
DOCUMENTS (JANUARY-JUNE 2008)

DOCUMENT 1

ENGLISH RENDERING OF THE PRESIDENT'S ADDRESS TO THE NATION ON 2ND JANUARY, 2008

Islamabad: January 2, 2008

My Pakistani Brothers and Sisters,

Asalam-o-Alaikum!

The nation has faced a great tragedy. Mohtarma Benazir Bhutto has been martyred by the terrorists. I have condoled with her husband Asif Zardari, her sister Sanam Bhutto as well as her children. Once again, I offer my condolences to the bereaved family and pray to Allah Almighty to rest the departed soul in eternal peace.

The situation continued to deteriorate since her martyrdom. Conspiracy theories were hatched, allegations and counter allegations were made. Unfortunately, a situation of confusion and uncertainty was created which usually happens in Pakistan in such circumstances. This uncertainty has engulfed the whole country. Therefore, I felt it was imperative to address the nation and place the facts before it. I fully realize the anger, the grief and sorrow which prevails in the ranks of People's Party particularly among my Sindhi brothers and sisters. I would like to state here that I am equally grieved. I value yours and the whole nation's sentiments. However, it is regrettable to note that at a time when the whole nation and specially the People's Party was rightfully expressing their grief and anger, many gangsters and goons and some political elements exploited the situation and resorted to loot, plunder and devastation. This act caused unbearable losses to the people and the country. The daily wage workers and the poor people could not reach the place of their work and obviously, they have suffered a lot of trouble. The subversive elements burnt so many petrol pumps that the remaining ones were forced to be closed by their owners out of fear. Resultantly, all the buses, trucks, vehicles and taxis remained off the roads. Owing to the fear and non-availability of fuel, the petrol pumps remained shut. Similarly, Railways suffered huge losses; engines and bogies were burnt and even the railway tracks were dismantled at some places. The whole railway system was rendered non-operational. The trains and the passengers were stranded at various stations. We are making arrangements for their onward journey to their respective destinations. Under such a situation, doctors and nurses could not attend hospitals. Therefore, those who were sick and needed immediate medical attention suffered. Even the Edhi Centres of Maulana Abdul Sattar Edhi were also attacked and ransacked. This is very much regrettable. Many houses and shops were burnt down. Shops, particularly the jewelry and ammunition shops were targeted. In the first place, shops were attacked, looted and then set ablaze. The banks were ransacked and put on fire. Apart from these incidents, some prisoners were let escape by attacking the prisons.

Jails were broken which is particularly regrettable as the hundreds of escaped prisoners might be creating law and order situation in the country. Moreover, the

election offices set up by the Election Commission, the polling stations and the equipment put up there were all destroyed. It put the Election Commission to confront a troublesome situation. I am told that some miscreants and subversive elements loaded with machine guns and rocket launchers have been roaming around the city roads. This occurred mostly in Sindh. The unfortunate aspect of the whole episode is that the political elements have played their "role" which is intolerable and deplorable. The businesses of those people have been targeted who were opposed to them. On the other hand, the businesses of their supporters have been spared.

The total loss is being assessed and it is feared that the losses may run to the tune of over a hundred billion of rupees. We have deployed the Rangers and the Army for the protection of life and property. This deployment, in my view, should continue till elections rather even after the elections, for we shall not allow any one to disturb peace and law and order, and anyone who tries to do so till elections or beyond the elections shall be dealt with sternly. I have asked the Prime Minister to work out a compensation package for those who suffered financial and monetary losses so that the government may share their burden. The next issue which I want to address is the martyrdom of Mohtarma Benazir Bhutto: how she was martyred, who did it, and secondly, I want to have an in-depth information of this incident and also wish to share this with the whole nation as it is imperative to resolve the confusion.

The progress we have made during the last seven/eight years including the development projects initiated in Sindh specially in rural areas, at grass root level, have, to a greater extent been destroyed during these two days. My brothers and sisters! Such a situation cannot be tolerated; we have to strictly deal with it and bring it to the end. It necessitates immediate action. The first step that I have taken is that I have asked the Prime Minister to constitute a Commission to evaluate the loss and identify the elements who inflicted losses and caused destruction. Here I also urge the media to visit Sindh and make estimates of the extent and nature of destruction in Sindh at the local level. I have come to know that unbelievable damage has been caused in Sindh. I have also asked the Prime Minister to hold those officials accountable particularly the senior ones who displayed negligence and failed to take immediate action against the culprits. Thirdly, FIRs and cases should be registered against the plunderers and the looters. Fourthly, the prisoners who have escaped from jails should be apprehended and sent to the prisons again. Lastly, all individuals, groups and elements displaying weapons of any kind should be arrested. We have also deployed the Rangers and the Army for the protection of life and property.

I request all the people and the media including the foreign media not to further confound this confusion.

Brothers & Sisters!

I would like to say that since day one of the incident, a lot of footage, technical evidence and eye-witness accounts of the incident are coming forth. The fresh evidences necessitate expert analysis. Therefore, we have decided to request an investigation team of Scotland Yard from the U.K. And I am grateful to Prime Minister Gordon Brown for accepting my request. God willing, this investigation team will reach Pakistan very soon and help us in the probe. This team will fill in the gaps in our technical expertise and forensics and I hope that the investigation will be carried

out successfully with the help of Scotland Yard which will remove all doubts and misgivings.

My Brothers and Sisters!

The third issue which I would like to address and share with you is the election date. The election date is very important and all kinds of views are being expressed. Whereas it is the task of the Election Commission to decide, it has been my personal desire to hold elections on January 8 without any delay. As I said, it is the responsibility of the Election Commission which has suffered so much in Sindh resulting in disruption of election process and made it impossible to hold elections on January 8. Therefore, the new date announced by the Election Commission is more appropriate and suitable.

My Brothers and Sisters, I want to reiterate that destruction and losses caused to the offices, rail, transport and the logistic systems as well as the law and order situation had impelled towards the postponement of the elections. The decision taken by the Election Commission is timely and appropriate. We have been assuring time and again that the elections would be held in a fair and transparent manner. But I have added another essential word that free, fair, transparent and “peaceful” elections would be held. By the grace of Allah Almighty, we would translate it into reality and we would do it. Earlier, it was my intention to avoid deployment of the Army because all sorts of accusations were being hurled at the Army. I would not accept it and would instead like to keep the Army out of these allegations. As I stated, the law and order situation and the destruction that took place in Sindh badly required the services of the Rangers and the Army which have already been deployed in Sindh and the entire country to maintain law and order and ensure holding of elections in a peaceful manner. These forces would be used before and even after the elections so as to strictly deal with such elements who disturb law and order. No agitation or riots would be allowed. It is my commitment to the nation. If there are any miscreants having bad intentions, they should refrain from such activities. Because, the Rangers and the law enforcing agencies, the police and the Army would strictly deal with them. I appeal to all Pakistani brothers and sisters to help in maintaining law and order in each province and discourage such elements who create law and order situation. This is the time for reconciliation and not confrontation. I urge the political parties to comprehend the gravity of the situation. It is imperative to rise above personal and political interests and realize that Pakistan comes first. Please do not aggravate the already difficult and tense situation.

My brothers and sisters from Peoples Party and especially my brothers and sisters from Sindh!

Mohtarma Benazir Bhutto’s mission was to promote democracy and struggle against terrorism. I want to assure you that my mission is exactly the same. I want to promote democracy and eliminate terrorism and God willing, my mission would continue. It is my conviction that Pakistan’s survival and development lies in this mission. God willing, a constitutional and democratic government will be formed after the elections. I am of the firm belief that the next democratic government would lead Pakistan on to the road of progress and prosperity. But we have to fight against terrorism and extremism as one nation with full force. I understand, if we failed to defeat terrorism, the future of Pakistan would be bleak. I appeal to the people and the

media to encourage and support the government, the Army and other law enforcing agencies including the Frontier Corps, the Frontier Constabulary and the Levies in their efforts against the war on terror. The support of the whole nation to the security forces would enable them to combat and defeat extremism and terrorism. As far as terrorism is concerned, I want to point out two individuals namely Baitullah Mehsud of South Waziristan and Fazlulullah of Swat. They should be exposed by the media and the nation should launch a campaign against them. Their terrorism must be exposed because they are responsible for suicide bombing and losses to the innocent people. Instead of heroise them by giving space in the media, their lies should be exposed because the people are unable to differentiate between their lies and the reality and they start believing in their lies.

I appeal to the media to expose these people and launch a campaign against them. It will encourage the law enforcing agencies. We need to hit the root cause of terrorism. Because until and unless we reach the masterminds who recruit and indoctrinate suicide bombers, we cannot rid ourselves of this scourge. In this fight, the whole nation should get united and support the Army and the law-enforcement agencies. This alone ensures Pakistan's solidarity, prosperity and development.

These are the people who have twice attacked Mr. Sherpao. The last attempt was made by them on the Eid day. They attacked at the time of Eid prayer and about 55 to 60 innocent people were martyred. They also attacked a school bus in Kamra and martyred innocent children. They are also responsible for the martyrdom of Air Force personnel at Sargodha and attacking the ISI employees twice. I am sure the same people have martyred Mohtarma Benazir Bhutto.

My Pakistani brothers and sisters! I pray that Allah Almighty may guide us to the right path and He be the protector of Pakistan and all of us.
Long live Pakistan. ■

President Pervez Musharraf's Address to the Nation, Islamabad, Pakistan, January 2, 2008
<http://www.presidentofpakistan.gov.pk/FilesSpeeches/Addresses/142008120518AMMy%20Pakistani%20Borthers%20and%20Sisters.pdf>

DOCUMENT 2

PRESIDENT MUSHARRAF'S ADDRESS AT WORLD ECONOMIC FORUM & QUESTION-ANSWER SESSION

President Musharraf: They are victims of misperceptions and distortions. But since I have been running short for time in spite of the fact that I am going to talk of Pakistan, but I would like to recapitulate what Dr. Henry Kissinger started. And I would like to recapitulate, sir, that in July 1971 Pakistan facilitated a very important event at that time. That is the breaking of thaw between United States and China. In that Dr. Henry Kissinger went to China in a Pakistan International Airlines flight on 6th July, 1971. And that was the time when there was a tussle in China between pragmatists and radicals. Had this visit not materialized, which led to the pragmatists like Mr. Chu en-Lai coming up in China and the improvement of relations that followed between the United States and China, may be the radicals could have re-

asserted and may be the cold war would have extended far beyond what we have seen its end in 1989. So, therefore that was the role that Pakistan played. But I said this especially because I believe, Sir, that Mr. Chu En-Lai at that time mentioned, 'ask the United States never forget the bridge that facilitated that, and that was Pakistan', It is an unfortunate reality that in 1990s the bridge was forgotten. With this, let me come to Pakistan to the realities of today. I will take you to a very short trip to Pakistan.

First of all, Pakistan is strategically located in the east Gulf and Middle East, in the north Afghanistan and Central Asian Republics, northeast China, and in east India and South Asia. So this strategic location actually gives Pakistan the capability of acting as a trade and energy corridor. Any kind of interaction between these regions is not possible without Pakistan. That is the strategic importance of Pakistan.

And also in view of the terrorism and extremism going on in this region, anything that happens in the region, in Afghanistan, in Pakistan and on the borders of Afghanistan and Pakistan have an impact on the whole region. And I may also dare to say, may have an impact in the streets of Europe. Therefore, it is significance and importance.

Since 1999 when I came on the scene, ladies and gentlemen, we have tried to take Pakistan forward from the state of a failed or defaulted State. Without going into details, the first issue that we addressed was the economy of Pakistan. And may I very confidently and proudly say that today Pakistan's economy from that failed State level is on an upsurge where we had a seven per cent growth every year since the last five years. I will leave at this. All other micro economic indicators today are positive. So much so that Merrill Lynch for this year projects a growth of six point eight per cent in spite of whatever has happened, in spite of any thing that you may be thinking the turmoil in Pakistan or in the region. And if you see the Economist's last page, they showed Pakistan growth this year's as seven per cent. So we are proud of this performance.

