the week is the only way to boost exports which is a must for country's development. Therefore, SSGC should ensure uninterrupted gas supply to industries. Referring to Article 158 of the Constitution of Pakistan, he said

that gas producing province shall have precedence over other parts of the country but unfortunately, it is not being done in the case of Sindh province. Sindh must be given its due share in gas as per constitution.

Earlier, welcoming the guests, President Saleem Parekh said that SSGC is making it difficult for industrialists to run their factories on the pretext of gas shortage. Earlier, industries were facing low gas pressure issue but now if someone runs his factory on Sunday, he is charged with 'gas theft' notice. Resultantly, members of the Association are reluctant to approach SSGC.

He demanded to allow SITE Industries to run on Sundays as it is essential for timely completion of export orders.

Mr. Parekh also requested AMD SSGC to take notice of harassment of industrialists in the name of gas load checking.

Patron of SITE Association Mr. Zubair Motiwala, that five zero-rated sectors are also not getting proper gas and added that industries should run to put country on the track of development.

Former President Mr. Jawed Bilwani running industries on Sundays, industrial production will grow by approx. 14pc which will definitely boost exports but apparently it seems that we are not interested in boosting of exports.

Former President Younus Bashir mentioned that in other industrial areas of Karachi, industries are running smoothly whereas in SITE Area due to gas shortage, industries hardly manage to run on 20-22 days.



SNG option for gas using industries

THE pace of industrialization in Pakistan is dependent on continuous availability of the right quality and quantity of energy needed. At present, every single industry is plagued with either shortage of gas or low gas pressure. Units are closed on Sundays. Line pack is not maintainable. Sudden pressure drops are rampant with gas wells depleting at an alarming pace and the down time of the industry has reached historic levels. On top of all this, the gas costs are escalating whereas they are coming down in the rest of the world. LNG is available as an alternate gas but at twice the price. \$ 2 billion worth of gas is stolen every year from the gas distribution companies. UFG is at 15% on average i.e. amount of gas either stolen or lost through the system during transit from one point to the other. The Pakistani investor and industrialist is looking towards other avenues of returns in stocks and property. Is there a solution to all these issues with the gas supplies?

The good news is yes!! A solution does exist! It's called Simulated Natural Gas (SNG). What is the SNG offering the industrialists?

Benefits of SNG to the Industries:

- SNG is a direct replacement for natural gas
- The same amount of energy feeds an appliance using natural gas or SNG. Even though SNG is heavier, less will flow through the appliance orifice per unit of time
- Switching fuels and changing over from natural gas to SNG is simple.
- Automatic or manual use of valves are possible, both are simple procedures
- Equipment operators will not recognize a difference using SNG versus natural gas
- The per unit cost of power generation through captive power is the same as achieved through natural gas
- SNG can be used as a fuel or a process gas. This means one can use it as a burning fuel or input fuel for the process
- Capacity increase is very easily achieved by simply increasing the number of tanks
- All OGRA safety parameters are met and there is no licensing required
- LPG, the base of the SNG system is freely available
- Off grid units can be installed where piped gas is not available. Industrialists can save huge security deposits demanded by utility companies as well as land costs in cities.
- Units can be run 24/7 and 365 days a year. Sunday closure is not applicable as SSGC gas is not used in SNG.

The SNG can act as a main feed, a backup feed or a peak shaver (used at times of high demand or low line pack). The feeding and stopping of SNG in place of natural gas can be fully automated.

- Burners operating on SNG require no pressure adjustments and the measured and observed combustion
- More than 10 years of performance with proper maintenance and following the OEM recommendations

The SNG Concept:

Basically natural gas is mostly Methane. LPG is mostly Propane. Propane is twice the price of methane and has twice the heating capacity or mmbtu of methane. The solution is in mixing compressed air with propane by equal proportion that makes its heating value and cost equal to natural gas.

Space needed:

A typical system with a single storage tank takes up approximately a 30' x 80' area (2400 sq. feet).