Then the other issue that I would like to highlight very briefly and I take pride in saying that we have introduced the essence of democracy in Pakistan. To touch briefly, we have empowered the people of Pakistan through a local government system which was not there before. We have empowered the women of Pakistan by giving them reserve seats at every tier of the Parliament. We have empowered minorities of Pakistan by giving them joint electorate. We have actually gone into giving the essence of democracy. Today there is a Chief Election Commissioner and an Election Commission which is functioning well. Today there is an election system, which I will talk of very briefly, is itself inherently fair and transparent.

Then we liberated the media. And I take pride in saying that. There used to be only one Pakistan Television channel in Pakistan. Today there are fifty channels operating. And the media, the electronic and print media, is totally independent. If anyone of you reads our newspapers, if anyone of you sees the talk shows on our television channels, I can assure you that you will find the independence of the media.

Then we fought terrorism and extremism. We are still fighting that. We are fighting this in a very holistic manner. May be we are the only country which has understood terrorism and extremism in its larger context. We are fighting terrorism on a multi-pronged strategy, multi-pronged being military, political and socio-economic. We are fighting the Al Qaeda and we are fighting the militant Taliban through this strategy.

We are also addressing the issue of extremism from our society which is a state of mind. It requires a different strategy. And we have a strategy for that also which is under implementation. May be it is a long term strategy. But we have the strategy in place.

We are a nuclear State. And it is just unfortunate that we are seen to be unstable that our nuclear assets can fall into wrong hands, into the hands of the terrorists. This is an Islamic bomb that Pakistan has. I really don't understand why the world calls it an Islamic bomb and why there is no 'Hindu bomb' or a 'Jew bomb' or a 'Christian bomb' or a 'Buddhist bomb'. Why this bomb is an Islamic bomb? I don't understand. And the man in the street in Pakistan does not understand this. This was because of our defensive compulsions. We had a threat, we visualized the threat. We used it to balance the threat out, quantified it in terms of force levels. But when the threat graduated beyond the conventional levels and got into the unconventional area, we had to balance out that threat again. And that is how Pakistan went nuclear. However, having said that, now that we are a nuclear State, let me assure this House that we have multi-layered custodial controls established in accordance with the best international practices. And there is no way that these assets can fall into the hands of the terrorists.

We have seen some turbulence in the last one year, ladies and gentlemen, in spite of all the growths, in spite of all the positives that we have gone through in the past seven, eight years. I would like to just comment, let me assure you, that I have always upheld the law and the Constitution of Pakistan. So, therefore, any criticism coming up, first of all, sees what the law and the Constitution of Pakistan are. Please don't see us with your Constitution and your law. So, I have upheld the laws and Constitution of Pakistan. The other thing I want to just make a passing reference. When one is faced with an extraordinary circumstance, and extraordinary circumstance meaning that the government is paralyzed, meaning that the law enforcement agencies are demoralized in their fight against terrorism, and the terrorists are being encouraged, meaning that the democratic transition towards elections is being derailed, meaning that the sovereignty of the Parliament is being violated and challenged, meaning that the nation as a whole becomes despondent on what is happening to Pakistan, and as a result of all this, the upsurge in economy seeing a stalling, and may be a downward trend, what does one do under such challenging extraordinary circumstances? Extraordinary measures had to be taken. And I am very proud of the fact that we put everything back on rail. It had to be done. And all that I would like to urge everyone here in this audience to understand that the ultimate gauge of judging our country is how the economy of the country, the socio-economic sector is performing? How the well being, welfare, progress of the nation and the people is being affected by the government and the country. And that, are we going for political stability through a well thought out democratic process in accordance with that country's environment? That is where one needs to judge a country by, and that should be the gauge for any judgments. Because, after all democracy, human rights have to serve the people. The people are not there to serve this. So therefore there has to be an understanding, there has to be the priority has to go to well being, progress, and development of the country and the well being of its people.

Lastly, I would like to come having, as I said, put the derailed democratic process back on rail where we were going to have election on 8th of January. But the

unfortunate, most unfortunate, assassination of Benazir Bhutto again came as an obstacle in the way. And the mayhem that followed, unfortunately it was not possible for the Election Commission to hold the elections on 8th of January. Therefore, they have been postponed to 18th February. Let me assure this house that the elections will be held on 18th February. They will be free, fair, transparent and peaceful. When I say free, fair and transparent, let me tell this House, inherently that the system is free and fair. If anybody asks me a question later on, I would be too glad to answer, how I say, why I say that it is inherently free and fair. That much for the present. The last word on the future of Pakistan. I firmly believe that there are three courses that we must follow, keep following. Number one that this democratic transition and the election the 18th of February must lead to a very stable government, a politically reconciled government. Number two that the economic upsurge in Pakistan must be maintained. And lastly, we must carry on our fight against terrorism and extremism. We hope with that the resilience that Pakistan has shown all along from our creation in 1947, the people of Pakistan will rise to the occasion and we will, as I said, on these three counts we will succeed. And Pakistan will remain a stable, strong, democratic, dynamic Islamic State.

Thank you very much, ladies and gentlemen. ■

President Musharraf's Speech at World Economic Forum, Davos, Switzerland, January 24, 2008
<http://www.presidentofpakistan.gov.pk/FilesSpeeches/Addresses/26200850926AM01-%20PRESIDENT%20MUSHARRF%20Speech%20at%20World%20Economic%20Forum.pdf>

DOCUMENT 3

PRESIDENT'S ADDRESS AT ROYAL UNITED SERVICES INSTITUTE LONDON

Dr. Professor Michael Clark, and ladies and gentlemen,

It is indeed a very proud privilege for me to have been afforded this opportunity to talk to you. It is a privilege because we know that this is a prestigious institution and addressing such an august gathering and a free exchange of views as brought out, I would like to have a very frank Q & A session after I have spoken.

Since there is a time constraint limited time, I would like to straight plunge into the subject or vision of Pakistan and regional harmony and indeed the world harmony because I think the stability in Pakistan and our region will affect the streets of Europe also so, therefore, world harmony.

I would like to start with a very brief background and recapitulate what Pakistan has gone through since 1979 very briefly because that lays down the existing environment that we are facing. First of all, ladies and gentlemen, let me say that between 1979 and 1989, we waged a Jihad in Afghanistan and when I say we I mean United States, I mean the West and Pakistan and I mean all the intelligence agencies combined which included the intelligence agency of Pakistan, the ISI. And also I mean that we were in the lead role, Pakistan and Pakistan's intelligence agencies in this jihad which brought about twenty to thirty thousand Mujahideen from all over the Muslim world, trained them and armed them and sent them in, that was the success that

Pakistan contributed and Pakistan intelligence agencies contributed towards the world in ending the cold war. However, disaster followed from 1989 onwards, disaster followed in that the victory, the military victory was bungled up and it could not be capped with a political victory. So the military victory unfortunately ended in the next twelve years in a political defeat, I would say, or we can at least say political bungling up. Pakistan and Afghanistan were both abandoned totally and for twelve years, the militarized armed to the teeth Mujahideen, when I say armed to the teeth they took over all the arms left by the Soviet Union and also all the arms and ammunition left by us in the tunnels in Afghanistan.

This militarized Mujahideen and Afghans were left for themselves, they ran amok and they went on a course of self destruction and they raveled the whole country. The strategic ally, Pakistan, strategic ally of the West for forty two years - 47 to 89 was ditched and the people of Pakistan in these streets, the men in the street thought that we have been used and ditched. The result of this lack of care from 1989 to 2001 for twelve years led to coalescing of the Mujahideen into Al-Qaeda and then reinforcement of this Al-Qaeda with Uzbeks and Chechens after the break up of the Soviet Union and also the creation of the Taliban in 1996 and may I also add that this Al-Qaeda with Mujahideen coalescing into Al-Qaeda they turned their guns on to the West. We had four million refugees in Pakistan and also the Kashmir freedom struggle erupted and with our emotional involvement, emotional attachments with the people of Kashmir and very lot of freelance Mujahideen coming up, Pakistan's internal situation I would say that the internal fabric of Pakistan was torn. Over and above all this, there were sanctions imposed on Pakistan which further exasperated the already feeling of being ditched and let down. This is the condition which we faced in 9/11, before 9/11 in 2001. That is where we stood and may I say that at nine then the disaster of 9/11 followed, you all know that and with that the operation in Afghanistan followed and with that Al-Qaeda shifted base into Pakistan into our cities and our mountains.

We fought them in the mountains, in our cities; we eliminated them from our cities. That is our great success. Since 9/11 there is no more Al-Qaeda in our cities, we had about six seven hundred of them and then we chased them in the mountains they were in hundreds in the valleys; they are no more in hundreds. They are in single figures now, whenever we target and we hit targets, if we kill about twenty thirty or forty, we generally have about may be three Arabs or may be five Uzbeks that is the number now. So that was I think with all that happened the strategic focus has now shifted back into our region. While it had gone on it was Euro-centric after 89 it has come back into our region, because Pakistan-India were a nuclear flashpoint because Al-Qaeda because Taliban and because 9/11. This was the background, ladies and gentlemen. I came on the scene in 1999.

I came at a stage when Pakistan was a failed state almost, we had technically defaulted and I have told you whatever our national fabric was torn and our condition at that time, with sanctions on us. We immediately took up on ourselves to the correct economy and very briefly, we corrected the economy. Our economy today after seven or eight years is on an upsurge. Our GDP growth over the last five years has been at an average of seven per cent may be one of the best performances in Asia and the world. Our size of the economy, the GDP and the per capita income has more than doubled. Our debt burden has been halved in that our debt to GDP ratio from one

hundred and one per cent is now fifty two per cent which is quite healthy. Our foreign investment which was at a low of three hundred million dollars, last year was eight point four billion dollars. The domestic investment has risen from fifteen per cent to twenty three per cent of the GDP and may I say the foreign investment to our GDP is five point eight per cent which is I think quite good. The stock exchange index has gone up by fourteen times and our foreign exchange reserves are equal to about six months of imports which is again healthy so this much for the correction of the economy. We also introduced the essence of democracy, may be points some or to you that a military man talking of introducing democracy. But yes, indeed we did that because we thought democracy was always derailed, we thought that martial law came at various occasions we took steps to avoid all that in the future.

And the essence of democracy that we introduced was firstly empowerment of the people that is the core of democracy. We empowered the people of Pakistan through a local government system giving them the power of financial authority, administrative and political authority. Within their districts, they became masters of their own whatever they want to do in development. We empowered the women of Pakistan by giving them fixed seats at every level and also allowing them competition against the men as a result of which today in our National Assembly, we had seventy two women which is twenty two per cent of the total Assembly. We empowered the minorities of Pakistan by giving them a joint electorate and also duplicating that with reserve seats at every level, that is what we did for the empowerment of people and then for the first time in the history of Pakistan we have held regular elections on due dates with tenures being completed by all. Local government elections were held in 12, 2001 the next elections came in 2005, we held them new local governments. Senate, half of the Senate was to be retired and new elections had to be held, were held on time. National Assembly, provincial Assemblies five years completed, elections were supposed to be now and they are now eighteen February. Never in the history of Pakistan has this happened. We also promoted human rights and civil liberties.

Ladies and gentlemen, I want to say that I strongly am a believer in human rights and individual liberties and freedom of speech. It is because of this that we took a decision to liberate media, to allow private sector to come into the electronic media while we had only one Pakistan Television in the past, now we have fifty channels and let me tell you that they openly criticize, give suggestions against the government, even against me that is not the problem, that is not at all the problem with us. Criticism is not an issue with us. If you read the newspapers today you read the talk shows today, you will find this, whatever I have said to be the truth. And the truth of our intentions of human rights and freedom of speech is the empowerment that I have said, the free media and holding of elections, so all that I want to say is that we want the only thing we would like is that this freedom should be within bounds and they should be within bounds and not lead to violence and destruction and anarchy. We cannot allow violence, anarchy in the name of human rights and may I say that every country has a different environment of human rights. If I was to give you an example, I want to give you two examples. In a civilized society and developed world indeed in your country if there is a problem, if there is an investigation, the police come and just put a yellow tape and nobody crosses that yellow tape. What would you do sir, if the police come and they erect a barricade and yet the people come across jumping over the barricade and they attack the police themselves? Should the police garland these people in the

name of human rights? When the Prime Minister of Pakistan went to the Election Commission to submit my nomination papers when I stood for election for my Presidency just now, these people came across the barricades, they blocked the way the Prime Minister could not get out of the place. What do you expect the police to do? So therefore police had to act.

I will give you another example which is more serious. Recently terrorism extended beyond the tribal agencies in our northern districts called Swat. There, there was one man Fazlullah, he is a cleric, he used FM Radio and he was indoctrinating people, people are illiterate, they can easily be swayed that Islam is in danger, the government is functioning against Islam, they are atheist and this and that and here there was a fire coming up in Swat. Now you tell me if we were to act on your concept, on the western concept which is correct ultimately we should reach there. Of human rights, should we act against this man? He is not doing anything, he is just talking and if the people follow him he is talking so what is our concern. No sir, it is our concern because he is destabilizing Pakistan. Therefore it will remain our concern. So as that is why I said earlier the stability of Pakistan is crucial and critical at this moment especially to the world, to the region and to ourselves, we cannot allow any one to destabilize. The environment can lead us to anarchy in the name of human rights so that that is the only point that I thought I must make very very clearly and also another point that I want to make, agitation in Pakistan is not an agitation in London where people may come with placards when they leave the streets are very clean. Agitation there means all your traffic lights are destroyed, cars and motorcycles are burnt, offices may be burnt and there are billions of rupees of loss and damage. So if this is the kind of agitation and as I said anarchy that is to follow, I am afraid this kind of human rights is the one which does not suit our environment, till we develop ourselves into a stage where we become as conscious of our civic responsibilities as may be the developed world so that much for our human rights are contribution to human rights. Then we, ladies and gentlemen, we contributed to regional peace, we went on effort on a rapprochement with India. It is going well on resolving our disputes.

We also are trying our best to contribute our bid to stabilize in Afghanistan, we believe in the Bonn process and we are going forward. On the international level also, we contributed in the form of an idea of enlightened moderation to be executed by the Muslim world and the West. While things were going very well till last year 2007 in Pakistan what went wrong, I would like to clarify because that has created a lot of misperceptions about human rights, about myself, about democracy so I would like to clarify in a very very frank manner because it is leading to lot of aspersions, lot of insinuations. What are the West's concerns, I would like to take each one of them and give my views on them. Number one, the judicial crisis, the sacking of the Chief Justice of Pakistan that is a concern of many, that is a concern with every one human rights organizations, lot of people talking of. Ladies and gentlemen, this was not a human rights issue. It was very much a legal issue which was converted into a political issue being further converted into a crisis for the nation. What would you do if the Chief Justice of any country is corrupt, is politicized, is nepotistic and I mean every word of it because this was the observation that the Prime Minister had and in the form of a reference, he sends a reference against the Chief Justice to the President and this strictly according to the Constitution of Pakistan and nobody being above the law

required that if there is a complaint against a judge or the Chief Justice, there is a forum called to Supreme Judicial Council. You can send the reference to the Supreme Judicial Council and this is exactly what was done strictly according to the law of the land and the constitution of Pakistan. But what followed was unfortunate, what followed was activism, judicial activism by some judges followers of that very Chief Justice who took the case away from the Supreme Judicial Council into a bench of the Supreme Court, most unconstitutional and then gave a decision totally negating setting aside the Supreme Judicial Council, the constitutional body and also then not even considering the reference against the Chief Justice and rejecting it. However, in a mode of reconciliation we accepted this, I accepted it openly on the television but unfortunately the confrontation continued and it reached a stage of such a serious situation that the government was almost semi-paralyzed, that the law enforcement agencies got demoralized and because the government was paralyzed, the extremists and terrorists started raising their heads, they came into the settled districts, the incidents of suicide bombing increased because they saw the government to be weak. The sovereignty of the parliament was negated.

The parliament elected me with a fifty seven per cent vote but this very Supreme Court with the same Chief Justice decided not to allow its notification to be issued. And not only that he formed a bench of seven members, he saw the seven members may give a judgment in my favour, he made this into a nine member bench, he found that may be again this may be favorable; he turned into an eleven member bench. And after that you may laugh at one thing instead of deciding on such a critical issue which was delaying the democratic transition because we are to go on for the national and provincial elections after that. They postponed the settled date for hearing on the plea that one of the members of the bench whose daughter was to get married so therefore they gave a one week delay in the judgment. Now this was the condition which I faced which the nation faced. And I would like to ask you what would you now, under such extra ordinary situation, how would you handle it where the nation got demoralized and despondent and our economy which was at an upsurge, stalled. And it pained me to see that may be it turns down. What do we do, should we carry on, let this activism by some individuals carry on to bring the nation to harm the nation or do we consider this extra-ordinary situation requiring extra-ordinary measures. I took it that extra ordinary measures were required and therefore I did, I did declare an emergency to correct the situation and we corrected this situation.

The derailed democracy was put back on track and the elections were supposed to be held on eighth January, unfortunately the assassination of Benazir Bhutto which further delayed the issue and it is to be held on 18th February. This was one of the issues that you are concerned that the West seems concerned. The other concern is about the election itself whether they will be held at all aspersions being called that I am not serious about it last minute may be I am going to switch and they would not be held, may be they are going to be totally rigged. I leave this as in case any one asks a question and all I want to say the elections will be free, fair, transparent and peaceful. The system inherently is fair and I will give out the system whenever any one asks. Whatever bugs remain in the system that it could be manipulated, have been removed by me and my government and I challenge any one to find out what bugs there were and I would ask any one to give me how they can be rigged. And if anyone gives me any suggestion I would be too glad to pass it on to the Chief Election

Commissioner for implementation. The third area of concern is your nuclear safeguard. People thinking that our nuclear assets are unsafe. Again I leave it to the Q & A but let me just make one point that we have multi-layered custodial controls. The department is under a secretariat called Strategic Planning Division very elaborate Secretariat, controls all development, finances, security every thing and the handling of the assets that we have is under a force called Strategic Army's Strategic Force Command. It has a strength of about twelve fifteen thousand people. It is like a corps with a Lt. General, two Major Generals underneath, under the Major General, Brigadiers and under-Brigadiers regiments. So they are totally under custodial control and there is no possibility of their falling in any extremist/terrorists' hands.

The war on terror is another aspersion that has caused on us that we do not have our heart in it, that we are double crossing may be, may be our intelligence has some elements inside which is not in line with us, may be our army is not in line with the government, there are some people who are thinking differently. Number one, ladies and gentlemen, please understand that we are not doing this for anyone, we are doing this for ourselves, for Pakistan and I believe that why would we not be serious when we think terrorism and extremism and these obscurantist views of Taliban and obscurantist views of our religion is not what Pakistan wants and not what people of Pakistan want. So we want to fight this ourselves. We are not doing any one a favour. So we are very serious about it. And may I say that we are the only country in the world may be which has strategized on how to deal with all aspects confronting us which is number one Al-Qaeda, Al-Qaeda are foreigners, they need to be dealt with in a different manner. Number two- Taliban they are our own people, they need to be dealt in a different manner. And number three Extremism, extremism prompts terrorism, it is a state of mind. It has to be dealt with in a totally different manner. We have strategized for each one of them and we are following a multi-pronged strategy of military use, military action, and force, political and socio-economic. I will take any question if at all you want to, later. These were the issues on Benazir's assassination, a lot of insinuations going on, may be the government is complicit may be I am, may be the intelligence agencies are, we confuse every issue unfortunately within our country and then it is taken up by media elsewhere.

We are very clear we want to know how she was assassinated and we want to know who did it. We invited Scotland Yard because we thought there may be some weaknesses in our forensic capabilities and our technical capabilities. So any talk of United Nations Commissions and all that, we are a sovereign country, we have resources, we have organizations, we have institutions, why should we allow any one else coming in to investigate. If we see our weakness, we will indeed invite any one. So that is all that I have to say ladies and gentlemen. Last remark that I want to make is Pakistan is on the forefront fighting terrorism and extremism again like we did in 79 to 89 when we were in the forefront fighting the Soviets. We are in the forefront fighting terrorism and extremism. Our success is critical, we have to win because if we lose I think it will have an impact on the region and the world, may be in the streets of Europe. So therefore, we have to be together and we have to reinforce each other and encourage each other, support each other instead of criticizing and insinuating. The support that we would require may be in the long term perspective and I keep telling this everywhere. We have to get to the core and core is poverty and illiteracy and that is where we need assistance. When I talk of market access into the European Union,

when I am going around asking for investments coming into Pakistan, it gets translated into new jobs, unemployment reduction, it is poverty alleviation. That is the core of fighting terrorism and extremism. So please help us to do that. Thank you very much, ladies and gentlemen.■

President's Address at Royal Institute London

Davos, Switzerland, January 25, 2008

<http://www.presidentofpakistan.gov.pk/FilesSpeeches/Addresses/26200851202AM07-Presidents%20Address%20at%20Royal%20Institute%20London.pdf>

DOCUMENT 4

PRESIDENT'S ADDRESS AT A LUNCH WITH BUSINESS EXECUTIVES IN DAVOS

Ladies and gentlemen responding to the invitation of the President we have with us business and industry leaders that is what makes this luncheon special. The President is accompanied by Governor State Bank, Foreign Secretary and the Foreign Minister of Pakistan who has passed to the tone to a caretaker into Pakistan to share his thoughts and visions with the participants of the luncheon today.

President Musharraf: *Bismillah al Rahman al Raheem*. Thank you very much for the introduction Masood Sahib, thank you very much for all of you ladies and gentlemen to be here at this lunch, thank you very much for giving me this opportunity to be able to speak to you on Pakistan specially focusing on the business opportunities or the investment climate in Pakistan. And how our economy has been doing? I know the turbulence that you see in Pakistan. You read newspapers. You are watching television of course. In spite of all that I have come here to sell Pakistan to you and show you our success story. Firstly because I know whatever I am going to be saying to be the fact that it is a country where investment and commercial or economic activities would be very fruitful. And also may I say to all this audience that when you trade, when you enhance your trade and come for investment in Pakistan you are contributing towards job creation. Therefore, you are contributing towards unemployment reduction and poverty alleviation. And therefore, you are contributing in the long term to the root cause of striking against terrorism and extremism. So I would like to say that please help us fight terrorism and extremism through increased trade and commercial activities and investment in Pakistan. Now the obvious question I would like to attack right away right in the beginning why should you come to Pakistan under the present law and order situation that must be coming to every one's mind. I would like to justify firstly that this militancy or law and order that you see is confined mainly vastly I would say to the tribal agencies of the frontier province of Pakistan. And within the tribal agencies, the seven tribal agencies, the two of them that is South and North Waziristan. If I was to give you the population of this affected area, of the entire frontier, of the entire tribal agencies all seven, is about two per cent and the South and North Waziristan from where the main problem is arising to be point three per cent of population of Pakistan. So I get disturbed in Pakistan when the media or any body in the world thinks that ninety-seven point seven per cent of