How much does it cost:

The Minimum Capex involved in the project for MW power requirements is approximate Rs.20 Million, and goes upto 500 Million, varies in different load requirements and also based on

- System Manufactured in USA
- System Manufactured in SOUTH KOREA
- Size of system (Load Requirement)
- Capacity of storage facility
- Area of Gas Distribution

MEMBERS AVAIL FOLLOWING BENEFITS

- Opportunity to meet federal & provincial ministers and secretaries for resolving your issues.
- Networking opportunities at various events.
- Interaction with Foreign Consul Generals and Ambassadors.
- Complimentary copy of in-house magazine "Voice of Industry".
- Representation of members' in government bodies.
- Facilitation in resolving issues related to utility agencies, SSGC, KE, KWSB, and sub-soil.
- Facilitation of GST, Rebates and other Refunds.
- Recommendation letters for business visas.
- Participation of members in business meetings with overseas trade delegations in their specific area of business.
- Facilitation in Security services.
- Facilitation in cleanliness facilities in the area.
- Preparation of company profiles on nominal charges.
- Posting of advertisement and company profiles on nominal charges in magazine "Voice of Industry"; annual report; trade directory and on the official website of Association.
- Updates via emails and whatsapp to valued members regarding latest news of trade & industry and other notifications.

For further details, please contact Chairman Membership Sub-Committee:
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DRAP and Pharma Industry- at Loggerheads

A famous economist has rightly said a developing country is developing because it remains to be a developing country. I guess that economist must have been watching Pakistan for a long time.

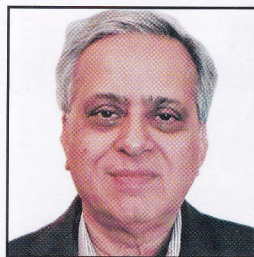
These days the hot news turned into drama is about the illegal price increase being availed by the pharmaceutical companies. But I feel it is my duty as an industrialist and a member of the pricing committee of DRAP to clarify what the reality really is. Briefly, I would first like to inform the readers that price of pharmaceutical products are controlled in this country, and though I don't subscribe to it as a policy, I shall leave that for another occasion to write.

The pharmaceutical industry in Pakistan is comprised of 650 registered companies, of which 29 are multinational companies (MNC's). The drugs sold are all price controlled products regulated by the Government of Pakistan, and approximately 70,000 drugs and 1400 molecules are registered in Pakistan. The Pharma industry is the only unfortunate industry where stringent price control is applied by the Government, without considering the realities of the market like inflation, continuous depreciation of Pak Rupee and increased cost of goods at every stage of the manufacturing of drugs.

In spite of all these restrictions, the pharmaceutical sector is not only progressive but has more potential both in its research and development (R&D) and in national growth.

The pricing issue has adversely affected the financial health of pharmaceutical industry in the past. In 2018 a new Pricing Policy was made under the direction of the Supreme Court of Pakistan. The Supreme Court also ordered DRAP to address the long pending hardship cases of Pharma companies so that justifiable price increase may be given and thus availability of the products is ensured. This was a landmark ruling by the Supreme Court and showed how governments have failed in the past to address the genuine demands of the Pharma Industry.

As per the Pricing Policy a yearly price increase will be given based on CPI as announced in July every year, and this was the most reasonable solution. About 250 products which vanished from the market due to loss to the companies started to come back. Let's not forget a



Saeed Allawala

very important fact about the medicine business - that availability of the products is more important than the price. This does not mean I am undermining the importance of price as I do realize for a country like Pakistan price plays a very important role since a large population is non-affording and there is no Social Security System.

So recently when the Pharma companies

revised the price of products a knee jerk reaction by the federal government was not expected. The Burden of the few irregularities by some companies was placed on the whole industry. Attended the meeting with the Minister of Health Mr. Amir Kiyani on April 10th where he was insistent that the whole industry should reduce the prices whereas PPMA Leaders were rightfully demanding not to undo the legally availed price increase.