Pakistan can be held hostage by point three per cent disturbers. The other issue that I would like to raise further elaborating that all the suicide bombs that you may be hearing and which disturbs every one, disturbs me also are targeting for a purpose because of certain actions that we have taken and successfully taken. They are targeting the government, the political leaders, me, Benazir Bhutto in an act of desperation I would say. So, we are going strongly against them. We have not seen a single foreign enterprise targeted by a suicide bomber or through any law and order action. There are about seven hundred foreign firms today operating in Pakistan if not more I do not know none of them has ever been attacked. Each one of them is making good profit and progressing. So therefore, I would like to say that the law and order situation does not affect investment in Pakistan. So therefore, if you come into Pakistan for investment let me assure you that your investment will remain safe. On the political side people think that there is instability again. Let me assure you we are having our elections on 18th of February. Yes, indeed there was a degree of destabilization on the political side but the whole process is on rail now. I have been elected President by the assemblies for tenure of five years. The elections on 18th of February will put a Prime Minister in place whether it is whichever party he belongs to or through a coalition and according to the Constitution of Pakistan the president has a role to play. The Prime Minister is the man who runs the government. He will run the government whoever it is. And I know that I will function reasonably well. I will function well with any one. So I do not see any political turbulence also because every one would be interested in moving Pakistan forward. So this is as far as law and order and political disturbance is concerned. Let me reduce the timing I will come now to the economic realities of Pakistan. In spite of all the turbulence ladies and gentleman that you may have seen or may have noticed which is not seen in the correct perspective by the foreign media and by many other people. It is not seen in the correct perspective. Let me tell you that Merrill Lynch today thinks that Pakistan economic growth will be six point eight per cent. And the economists forecast seven per cent growth. This is in spite of whatever is happening. All our growth indicators, if you take the industrial sector, the construction sector have in the past six months has grown by seventeen point two per cent. The service sector has grown by eight per cent, manufacturing eight point four per cent. Large scale manufacturing, nine per cent. This is the growth. And I am very glad that Barclay is here. They are entering in Pakistan. I am very glad China Mobile is here. They are entering Pakistan. And I am very glad to say that he has said that already they have invested about eight hundred million dollars. And they are going to invest another eight hundred million dollars in the infrastructure of Pakistan. So these are the realities which get submerged. Unfortunately in the media issues that are raised of destabilization, what destabilization in Pakistan. The government is active. There is a government in place. There is a strong military in place. There is an economic upsurge. The courts are functioning. The civil society is functioning. So where is the destabilization? Why is anyone trying to create this impression of destabilization of Pakistan? Every country has some problems or the other. And one deals with the problem and carries on, life carries on. And Pakistan carries on. On the economic side we have if I just give them very few macro economic indicators. Our GDP has grown by seven per cent over the last five years. The GDP itself has more than doubled in the last seven years. In fact it has risen by about one fifty per cent. The FDI (Foreign Direct Investment) has grown

by three thousand per cent. Now this quite a ridiculous statement I am making but that is the reality. Then if you see the Stock Exchange of Pakistan, it has grown fourteen times. It again appears very ridiculous but it is the best performing stock exchange in the world. And in spite of all that you may have read in the papers and the perceptions being created our stock exchange remains un-ruffled. So what is the issue? It is the resilience of the economy. It is the basic foundation of the economy that we have corrected and we are moving forward. The investment in the last six years has risen by fourteen per cent by the year in the last six months by fourteen per cent. So investment is coming in. But my grouses may be because of this misperception being created. We could have certainly gone much faster on the investment side, much higher on the investment side. So that is what brings me out of my country today. I visited European Union. I visited Paris, Brussels, Paris and now I am here and I am going to London. My aim and purpose is to tell the people. First of all the media interact with the media and tell them do not create perceptions of your own. Give ground realities after understanding ground realities in Pakistan. And then interact with the business community also to put these realities in their correct perspective.

Ladies and gentlemen, we have been following the policy of deregulation, liberalization and privatization all along. And we have successfully done that. And that is the policy with which we keep going forward. Today as a result of our economic growth, growth of GDP and I did not mention the per capita growth. Per capita income has more than doubled. By the way it has grown by one hundred thirty per cent. As a result of which purchasing power of individual has increased. And because of which demand has increased. And the demand supply gap has increased. And therefore, profit has increased. I am very glad that we have the Unilever, representative here. And I know that Unilever is making a very good profit. Why is it making very good profit? I was just talking and I know I spoke to the country head of Unilever it is because of the rural economy. There is money in the rural economy. And they are using their soap and their shampoos in the villages of Pakistan. Why has the mobile telephone? There has the mobile telephone gone up from a figure of five or six hundred thousand only four five years back we have crossed seventy-six million mobile telephones. And the tele-density has gone from two point nine per cent to over fifty per cent. This is our growth. How our motorcycles are being sold in Pakistan. And I have interacted with the motorcycle manufacturers. The sale has gone up from eighty thousand to about six, seven hundred thousand. Why people in villages are buying motorcycles? If today you talk to Pepsi boss of Pakistan and I have done that. He says he is very happy, laughing all the way. Pepsi sales have gone up. I think you are asking why the people in villages are having Pepsi now. So this is the economic upsurge and the increase in the demand in Pakistan. Therefore, the profitability has increased manifolds. And I think it is even up to sixty per cent in some cases.

I would like to talk of Pakistan's population which is one sixty million you know that. But beyond that I would like to say please do not see Pakistan as an individual stand alone country. See Pakistan's strategic location which unfortunately we never exploited before. We are in the centre of Middle East Gulf on our west, Central Asia Afghanistan in the north; they are all looking for coming down south. Western China in our north east. There is tremendous development going on about one hundred twenty billion dollars I believe that Chinese development going on in this western region. And South Asia, India to our east. Any interaction trade or energy

interaction within these regions, ladies and gentlemen, is not possible without Pakistan. Therefore, please see Pakistan as a hub of this entire region. When we are talking of investing in Pakistan please see this all up. And another thing that we are doing and that I would like to convey for your interest and understanding. We saw our population and the work force in Pakistan. This work force in Pakistan it is calculated that we by 2050 we are going to be fourth largest work force in the world, after China, India and the United States. We have analyzed this work force and we are executing a strategy to enhancing the quality or qualitative development of this work force through producing engineers. We are getting engineering universities from Europe being established in Pakistan. And these universities are from France, Germany, Italy, Sweden, Austria, Netherlands and Japan and China, South Korea. These universities will produce the required engineers of a very high standard. We are getting their examination system, their syllabus, and their faculty also, their dean also. And the degrees to be issued by the universities as if a person has studied in that country. This is progressing very well. Each university will have technology parks, modern so we are going to make sure that our technicians are also trained very well. Then we have launched a very ambitious vocational training programme. For minor skills, courses of three to six months, for building and construction and other activities which are required for business activities in Pakistan. And this is going very well. We have even involved the army to do so. The corps has been told to establish vocational training centres. And hundreds of youths especially from the backward areas are studying in each one of these and getting trained on skills, skill development. So therefore, what I am trying to say is we are trying to improve the quality of our manpower, engineers, technicians and skills to meet the challenge of the growing population of Pakistan and to facilitate the investors who come into Pakistan to give you a cheap labour and qualified manpower. So this is our future.

Our success is, I have mentioned about motorcycles and by the way the visibility of our economic success is in two forms. Today if you see the roads our roads are blocked with cars. And we are into construction of overhead passes, flyovers, under passes everywhere because there is a boom. Car manufacture has gone up by about six hundred per cent, motorcycle manufacture similarly. If you go into other electronics, if you go into television and air conditioners all other elements, motorcycles and everything has gone up in production. Banking sector has been our special success while eighty-five per cent of the banks were in the public sector. Now eighty-five percent are in the private sector. Each one of them is doing very well.

Thanks to the deregulation, privatization and the control being exercised, very good control being exercised by the State Bank of Pakistan. And we have the Governor State Bank sitting here. And she is the lady and where is she. Here is she ...laughter... okay, okay. There she is. We the area to invest in I had just noted that is the last item that I would like to bring out is the power sector. We are short of power. I said the indicator of our economic growth. One is on the road, road being chocked. The other is power shortage electricity and gas. While in 2001 we did not require gas and we had a surplus of four thousand megawatts of electricity. We were thinking of exporting electricity to India. Today we could not take gas from Iran because we thought that unless India joins we do not need the gas in 2001. Today we are short of gas. Today we are short of electricity. This is the indicator of our economic growth. So, therefore power sector in all in the gas exploration and also developing. Gas, coal,

alternate sources, nuclear and hydro all of them. We are looking into all of them and telecommunication and information technology, oil and gas exploration, food and food processing, dairy, and building and construction, services sector. These are the sectors all of them are doing their tremendous scope in each one of them. That is all that I had to say ladies and gentlemen. I would request all of you to come to Pakistan those who have not and I am very sure those have come already will make do good business in Pakistan and your business will succeed. And I hope you come to Pakistan and see for yourself what I have said. I think more than believing me come and see what has happened in Pakistan and the revolution that is going on. So thank you very much for your patient hearing, ladies and gentlemen.Clapping.....
Please carry on eating because I really skip lunch normally. ■

President's Address at a lunch in Davos, Switzerland, January 27, 2008
<http://www.presidentofpakistan.gov.pk/FilesSpeeches/Addresses/26200851850AM03-President%20at%20a%20lunch%20in%20Devos.pdf>

DOCUMENT 5

JOINT STATEMENT BY THE ISLAMIC REPUBLIC OF PAKISTAN AND THE REPUBLIC OF YEMEN

PR. No.025/2008

Date: 02/02/2008

1. H.E. Prime Minister Mohammadmian Soomro accompanied by a high ranking delegation paid a goodwill visit to the Republic of Yemen on the 1-2 February 2008, at the invitation of H.E. the Prime Minister of Yemen, Dr. Ali Mohammad Mujawar. Prime Minister Soomro and his delegation were warmly welcomed.
2. H.E. Prime Minister Soomro held a one-to-one meeting with H.E. Prime Minister Mujawar followed by delegation level talks. The talks focused on a review of bilateral relations and exchange of views on international and regional issues.
3. The two sides expressed their satisfaction at the growing bilateral cooperation in all fields as a result of recent high level exchanges. It was agreed to translate the strong political resolve to boost bilateral relations into tangible economic and commercial cooperation. It was agreed to focus on trade, commerce, defense, security, social, scientific, educational and technological cooperation. It was also agreed to enhance cooperation between the private sectors of the two sides through exchange of trade delegations, participation in trade fares, and in joint ventures and investments.
4. The two sides exchanged views on the situation in the Palestinian Territories and Iraq. The two sides expressed deep concern about the worsening situation of the Palestinian people in Gaza due to Israeli blockade and strikes against citizens of Gaza. The two sides condemned the measure of collective punishment of the Palestinians and called for an urgent lifting of the Israeli blockade and uninterrupted flow of humanitarian aid and essential supplies to Gaza.
5. They agreed that the international community should play an active role in granting the Palestinians their due right to establish a sovereign, independent and

viable state of Palestine in accordance with the relevant UN resolutions, the Arab Peace Plan and other peace initiatives.

6. On Kashmir, the Yemeni side expressed its support for the Pakistan–India efforts to solve the Kashmir dispute and hope that the progress would be made to settle the Kashmir dispute as soon as possible in accordance with the will of the Kashmiri people.

7. On Iraq, both sides emphasized the need to preserve its territorial integrity and sovereignty and to bring peace to the country.

8. The two sides condemned terrorism in all its forms and manifestations and expressed their resolve to combat terrorism. They emphasized the need to address the root causes of terrorism and the necessity to counter the tendencies to associate terrorism with Islam.

9. The two sides also exchanged views on Afghanistan and stressed the need to support the Government of Afghanistan. It was agreed that a stable Afghanistan was important for regional peace and security.

10. Prime Minister Soomro held, during the visit, meetings with Chairman Shooraa Council H.E. Abdul Aziz Abdul Ghany and Minister for Defence Maj. Gen. Mohamed Naser Ahmed Ali. Prime Ministers of Pakistan and Yemen graced the joint meeting of Pakistan and Yemeni businessmen.

11. In a meeting between Federal Minister for Labour and Manpower and Overseas Pakistanis Mr. Nisar Ahmad Ghuman and the Minister of Social Welfare and Labor Dr. Amat Al–Razzak Ali Hummed, the Yemeni side indicated keen desire to recruit skilled and semi-skilled labour from Pakistan.

12. H.E. Prime Minister Soomro expressed to H.E. Prime Minister Dr. Ali Mujawar his gratitude for the warm hospitality extended to him and his delegation. H.E. Prime Minister Soomro invited H.E. Prime Minister Mujawar to visit Pakistan as soon as possible.

13. The following agreements were signed during the visit:-

- Protocol on the Technical Cooperation between the Board of Investment of the Government of the Islamic Republic of Pakistan and the General Investment Authority of the Government of the Republic of Yemen .
- Agreement on Cooperation between the Federation of Pakistan Chambers of Commerce and Industry and Federation of Yemen Chambers of Commerce and Industry.■

Ministry of Foreign Affairs, Islamabad, Pakistan, February 2, 2008
http://www.mofa.gov.pk/Press_Releases/2008/Feb/PR_025_08.htm

DOCUMENT 6

MOU ON AIR SERVICE AGREEMENT BETWEEN PAKISTAN AND INDIA

PR. No.030/2008

Date: 15/02/2008

The delegations representing the Government of the Islamic Republic of Pakistan and the Government of the Republic of India met in Rawalpindi on 14-15 February, 2008 for consultations on air services matters. The Pakistan delegation was headed by Major General Mir Haider Ali Khan, Additional Secretary, Ministry of Defence, whereas the Indian side was led by Mr. Kanu Gohain, Director General Civil Aviation. The consultations were held in a friendly and cordial atmosphere.

2. Both delegations recognized that in the wake of developments which have taken place in the aviation industry during the past few years, the existing Air Services Agreement needs to be reviewed and updated.

3. It was agreed that each country shall henceforth be entitled to designate three airlines each to operate the agreed services on the specified routes. Presently only one airline each operates between India and Pakistan.

4. It was also agreed to increase the frequency of flights per week from 12 to 28 for each side.

5. Against the two destinations presently available to the designated airlines in each other's territory, it was agreed to add Chennai for the designated airlines of Pakistan and Islamabad for the designated airlines of India, as third destination. This also enables direct air connectivity between the capitals of the two countries.

6. Both delegations also agreed to meet again at a mutually convenient date within one year to review the capacity/frequency framework and additional destinations in each others territory, keeping in view the market demand.

7. A Memorandum of Understanding (MoU) was signed by the leaders of the two delegations today containing the above agreed elements.

8. Both sides expressed satisfaction that the new arrangement would further the objective of facilitating people to people contact, business and trade activities between the two countries. ■

Ministry of Foreign Affairs, Islamabad, Pakistan, February 15, 2008
http://www.mofa.gov.pk/Press_Releases/2008/Feb/PR_030_08.htm

DOCUMENT 7

OIC SUMMIT ADOPTS REVISED CHARTER, EXPRESSES STRONG SUPPORT ON KASHMIR

The 11th OIC Summit concluded in Dakar, Senegal last night with the adoption of the revised Charter of the Organization and a renewed undertaking for collectively addressing the challenges facing the Ummah. Pakistan, being the current Chairman of

the Islamic Conference of Foreign Ministers has been chairing the year long important exercise of the revision of the OIC Charter in accordance with the mandate provided by the 3rd Extraordinary Summit in Makkah Al-Mukarramah. In accordance with the revised Charter, the membership of the OIC will be granted, henceforth, only to Muslim majority countries.

In his address to the Summit, Foreign Minister Inam ul Haque highlighted the problems faced by the Muslim world in political, economic, social and ecological spheres, and called for collective efforts to address these challenges by optimal utilization of the natural and human resources with which the Muslim world has been endowed. He urged commitment and devotion of the necessary intellectual, human, material and financial resources for the success of the OIC Ten Year Programme of Action with a view to steering the Ummah to a prosperous and secure future. He also called for a collective front against, extremism, terrorism and Islamophobia, and the malicious campaign to defame Islam and its sacred personalities. "There can be no excuse for defaming a religion and its Prophet on the pretext of freedom of speech", he emphasized.

Referring to the tragedies of Palestine and Kashmir, the Foreign Minister reiterated Pakistan's commitment to peaceful resolution of longstanding disputes. He particularly highlighted that a durable peace in South Asia could only be achieved by amicably resolving the core dispute of Jammu and Kashmir in accordance with UN Security Council resolutions and the aspirations of the Kashmiri people. He conveyed Pakistan's profound gratitude for OIC's continued support to the Kashmiri people in their valiant struggle to achieve their right to self-determination.

Earlier, a high level meeting of the OIC Contact Group on Jammu and Kashmir, chaired by OIC Secretary General Professor Ekmeleddin Ihsanoglu, was held on sidelines of the Summit. The meeting was attended by the Foreign Minister of Turkey, H.E. Mr. Ali Babacan, the Minister of State of Saudi Arabia, H.E. Mr. Nizar Obeid Madani, and the representatives of Niger and Senegal. Pakistan was represented by Foreign Minister Inam ul Haque. In their statements, Contact Group members reaffirmed OIC's longstanding principled position and unflinching support for the inalienable right to self-determination of the people of Jammu and Kashmir, and for the peaceful resolution of the Kashmir dispute in accordance with the resolutions of the United Nations. True Representatives of Kashmiri people, led by Mirwaiz Umar Farooq, Professor Nazir Ahmed Shawl and Mr. Ghulam Nabi Fai expressed appreciation for the efforts of the Contact Group in promoting a just settlement of the Jammu and Kashmir dispute. They briefed the Contact Group on the situation in Jammu and Kashmir, and presented a Memorandum in that regard. The Contact Group also approved a Declaration on Jammu and Kashmir. The Declaration was subsequently adopted by the Summit.

Mirwaiz Umar Farooq also addressed the plenary of the Summit Conference. Emphasizing that Kashmir issue was key to peace in South Asia, he urged the international community and the OIC to intensify efforts for its early and just resolution.

The Final Communiqué adopted by the Summit also reaffirmed the complete solidarity and support of the Islamic world for the right to self-determination of the people of Jammu and Kashmir and for the resolution of the Jammu and Kashmir dispute in accordance with the relevant UN resolutions and wishes of the Kashmiri

people. The Final Communiqué also includes important proposals by Pakistan on a host of issues including disarmament and non-proliferation. On Security Council reform, the Summit reaffirmed its demand for adequate representation of the OIC member states in an expanded Security Council, and called for continuing efforts to reach consensus on this issue.

The Summit adopted several important resolutions, including two resolutions tabled by Pakistan on Jammu and Kashmir and reform of the UN Security Council.

In their statements in the general debate, leaders of several countries including Azerbaijan, Somalia and Sierra Leone supported Pakistan's efforts for pursuing the peace process with India and for resolution of the Kashmir issue.

Pakistan announced a contribution of 100,000 dollars for the Islamic Solidarity Fund.■

Ministry of Foreign Affairs, Islamabad, Pakistan, March 15, 2008
http://www.mofa.gov.pk/Press_Releases/2008/March/PR_059_08.htm

DOCUMENT 8

SUPREME COURT VALIDATES PROCLAMATION OF EMERGENCY, PCO, FOLLOW-UP ACTIONS: DETAILED JUDGMENT DELIVERED

1. The Supreme Court has delivered detailed judgment to validate the Proclamation of Emergency on 3rd November 2007, the Provisional Constitution Order No 1 of 2007 and the Oath of Office (Judges) Order, 2007. This Full Court judgment is written by Chief Justice Abdul Hameed Dogar.

Other members of the Full Court were Justice Ijaz-ul-Hassan, Justice Mohammad Qaim Jan Khan, Justice Mohammad Moosa K. Leghari, Justice Chaudhry Ejaz Yousaf, Justice Muhammad Akhtar Shabbir and Justice Zia Perwez.

'The learned Chief Justices and Judges of the superior courts, (Supreme Court of Pakistan, Federal Shariat Court and the High Courts), who have not been given, and who have not made, oath under the Oath of Office (Judges) Order, 2007 have ceased to hold their respective offices on the 3rd of November 2007. Their cases cannot be re-opened being hit by the doctrine of past and closed transaction'

These six judges were appointed after promulgation of PCO. Tikka Iqbal Muhammad Khan and Wattan Party through its Chairman Barrister Zafarullah Khan had filed petitions to challenge the validity and legality of PCO and proclamation of Emergency under Article 184(3) of the Constitution of Pakistan.

Syed Sharifuddin Pirzada, and Raja M. Ibrahim Satti, represented the President/Chief of Army Staff while Malik Muhammad Qayyum, Attorney General appeared on Court notice.

2. In Its 111-Page Judgment, The 7-Member Bench Said, We Find That:

- (i) In the recent past the whole of Pakistan was afflicted with extremism, terrorism and suicide attacks using bombs, hand grenades, missiles, mines, including similar attacks on the armed forces and law enforcing agencies, which reached climax on 18th of October 2007 when in a similar attack on a public rally, at least 150 people were killed and more than 500 seriously injured.

The extremists/terrorists resorted to abduction of foreigners, which badly impaired the image of Pakistan in the comity of nations, and adversely affected its economic growth.

The situation in Islamabad and various places in NWFP, Balochistan and tribal areas was analogous to "a state within the state". Unfortunately, no effort by the government succeeded in curbing extremism, terrorism and suicide attacks. The Prime Minister apprised the President of the situation through his letter of the 3rd of November 2007;

- (ii) The Constitution of Pakistan is based on the principle of trichotomy of powers. All the three organs of the State, namely, the legislature, the executive and the judiciary are required to perform their functions and exercise their powers within their specified sphere.

Unfortunately, some members of the superior judiciary by way of judicial activism transgressed the constitutional limits and ignored the well-entrenched principle of judicial restraint.

Thousands of applications involving individual grievances were being processed as suo motu cases ostensibly in the exercise of power under Article 184(3) of the Constitution, which provision is resorted to the enforcement of fundamental rights involving questions of law of general public importance.

Instances of transgression of judicial authority at large scale may be found in the cases of determination of prices of fruits, vegetables and other edibles, suspension and transfers of government officials, frequent directions to enact particular laws, stoppage of various development projects, such as New Murree City, Islamabad Chalets, Lahore Canal Road and many more.

They rendered the state machinery, particularly legislative and executive branches of the government paralyed and nugatory. They made ineffective the institution of the Supreme Judicial Council set up under the Constitution for the accountability of the members of the superior judiciary;

- (iii) The sum total of the circumstances led to a situation where the running of the government in accordance with the provisions of the Constitution became impossible for which the Constitution provided no remedy or satisfactory solution. There was a strong apprehension of disastrous consequences that would have followed in case the action of the 3rd day of November 2007 was not taken by the Chief of Army Staff/President;

- (iv) The situation which led to the issuance of Proclamation of Emergency of the 3rd day of November 2007 as well as the other two Orders, referred to above, was similar to the situation which prevailed in the country on the 5th of July 1977 and the 12th of October 1999 warranting the extra-constitutional steps, which had been validated by the Supreme Court of Pakistan in *Begum Nusrat Bhutto V. Chief of the Army Staff* (PLD 1977 SC 657) and *Syed Zafar Ali Shah V. Pervez Musharraf, Chief Executive of Pakistan* (PLD 2000 SC 869) in the interest of the State and for the welfare of the people, as also the fact that the Constitution was not abrogated, but merely held in abeyance;

Sufficient corroborative material has been produced by the respondents, which justifies the taking of the extra-constitutional measures by the Chief of Army Staff and the President.

3. We, Therefore, Hold That:

- (i) The Constitution of the Islamic Republic of Pakistan, 1973 still remains to be the supreme law of the land albeit certain parts thereof have been held in abeyance in the larger interest of the country and the people of Pakistan;
- (ii) The extra-constitutional steps of Proclamation of Emergency of the 3rd day of November, 2007, the Provisional Constitution Order No 1 of 2007, the Provisional Constitution (Amendment) Order, 2007, the Oath of Office (Judges) Order, 2007 and the President's Order No 5 of 2007 are hereby declared to have been validly made by the Chief of Army Staff/President subject to the condition that the country shall be governed, as nearly as may be, in accordance with the Constitution. All acts and actions taken for the orderly running of the State and for the advancement and good of the people are also validated. In absence of the Parliament, General Pervez Musharraf, Chief of Army Staff/President, in pursuance of the Proclamation of Emergency of the 3rd day of November 2007 may, in the larger public interest and the safety, security and integrity of Pakistan, under the principle of *salus populi suprema lex*, may perform.
- (a) All acts or legislative measures which are in accordance with, or could have been made under the 1973 Constitution, including the power to amend it;
- (b) All acts which tend to advance or promote the good of the people; and;
- (c) All acts required to be done for the ordinary orderly running of the State.