I would like to conclude with my desire that Pharma companies also play their positive role in mitigating the adverse position in which the government has found itself and in turn save the government from the embarrassing situation it has found itself in after the increase in prices.



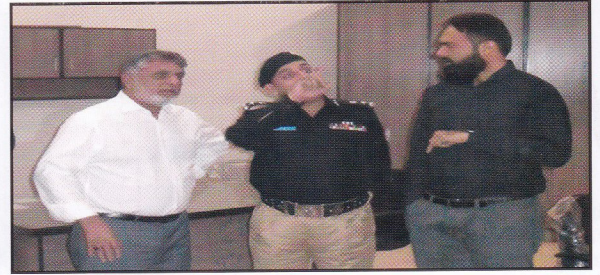
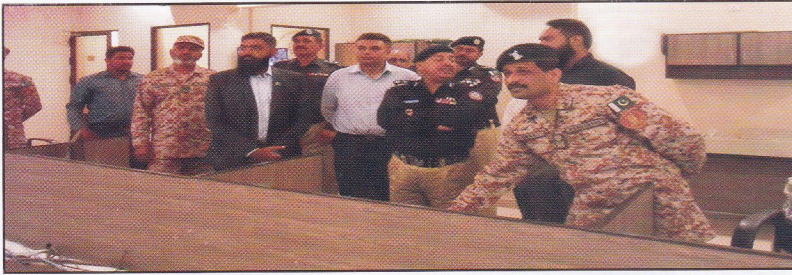
President Mr. Saleem Parekh is presenting crest to Mr. Khalid Mahmood Chairman Sindh Revenue Board on his visit to SITE Association of Industry. M/s. Jawed Bilwani, Zubair Motiwala, Tariq Yousuf, Haris Shakoor, Naveed Wahid and Suleman Chawla are also present.



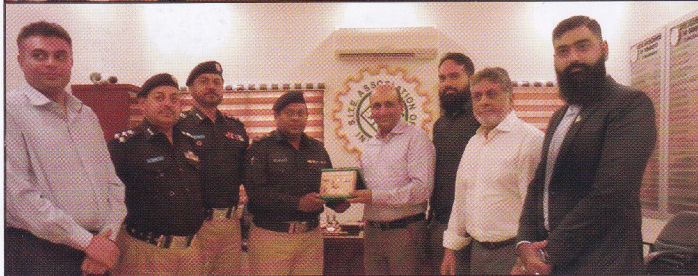
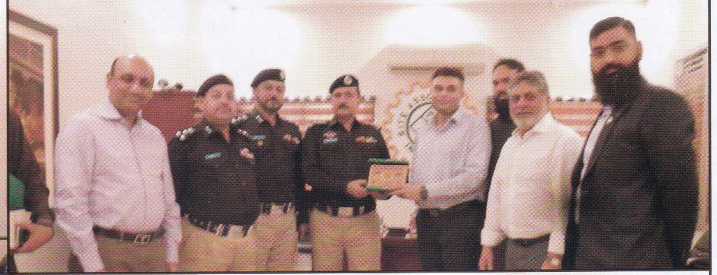
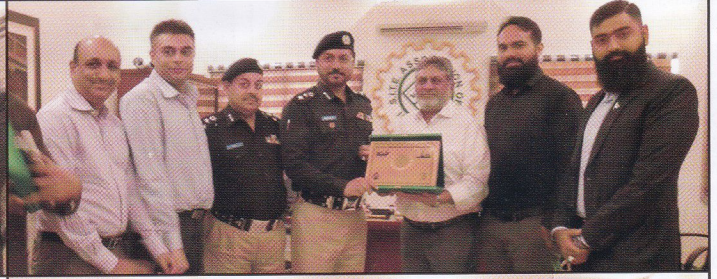
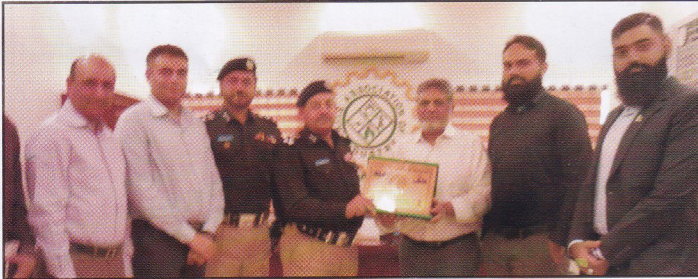
Group photo taken on the occasion of Presentation by JJVL on LNG Downstream Solution. Present in the picture (L-R) are M/s. Arif Lakhani, Haris Shakoor, Naveed Wahid, Zubair Motiwala, Saleem Nagaria, Saleem Parekh, Farhan Ashrafi, Saud Mehmood, and guests from the JJVL.