4. We Further Hold and Direct As Under:

- (i) The old Legal Order has not been completely suppressed or destroyed, but it is a case of constitutional deviation for a limited transitional period;

- (ii) Constitutional amendments can be resorted to only if the Constitution fails to provide a solution for the attainment of the declared objectives of the Chief of Army Staff/President, but without affecting the salient features of the Constitution, ie independence of Judiciary, federalism, parliamentary form of Government blended with Islamic provisions;
 - (iii) The President, the Federal Government and the Election Commission of Pakistan shall ensure the holding of fair, free and transparent elections as required by the Constitution and the law;
 - (iv) The Superior Courts continue to have the power of judicial review, to judge the validity of any act or action of the Chief of Army Staff, or the President notwithstanding the ouster of their jurisdiction by the aforesaid extra-constitutional measures;
 - (v) The Chief Justices and Judges of the superior courts (Supreme Court of Pakistan, Federal Shariat Court and the High Courts) are subject to accountability only before the Supreme Judicial Council in accordance with the procedure laid down in Article 209 of the Constitution;
 - (vi) The learned Chief Justices and Judges of the superior courts, (Supreme Court of Pakistan, Federal Shariat Court and the High Courts), who have not been given, and who have not made, oath under the Oath of Office (Judges) Order, 2007 have ceased to hold their respective offices on the 3rd of November 2007. Their cases cannot be re-opened being hit by the doctrine of past and closed transaction; and
 - (vii) The Proclamation of Emergency of the 3rd day of November, 2007 shall be revoked by the President and/or the Chief of Army Staff at the earliest so that the period of constitutional deviation is brought to an end. However, this Court may, at any stage, re-examine the continuation of the Proclamation of Emergency if the circumstances so warrant.
5. The petitions are disposed of in the above terms."■

M Rafique Goraya, Business Recorder, February 15, 2008

<http://www.brecorder.com/index.php?id=694527&currPageNo=1&query=&search=&term=&supDate=>

DOCUMENT 9

MANIFESTOS OF POLITICAL PARTIES

PPP's MANIFESTO

PPP Chairperson Benazir Bhutto on Friday [November 30, 2007] formally launched the party manifesto for the January 8 elections, focusing on “5 Es” namely employment, education, energy, environment and equality.

“We believe that the key to development lies in focusing on employment, education, energy, environment and equality and in the January 8 elections [held on

February 18] we are presenting a better future for the people of Pakistan,” said the former prime minister while unveiling the party manifesto 2008 at a crowded news conference on Friday.

PPP Parliamentarians Secretary General Raja Pervez Ashraf and Information Secretary Sherry Rehman were also present on the occasion. The focal point of the manifesto, however, remains the party’s popular slogan of “Roti, Kapra aur Makan” or “Food, Clothing and Shelter” with three additions of education, energy and employment.

Interestingly, the PPP has included all the 36 points of the Charter of Democracy in its manifesto. Briefing on the main focal points of the manifesto, Benazir Bhutto said in order to create employment, the educated youth would be given one-year employment on trial basis, micro-finance would be enhanced and the elderly would be given special concessions.

“After coming into power, we would construct small dams to overcome the water shortage in the country, power generation would be promoted and the menace of load-shedding would be ended,” she added.

Benazir Bhutto said that the PPP would remove the ban on student unions but at the same time would not allow arms on campuses and even in Madrassas. The education curriculum will also be revised in line with modern education.

Benazir said the PPP would not turn the religious seminaries into arms depots or military headquarters to impose their will on the people. She vowed to expand micro finance in the country so that as many as 5 million people could borrow money to generate incomes.

On equality, she said it was an important part of the manifesto and that every citizen had equal rights. She said, “We want to make Pakistan a moderate economic country, as we are living in a global world in order to fulfill its requirements we have to change our thinking but this will only be possible if the Constitution is held supreme and the judiciary is independent and the democracy prevails.”

Benazir said that the party would also empower the women and minorities through putting in place a national employment policy for women; through taking institutional initiatives to prevent crimes against women; through effective legislation to enable secure ownership of assets and resources for women; through establishing family courts led by women judges.

She said the PPP would provide protection to Pakistan’s minorities through reviewing laws that discriminated against them. It will empower the minorities through job quotas and affirmative action programmes that entitled them to employment in the public sector, she added.

On environment, she said the PPP would support the Kyoto Protocol and it would be implemented in the country. Benazir also said that the housing credits would be provided to low and middle-income groups and for senior citizens the party would provide financial assistance.

In the health sector, she said that national insurance scheme would be launched for better health facilities for the people. On foreign policy the PPP says that it will support the right of self-determination for all people and it will support the rights of Kashmiri people and will pursue the composite dialogue process agenda that it initiated with India.

On terrorism, the PPP vowed to dismantle “the militant groups who seek to make hostage the foreign policy of the country and impose their writ through force on tribal areas of Pakistan and elsewhere and the distinctions between and amongst terrorist groups will no longer be maintained”.

On defence, the PPP says that the educational curriculum in defence institutions will be revised to ensure respect for democracy, democratic institutions and elected officials. In addition, the PPP says that all newly-appointed services chiefs will be given a public oath of office, similar to the one taken at commissioning, prior to taking up their assignments.

On provincial autonomy, the PPP says it will abolish the concurrent legislative list, the provinces will be given due share in their natural resources, review the criteria of the NFC award while taking into account contribution of revenues, geographic size, backwardness and level of development as well as population, review the natural gas rates and royalty formula, provinces will be given part of sale proceeds in the sale of federal assets in their provinces. ■

(For Complete Text of PPP Manifesto See: Pakistan People’s Party 2008, <http://www.ppp.org.pk/manifestos/2008.pdf>)

Defence Pakistan, December 1, 2007

<http://www.defence.pk/forums/strategic-geopolitical-issues/8506-ppps-manifesto.html>;

PML (N) MANIFESTO

PML-N Quaid Mian Nawaz Sharif on Friday announced manifesto of the party for the 2008 polls with a pledge of restoring the judiciary, democracy and eliminating military role in politics.

The seven-point manifesto focuses on the acronym RESTORE in which R stands for restoration of the judiciary, democracy and the 1973 Constitution, E for elimination of military's role in politics, S for security of life and property of the people, T for tolerant and pluralistic society, O for overall national reconciliation and institutional development, R for relief for the poor through poverty alleviation and finally E which stands for employment, education and health facility to the citizens.

The manifesto was launched at a press conference held at the Model Town residence of the party chief attended by party President Shahbaz Sharif, former federal ministers Ishaq Dar, Sartaj Aziz and party leader Siddiq al-Farooq.

The manifesto was prepared by a 16-member committee chaired by Sartaj Aziz. It rules out role of the military in the political affairs of the country and stresses to resume a pure professional role, as it is in other democratic countries. It also promises to appoint a commission to identify the causes and fix responsibility for the Kargil crisis in 1999.

The PML-N manifesto pledges that a Truth and Reconciliation Commission would be constituted to examine and report its findings on military coups and illegal removal of government in the past two decades and acknowledges victims of torture, imprisonments, state-sponsored persecution, targeted legislation and politically-motivated accountability.

The manifesto also promises good governance by ensuring security of service, revamp NAB and appoint its chairman in consultation with the leader of the opposition, bring military under the purview of accountability, abolish National Security Council and bring defence budget within the purview of parliament for approval. It also promises to restore military's honour and respect as a professional and a political institution.

It also voices for protection, independence and dignity of the judicial system through effective measures and promises to strength the lower judiciary for speedy delivering of justice to the people while announcing the manifesto. The manifesto mentions extremism and terrorism as a menace and assures to intensify efforts to curb it. The party makes commitment to increase minimum wages to Rs 5000/month and conform labour laws to ILO conventions. It also expressed its resolve to work for resolution of Kashmir dispute in line with UN resolutions and aspirations of Kashmiri people. It focuses to respect the principle of provincial autonomy and bring FATA into the mainstream of country's political, economic and cultural life. ...■

(For Manifesto See: Pakistan Muslim League (Nawaz) 2008,
<http://www.pmln.org.pk/manifesto.php>)

The News, December 19, 2007

http://www.thenews.com.pk/top_story_detail.asp?Id=11738; For Complete Text of PMLN

PML (Q) MANIFESTO

The PML launched its manifesto for the 2008 Elections at a press conference at the PML House here, which was jointly addressed by PML President Chauthry Shujat Hussain and PML Secretary General Mushahid Hussain Sayed.

The manifesto contains a number new ideas and innovative initiatives revolving around the five 'Ds' that were termed as the "PML Vision". These are **Democracy, Development, Devolution, Diversity and Defence.**

The two PML leaders underlined that the Party deliberately choose December 10 to launch the PML Manifesto since it coincided with the International Human Rights Day and the Party wanted to reaffirm its commitment to **Human Rights** as a major policy priority.

The PML manifesto also unveiled two mottos of the Party, "Live and Let Live", to focus on promoting **tolerance and harmony in politics** and the other, "**Giving Hope to the Hopeless**".

The PML President underlined that a lot of work had gone into preparations of the Party manifesto and he had entrusted the initial task of giving input to a Committee headed by Senator S.M. Zafar. Then there had been consultations within the Party and outside as well, and the final product was a result of brain storming between the Party President and the Secretary General during the last one week.

Chaudhry Shujat Hussain underlined that the PML was the only Party that did not believe in the cult of personality, rather it draws its inspiration from the **Vision of Pakistan's founding fathers**, Quaid-e-Azam and Allama Iqbal. The attractively produced manifesto has a number of quotations from the Quaid-e-Azam on different themes. Senator Mushahid Hussain Sayed said that new initiatives proposed in the PML charter were **"doable and Poor Friendly"**. He also said that great care had been taken to ensure that the manifesto reaches out to all sections of Pakistan's population and society, particularly the poor and voiceless. For instance there are projects for the disabled, youth, women, teachers, prisoners, senior citizens, widows and orphans, as well as journalists, artists, poets and writers, and overseas Pakistanis.

For instance, the PML is proposing a **"National Teachers Day"** to honour the profession of teaching, and it proposes to raise the **retirement age of teachers to 65**.

Chaudhry Shujat Hussain also underlined that PML was committed to a "democratic political culture based on culture of conciliation rejecting the culture of revenge". He also emphasized the need for "democracy within political parties including the right of dissent and difference of opinion". In a new initiative, the PML **manifesto calls for a constitutional amendment to allow representation of overseas Pakistanis in the parliament**.

Speaking on defence and foreign policy, Senator Mushahid Hussain said the PML wishes to **"redefine the concept of national security** so that, apart from military might civilian components are also highlighted". These include "respect for the Rule of Law and Human Rights, political parties and provincial autonomy, economy and education, civil society, independent media and judiciary and a sovereign parliament". The PML manifesto rules out "allowing any intrusion into its Nuclear Program or provide access to any of its nuclear installations and scientists to outsiders".

The PML has also proposed a **Task Force** for examining the causes of extremism and it has stated its position on such issues as Kashmir, Afghanistan, Iraq, Palestine and the Iranian nuclear program. The PML also "Recognizes the APHC as representing the voice of the Oppressed Kashmiri people". The manifesto also calls for the **Foreign Office to be more "people friendly"**.

Summing up the manifesto, PML President Chaudhry Shujat Hussain said that the manifesto has taken major initiatives that will benefit the majority of Pakistanis, particularly the poor and those living in the rural areas. In this regard, he referred to the **Village Development Initiative** for integrated development of Rural communities, promoting self reliance through a **Skills Promotion Trust** giving access to easily available small loans for persons keen to transform their skills for generating income on self help basis as well as revolutionary program for provision of **"Low Cost Housing** under what is termed as **"Cheap Homes Initiative"**.

Concluding, the PML Secretary General Senator Mushahid Hussain urged the political parties that instead of resorting to negativism and pessimism they should come out with alternative policies aimed at benefiting the great majority of the people of Pakistan. He said that "PML has done that through its Manifesto and our message is a positive one based on optimism and its motto of "Giving Hope to the Hopeless". The manifesto also included a new initiative for improving the image of Pakistan through a **Cultural Ambassador** and recognizing the diversity of the Pakistan

Federation. The manifesto defines extremism, terrorism and sectarianism “as the **biggest security threats to Pakistan**” and it is also focused on moral values and character building including rejection of “*Sifarshi Culture and Khushamdi Culture*”.**■**

(For Complete Text of PMLQ Manifesto See: Pakistan Muslim League (Quaid-i-Azam) 2008, <http://www.pml.org.pk/details.aspx?id=65c4f7a3-1ad4-43ec-a2fa-78ebfc721798&cha=1&cat=9&subcat=1>)

Pakistan Muslim League, December 10, 2007
<http://www.pml.org.pk/details.aspx?id=8e07e3f0-94fc-41ab-ae63-b9bcb382ed4c&cha=1&cat=...;>

ANP MANIFESTO

Announcing the silent features of election manifesto of Awami National Party at a Press conference, central leader of ANP Senator Asfandyar Wali Khan Sunday said that concrete measures would be taken for promotion of undiluted democracy, establishment of independence judiciary, free media and elimination of poverty. He said protection of human rights, and economic, social and political development would be the top priority of ANP. The manifesto vowed better relations with time tested friend China, neighbouring India and United States of America besides solving the core issue of Jammu and Kashmir through dialogue. If voted to power, he said the party would change the name of the province as 'Pukhtunkhwa', merge FATA with the province with due representation in NWFP assembly. Senator Asfandyar Wali said that that his party will work for establishment of peaceful, progressive, moderate and balanced society besides ensuring equal rights to federating units.**■**

(For Complete Text of ANP Manifesto See: Awami National Party, http://awaminationalparty.org/news/index.php?option=com_content&task=blogsection&id=5&Itemid=27)

Dawn, December 16, 2007
<http://www.dawn.com/2007/12/16/rss.htm;>

MQM MANIFESTO

The MQM has announced a 17-point manifesto for the elections in which its banner slogan is “Empowerment for All.”

“Amn, Taraqi, Khushhali,” (“Peace, Progress, and Prosperity”) is also a slogan part of the MQM’s campaign. But the 3 Ps have created confusion since they also stand for the PPP. The MQM’s Dr Farooq Sattar read out the manifesto at a press conference at Lal Qila Ground near the party headquarters Nine Zero on Thursday [December 13, 2007].

The second largest party of Sindh has focussed on provincial autonomy for all the federating units in its 16-page manifesto that starts with a quote by party founder Altaf Hussain. “The MQM demands provincial autonomy for all the federating units of Pakistan as defined in the resolution passed by the All India Muslim League on the 23rd of March 1940 in Lahore which is known as the Pakistan Resolution,” Altaf urged.

Sattar said provincial autonomy is sine qua non for a federation and the lack of it is the biggest cause of disharmony and distrust between the units. The MQM wants a national dialogue and consensus among the units to settle this issue in a way that fulfils the aspirations of the people of the smaller provinces in particular. "The MQM wants the federation to retain Defence, Foreign Affairs and Currency. All other subjects should fall in the domain of the units," Sattar said, adding that this might be attained through constitutional measures.

The MQM also proposed an Inter-Provincial Council.

Education is second on the manifesto with the MQM wanting 2.2% of the GDP for its budget increased to 5% during the next five years. "A minimum of 20% of the provincial and district government revenue expenditure should be allocated for education," Sattar urged. Education should be compulsory for each child and free till Matriculation. The proposed salary for teachers must be revised to above 3% inflation each year.

The manifesto's third point on Health includes a pledge that expenditure would be increased from 0.6% to 4% of GDP during the next five years.

Sattar said 'Health for All' remained a slogan that needed to be shaped into projects such as a Liver Institute, Trauma Centre and Telemedicine service, Mother and Child Care Centres with breast-screening facility in each district, cadaver banks, the restoration of 2,400 unused Basic Health Units and Rural Health Centres and the abolition of import taxes on medicines and customs duties for medical equipment. He said that the government would negotiate with multinational pharmaceutical companies for a reduction in prices.

In the fourth point, the prevailing feudal system should be abolished and effective land reforms be made by fixing a reasonable ceiling. Proposed agricultural reforms include a 60% share of cultivators (Haris/Muzaray), district-level microfinance credit, government land for landless cultivators, revision of the agricultural tenancy laws, promotion for agro-based industries in rural areas with incentives, the lining of water channels and the remodelling of the irrigation system, the computerisation of revenue records, the protection and promotion of forestry, incentives for live-stock breeding, development of inland and marine fisheries, etc. New dams should be constructed with consensus. The gap between wage rise and inflation must be narrowed and the government should focus on distribution of assets, economic opportunities for all. Social security schemes would be introduced.

City nazims: The party wants unity of command for urban centres with the city district nazim controlling traffic, municipal services and revenue collection.

The party wants an independent, impartial and autonomous judiciary, proposes community policing and that the police work under an elected police commissioner. Environment friendly buses and a privately-run but regulated rapid mass transit system are also proposed.

Equal concentration will be paid to manufacturing consumer goods and light and heavy industries to encourage investment. Reduction of non-development expenditure, an increase in the ratio of direct taxes to indirect taxes, provincial collection of GST and Excise Tax, an independent National Finance Commission and a reversal of written-off loans are pledged in eighth point.

The federal and provincial cabinets, instead of the PM and CMs, need to take all policy decisions, said the ninth point. The party also vowed representation to

minorities - at least 5% of the total strength in the assemblies. There must be an independent foreign policy with a pledge to promote close, friendly and honourable relations with all countries especially our neighbours, including the settlement of the Kashmir issue through meaningful and sincere dialogue according to the wishes of the Kashmiri people. ■

(For Complete Text of MQM Manifesto See: Muttahida Quami Movement (MQM) 2008, <http://www.mqminternational.org/site/manifesto2008.aspx>)

Daily Times, December 14, 2007

http://www.dailytimes.com.pk/default.asp?page=2007\12\14\story_14-12-2007_pg7_10;

JAMIAT ULEMA-I-ISLAM (FAZUL-UR-RAHMAN) MMA MANIFESTO

In a marked shift from its oft-repeated stance on the restoration of the sacked judges of the superior judiciary, the Muttahida Majlis-e-Amal (MMA) has restricted itself merely to promising an independent judiciary in its yet-to-be-announced manifesto, *Daily Times* learnt on Sunday.

The MMA Supreme Council has approved the manifesto that has been prepared by a six-member committee consisting of Prof Sajid Mir, Maulana Abdul Ghafoor Haideri, Liaquat Baloch, Allama Syed Abdul Jalil Naqvi, Pir Ejaz Hashmi and Maulana Abdul Shakoor Naqshbandi.

In the document, the alliance promises an end to the role of the military and intelligence agencies in the country's political affairs. It states that it will give 'due' status to the detained nuclear scientists after coming into power. The alliance also promises to restore the 1973 Constitution to its original form and claims to discourage the re-employment of retired civil and military officers. The manifesto's salient features deal with constitutional reforms, the judiciary, law and order, women's rights protection, and the country's defence, foreign and finance policies.

Constitutional reforms: The manifesto contains a heavy agenda of constitutional reforms, which includes restoring the 1973 Constitution to its original form, the establishment of an independent Election Commission, and achieving a balance between the powers of the president and prime minister.

It also advocates appointing judges to the superior judiciary based on merit instead of political considerations and the constitution of a high level committee consisting of the president, the prime minister, the leader of the opposition in the National Assembly and the chief justice of Pakistan, to appoint superior court judges.

Law and order: The manifesto says that the MMA would rid the country of sectarianism and bring peace to the Tribal Areas and Balochistan through dialogue. The alliance was also silent on its previous demand to kill the Women's Protection Act of 2006 and instead stressed upon the establishment of a special department to solve the problems being faced by women. ■

(For Complete Text of JUI Manifesto (MMA) See: Jamiat Ulema-i-Islam (Fazul-ur-Rahman) 2008, <http://www.juipak.org.pk/man.htm>)

Daily Times, December 17, 2007

http://www.dailytimes.com.pk/default.asp?page=2007\12\17\story_17-12-2007_pg7_37;

JAMIAT ULEMA-I-ISLAM (SAMIUL HAQ) MANIFESTO

The Jamiat Ulema-i-Islam (Samiul Haq) issued its election manifesto on Saturday, [December 8, 2007] which promised support for movements for the promulgation of Sharia in Muslim countries.

The manifesto declared that only men were eligible to become presidents and prime ministers and non-Muslims could not be appointed to key posts. Islam, it said, would be declared as the state religion, while all Muslims would be required to undergo military training.

The manifesto, released from the party's secretariat in Akora Khattak in Nowshera, said education would be free for all up to the secondary level and co-education would be discouraged. The party would set up separate institutions for women, including universities, across the country.

Arabic would be declared a compulsory subject while English would be an optional one. The party, if it came to power, would ban usury and introduce an Islamic banking system.

Minimum wages would be Rs. 3,000 a month. The judicial system would be brought into conformity with the Sharia laws, said the manifesto. ■

Dawn, December 9, 2007

<http://www.dawn.com/2007/12/09/nat6.htm>

DOCUMENT 10

GENERAL ELECTIONS 2008 RESULTS

Party Position National Assembly & Provincial Assemblies					
Party	NA	PP ¹	PS ²	PF ³	PB ⁴
PPPP	88	77	66	18	7
PML(N)	66	102	0	4	0
PML(Q)	38	64	10	4	17
MQM	19	0	36	0	0
ANP	10	0	2	29	2
BNP(A)	1	0	0	0	5
MMA	5	2	0	8	5
Others	41	39	11	16	10
1. Provincial Assembly Punjab 2. Provincial Assembly Sindh 3. Provincial Assembly NWFP 4. Provincial Assembly Balochistan					

Dawn (Islamabad), February 27, 2008

DOCUMENT 11**GENERAL ELECTIONS 2008 RESULTS AFTER NOMINATION OF RESERVED SEATS**

Party	NA	PP	PS	PB	PF
PPPP	120	106	88	11	39
PML (N)	90	165	0	0	09
PML(Q)	51	86	10	20	05
MQM	25	0	51	0	0
ANP	13	0	0	04	46
MMA	06	02	0	10	14
PML F	05	04	09	0	0
BNP (A)	01	0	0	07	0
PPP (S)	01	0	0	0	07
NPP	01	0	02	0	0
Independent/others	18	02	0	10	06
Total Results	331	365	159	63	117
Total Seats	342	371	168	65	124

The News (Rawalpindi), March 10, 2008

DOCUMENT 12

**ENGLISH TRANSLATION OF SPEECH
BY H.E. SYED YOUSAF RAZA GILANI,
PRIME MINISTER OF PAKISTAN, MADE IN THE PARLIAMENT ON
29 MARCH 2008**

Madam Speaker!

I am grateful to God Almighty for having been honored in the sacred month of Eid Milad-un-Nabi for addressing this house.

I firstly pay tribute to father of the nation, Quaid-e-Azam Muhammad Ali Jinnah who got Pakistan by sheer dint of lego-constitutional and democratic struggle. I also pay tribute to Quaid-e-Awam, Shaheed Zulfikar Ali Bhutto who sacrificed his life during his struggle to secure masses' right. I pay compliments to Daughter of the East, Mohtarma Benezair Bhutto Shaheed whose sacrifices have enkindled democracy in the country. I pay my compliments again to all the workers who treaded the path of their leaders and sacrificed their lives. I pay my tribute to all those fellow colleagues who suffered long hardships in jails.

I express my gratitude to party Chairman, Mr. Bilawal Bhutto Zardari, and co-Chairman Mr. Asif Ali Zardari who reposed trust in me towards fulfillment of national obligations. Besides, I am grateful to Pakistan Democratic Alliance and all other allied Political Parties' leaders Mian Muhammad Nawaz Sharif, Mr. Asfand Yar Wali and Maulana Fazal-ur-Rehman who reposed confidence in me. I am also grateful

to MQM's Quaid, Mr. Altaf Hussain and FATA MNA, Mr. Orakzai, Pir Pagara of Functional Muslim League, minority and independent members – who reposed trust in me.

I am also grateful to opposition members of National Assembly who have reposed confidence in me, besides being grateful to the Parliamentary Parties' Members and workers. I pray to Allah Almighty for enabling me to measure up to the trust and expectations of all the leaders, workers and finally the entire nation, Ameen.

Madam Speaker!

I assure you on this occasion that we will never forget our friends who remained supportive to us during difficult times. This in view, we will take along all APDM political parties with us who went with us during our struggle for restoration of democracy. Today is another important step towards restoration of democracy. Today we have to start our journey towards that particular destination which was fixed by our Quaid Mohtarma Benazir Bhutto Shaheed. Today we make a solemn commitment to complete her mission.

Madam Speaker!

Pakistan Peoples Party has the distinction of having its two great leaders shed their blood in the way of democracy. One of our great leaders was removed through judicial murder. The other great leader was martyred by those forces which never wanted rule of law and justice in this country. I pay tribute and compliments to these great souls.

Madam Speaker!

Today this house has honoured me as well as burdened me with heavy responsibilities. I shall Inshallah remain steadfast in the fulfillment of these responsibilities. I firmly believe that Pakistan Peoples Party workers along with all democratic forces would strengthen my hands.