DIG West visit to SITE Association of Industry



President Saleem Parekh; Vice President Naveed Wahid; and Abdul Hadi briefing vigilance system in SITE industrial area to DIG West Zone Dr. Amin Yousfzai and SSP District West Shaukat Ali Khatian. Afterward detail discussion was held to strengthen human intelligence and reduce street crimes in the area. Also present on the occasion: Senior Vice President Ahsan Arshad Ayub; MC member Haris Shakoor; DSP SITE Jehan Khan Niazi; SHO PS-A Khalid Rafiq; and Incharge SCMC Rehmat ullah Jan.



Crest presentation by: President Saleem Parekh to DIG West Zone Dr. Amin Yousfzai and SSP District West Shaukat Ali Khatian; Abdul Hadi to DSP SITE Jehan Khan Niazi; Naveed Wahid to SHO PS-B Zawar Hussain, Ahsan Arshad Ayub to SHO PS-A Khalid Rafiq; and Haris Shakoor to Incharge SCMC Rehmat ullah Jan.



Flag March being organized by SITE Self Security System on 23rd March, 2019



Cleaning campaign in SITE industrial area



Street Crimes Reported

January 2019	11
February 2019	14
March 2019	19

Performance of Police in SITE Area

	Jan 2019	Feb 2019	Mar 2019
Street criminals arrested	17	14	17
Weapons recovered	17	14	17
Bomb recovered	2	0	0
Drugs recovered (kg)	6.7	0	2
Killers/Extortionist Arrested	0	2	1



Lack of cleanliness in SITE industrial area

SITE Limited, SSWMB and Chinese Company fail to perform their jobs

MR. Saleem Parekh, President SITE Association of Industry showing his grievances over garbage accumulation & lack of cleaning in SITE - the largest industrial area, has said that due

It seems that they are planning to convert SITE area into garbage dumping area, stated Mr. Saleem Parekh who was chairing a meeting convened to discuss single point agenda of solid waste lifting from SITE area.

Meeting was attended by Dr. A. D. Sajnani, Managing Director, SSWMB; Mr. Syed Imdad Ali Shah, Managing Director, SITE Limited; Mr. Ahsan Arshad Ayub, Senior Vice President; Mr. Naveed Wahid, Vice President SITE Association of Industry; and Mr. Abdul Hadi, Chairman, Law & Order, SITE Association. Mr. Parekh stated that several meetings have been held with SSWMB and Chinese Contractor Company but the result is zero

as there is no system to lift the garbage on regular basis. SITE Limited has also failed to lift debris of nala due to which industrialists are facing difficulties and on the basis of nala waste dumped outside the industries SEPA (Sindh Environment Protection Agency) is issuing notices to industries that if industrial wastes are not cleaned their factories would be closed down.

Mr. Parekh asked the stakeholders why industries are being penalized when the concerned departments are not performing their duties?

He urged the Sindh Government to take notice of these issues and instruct the concerned departments to perform their duties. He also urged SEPA to withdraw their notices and remarked that we fail to understand whether to run industries or reply notices issued on daily basis.

Mr. Parekh requested SSWMB to clear the present junk at GTC College (Koyla Kanta street) which has not been lifted since January-2019. Dr. Sajnani agreeing with the facts said that the dumped junk is approximately 1500 tons and to lift at least 300 vehicles are required (average 5-tons per vehicle lifting), he assured to work out plan for this. He informed that from GTS to landfill site contractor services have been hired, while Chinese Contractor Company is being paid per ton garbage lifted from the area.

Mr. Parekh stressed SITE Limited and SSWMB to perform their duties so that industrialists could focus all their attentions on production activities as it would increase exports of Pakistan and provide more job opportunities.

K. Electric is not billing as per SRO 12(I)/2019

SITE Association urges Federal Ministries for Water & Power and Finance to take notice and instruct KE for the implementation of SRO

SITE Association of Industry appealed to the Federal Ministers Mr. Omer Ayub and Mr. Asad Umer to take notice of discriminatory behavior of KE with Karachi Zero Rated industries and asked the Federal government to immediately issue necessary notification to implement SUPPORT PACKAGE TO ZERO RATED INDUSTRIES SUPPORT PACKAGE. Mr. Parekh pointed out to the Ministers that after the issuance of SRO 12(I)/2019, HESCO, FESCO and LESCO are billing industrial consumers at the rate of 7.5

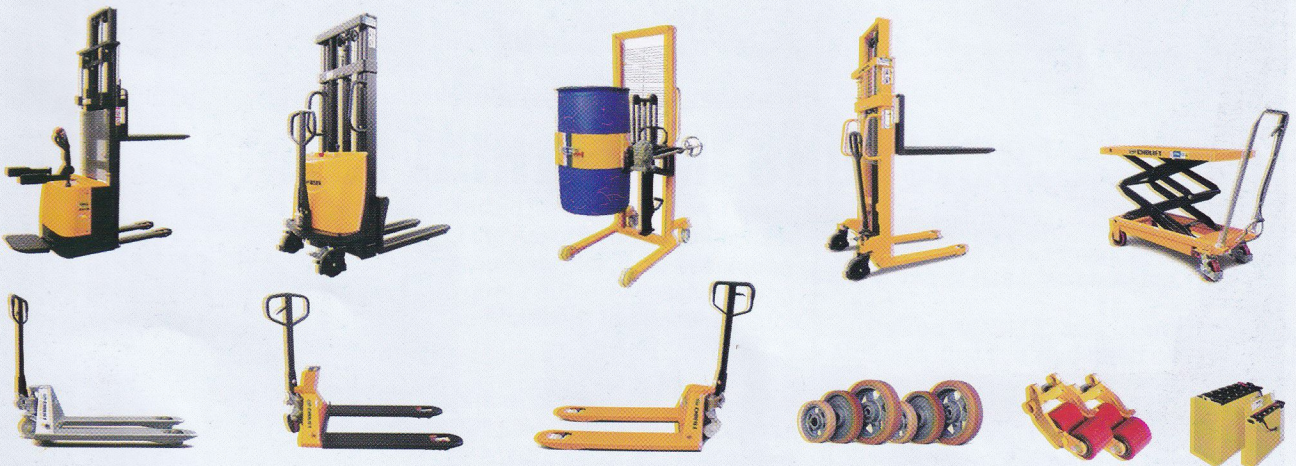
cents/kWh on total bill, while KE is billing 7.5cents/kWh on variable charges and after that includes fixed charges, government duties and taxes. As a result of which KE bills are higher as compared to other distribution companies. He expressed his concerns that due to KE billing procedure, production costs of KE consumers have increased as compared to other DISCOS and it is impossible to continue production and exports orders are at stake. As per KE version they are in constant touch with relevant Ministry to

get clarification so that they can bill Industrial Consumers at par with other DISCOS and have also assured to refund additional amount charged since Jan 2019. Mr. Parekh urged the Federal Ministries to issue relevant notification and instruct all distribution companies to revise their billing with effect from January 01, 2019, and adjust according to SRO so that export industries' production cost would be reduced continue their production and help government in its vision of enhancing exports from Pakistan.



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