Madam Speaker!

I through this august house want to tell the people of Pakistan that we always shall be with them and share their woes and difficulties. In their happiness lies our happiness and in their honour lies our honour. We are proud of sixteen crore people of Pakistan. I firmly believe that God will change the destiny of this great nation by virtue of aforementioned personalities. The nation has elected such a government that is supported by people of all the provinces. I promise that your government shall equally take care of the interest of all the people and areas of the country.

Madam Speaker!

Our message is hope, our message is unity, and we are torchbearer of peace, freedom, progress and enlightenment. Inshallah, we will make our country stronger. But remember that a country cannot assume strength unless its national institutions assume strength, and the people repose full trust in these institutions. Our determination is to strengthen all the institutions so as to attain stability in state's affairs. Peace in the country will open the doors of progress, employment and, finally the prosperity. I do not hesitate in stating that Pakistan is passing through difficult times. Today nation is

facing challenges, but we are not afraid of these challenges. Inshallah we will fight these challenges in all circumstances.

Madam Speaker!

Now I present before you the elected governments' priorities. Inshallah, implementation of these will end suffocation in the country.

Madam Speaker!

Terrorism and extremism are our serious issues which have endangered national security. Therefore, our first priority is to restore peace, eliminate terrorism. War against terrorism is our own battle, since we have lost countless innocent children and youth who attained Shahadat. Unfortunately, some people have opted terror to express their opinion. Now when the country is back on track of democracy, I appeal to all the people to shun violence and join us in the journey of democracy. We are ready to talk to all those people who will give up their weapons and opt for peace.

Madam Speaker!

Our tribal areas for long have been victim of backwardness. These areas badly need integrated socio-economic and political reforms because poverty and illiteracy have promoted terrorism in these areas. We will give special package to combat these social ills, which shall form a special pillar of our strategy against terrorism.

Madam Speaker!

Our second biggest problem is un-employment, price hike and poverty. We are fully aware of these problems of the masses. Inshallah, we will provide employment to the unemployed, shelter to the shelter less and literacy to the illiterates. Our government shall never tolerate unjust distribution of wealth. We are determined to maintain social justice in the state, and our government shall open new opportunities of progress and prosperity for the people of Pakistan. It is our foremost priority to get rid of exploitation of the masses.

Madam Speaker!

It is our bad luck that the train of democracy continued to move on and off the track. Because of this we were deprived of the fruits of democracy, and progress and prosperity always remained a dream. National Institutions could not foster. It now is imperative to establish real democracy in the country and create a balance amongst state institutions. We welcome the announcement by Chief of Army Staff that all serving military officers shall be recalled from civil institutions. This announcement has enhanced Pak Army's stature. We understand that the civil officers should assume responsibilities in civil institutions instead of military ones. However, the institutions needing services of Army officers may continue to use their services, and this announcement could be deferred to that extent. It is imperative that every institution should discharge its specified responsibilities for country's sustenance and progress. It is the right of the people to rule.

Madam Speaker!

Today's Pakistan is beset with crises. Power, Water, Ata and price hike top the list of crises. We should not tell lies to the people. We want to take our people in confidence. I am sorry to state that no immediate solutions for this crisis are possible. The country is facing 3,000 mega watt power shortage which will go up to 4,000 mega watt during next year. Longer duration load shedding is feared during summer season. We have to face this challenge with full force. We need to set up new power plants to increase the production of electricity but it requires time.

Madam Speaker!

I am proud to state that the ever biggest investment from the day of establishment of Pakistan in power sector was made during previous PPP Government. The Power Policy of 1994 led to an additional 3078 mega watt of electricity production, which in return, led to 3.5 Billion US dollars investment. After the Constitution of Tarbela Dam in 1976, Ghazi Brotha started production of hydel power of 1450 mega watt electricity from the same water reservoirs, in 1994.

Madam Speaker!

Through your offices I assure the nation that we again shall install new power units by virtue of our positive and well-suited electricity generation policies. Inshallah, the day is not far when Pakistani people again will move out from darkness to light. I announce on the floor of the house that during this year we shall install 2200 mega watt power generation units. Meanwhile we shall save 500 mega watt of electricity through special load management campaigns, thereby scaling down load shedding. In this regard, we have directed PEPCO to ensure provision of 10 million energy saver bulbs at a very appropriate price.

Madam Speaker!

We have chalked out, in the first phase, a Thar Coal Power Generation Project for 5,000 mega watt of electricity. By increasing its capacity we shall upgrade it to 20,000 mega watt power production. We have directed WAPDA to complete every kind of feasibility study in connection with construction of big dams. We shall finalize all the future water and power projects, enabling us to produce more electricity through increase in water reservoirs. Additionally, investment is being invited/encouraged for keti bandar project. Inshallah, in days to come more projects of energy conservation shall be announced.

Madam Speaker!

Water problem has assumed state of crises. Water like patrol is a precious asset. Next wars in world shall happen because of water, and the countries of the globe shall enter into social and political conflict because of water. Alhamdulillah, Pakistan is rich in water reservoirs, but we have to save our water related assets and safeguard them. In order to cope with this problem we have to pave the water channels to minimize loss of water. Moreover, we shall construct small dams in order to meet our water and power requirements. Our government shall initiate construction of small dams on emergency footing.

Madam Speaker!

We know that only those nations progress which exploit their resources sensibly. Our government shall not let these resources go waste. We have decided in this regard that a national saving campaign shall be started right from my office. It is hoped that other institutions will also follow the suit. The budget of Prime Minister's House is being reduced by 40%. The members of the Cabinet will not use cars above 1600 CC. The Ministers will travel in economy class during their inland journey.

Unnecessary illuminations on government buildings will not be allowed. No amount from the (treasury) will be spent on furnishing official buildings and accommodations.

Madam Speaker!

We are taking basic steps for the promotion of democratic values along with simplicity. Like other democratic countries we shall also introduce Prime Minister's Question Hour in the National Assembly where Prime Minister will respond to the people's questions through their elected representatives.

Madam Speaker!

Poverty is one of our biggest national problems. Due to poverty we are the victim of unemployment, illiteracy and extremism. Therefore we shall concentrate on those sectors of economy which are capable of generating employment.

We shall establish an Employment Commission after approval from the Cabinet, which will plan for creation of jobs in both private and public sectors. A Literacy and Health Corporation will be established under this Commission to provide employment to youth for two years after their graduation.

National Employment Scheme will be introduced throughout the country. Under this scheme at least one member of every poor family living in 50% districts of the country will surely get employment.

Social Sector, especially health and education will be promoted throughout the country to create thousands of jobs. Madarassah Welfare Authority will be established for children's education and training. With the help of all stakeholders a system of uniform syllabi, registration of foreign students and the audit of the funds will be introduced.

Madam Speaker!

Another important problem of our people is housing. In existing circumstances not only the poor but the middle class is also unable to build a house for themselves. Therefore, it is our responsibility to help every Pakistani citizen to construct his own house. In this respect, we shall try to build one million housing units every year in the country. In this regard, a new scheme will be introduced.

We have decided to introduce five marla scheme for shelterless people in rural areas where government land is available. In urban areas we shall introduce the schemes of flats and 80 square yard plots for homeless people.

A new policy will be framed to regularize Kachi Abadis because the poor people of Pakistan are our real asset. Similarly, we shall ensure better accommodation facilities for government servants and efforts will be made to provide a house or a flat to retiring government servant.

Madam Speaker!

We are also aware of the importance of clean environment for the good health and progress of the nation. Therefore special attention will be given to improve the environments. For improvement of environment our government will encourage CNG busses. It will provide economical traveling to the poor people besides improving environment.

Madam Speaker!

Agriculture is an important sector. It is backbone of national economy but requires special attention and revolutionary steps for its development.

We spent more than One billion dollars annually on the import of edible oil. 70% of our needs of edible oil are met through imports. We will promote and encourage the cultivation of sun flower in suitable areas to save valuable foreign exchange in order to attain self sufficiency in the production of edible oil.

Our farmer is facing acute economic hardships in this age of price hike. Our farmer is a self-respecting man and we are well aware of his sufferings. Our government will take every step for their welfare and prosperity because prosperous farmer will bring prosperity to Pakistan. I will mention here some of the steps being taken immediately.

Madam Speaker!

I announce in this august house that the support price of wheat is being enhanced from Rs. 510/- to Rs. 625/- per 40 KG. We shall also ensure the sufficient availability of wheat stock in the country so that people get rid of standing in long queues for hours and hours, and people get flour easily. We shall crush hoarding and smuggling with iron hands.

A scheme for the insurance of crops will be introduced for small farmers. Supply of cheap and good quality seeds to farmers will be ensured. Supply of cheap fertilizer in every area will be made possible. Special steps will be taken in livestock sector to increase the income of farmers.

System of supply of milk from rural to urban sector will be integrated.

Madam Speaker!

Our government shall play its due role in the light of Charter of Democracy and Murree Declaration for the freedom of judiciary and restoration of deposed judges. We have already taken first step in this direction.

Madam Speaker!

I also want to assure the nation that self accountability and transparency will be an important pillar of our policies. In the past, the accountability was used for political victimization. Some individuals and institutions were kept out of ambit of accountability. So much so that the word "accountability" was reduced to a joke. We want to see the system of justice free and independent. We want to introduce a justice system under which no individual or institution is exempted from accountability. The dispensation of justice is the responsibility of a free and independent judiciary. No extra judicial system can be kept free of political and administrative pressures. We came to know this fact in the light of performance of institutions like NAB.

Madam Speaker!

Our government will put an end to VIP culture. This campaign shall be started by people's representatives. In this regard, special counters for members of Parliament established at airports are being dispensed with. Pakistan's flag shall be hoisted on Parliament House. The Lady Health Workers Program started by Mohtarma Benazir Bhutto shall be widened in scope and shall reach the urban areas, smaller towns and even Kachhi Abbadies. Our Government shall provide national ID cards to poor people free of cost.

Madam Speaker!

We shall provide access to the people to Parliament and Parliamentary Committees through the media for an effective accountability system. More over, we shall allow the people to watch the Public Accounts Committee proceedings. We believe that the country will gain strength when all its constituent units will be strong. Our Constitution guarantees strengthening of federation's constituent units. What we need is that provincial autonomy be ensured through what has been provided in the constitution itself. We shall do away with the concurrent list provided in the constitution within one year. We shall ensure provision of due legal and constitution all rights to the provinces.

We understand that the Balochistan People of Balochistan had to suffer a lot. We already have sought apologies from Balochistan people. In order to progress and attain stability and progress, it is necessary that the atrocities wrought on the people of Balochistan and the rest of the country be compensated, and the people be provided quick and cheap justice so that they could feel themselves safe in their country. Our government shall establish Truth and Reconciliation Commission to promote tolerance amongst various segments and areas of the country that could comfort the wounds of those who faced state repression.

Madam Speaker!

Our foreign policy is hinged on peaceful co-existence and good will. We believe in live and let live-based principles. We want to promote relations with all nations on the basis of equality. We hold in high esteem all the nations of the world, and expect from the rest of the world to hold in respect the people of Pakistan in return. We want close and stable interaction with the United States and the entire Europe. We want to foster peace and brotherhood with all neighboring countries.

Madam Speaker!

I take this opportunity to assure our Kashmiri brothers and sisters that their sacrifices will never go waste. We shall support and promote negotiations to resolve Kashmir issue. Let it be clear that CBMs could only be fruitful if the Kashmir issue is resolved according to Kashmiri people's wishes and also in the light of universal principles. To promote relations with the rest of the Islamic world shall be an important pillar of our foreign policy. China is our time tested and age-old friend. Pak-China friendship is higher than the K-2 and deeper than the Indian Ocean. We shall strengthen our exemplary friendship with our great neighbour. We want peace in Afghanistan because we understand that a strong and peaceful Afghanistan is in the interest of Pakistan. Therefore, we like to see our brother country marching on the path of progress and prosperity.

Madam Speaker!

We understand that a democratic system is based on individual's liberty. Freedom of press ensures individual's liberty. After due deliberation, we shall do away with all the laws which negate freedom of the media. We shall legislate on freedom of information which could in real essence provide such information to the masses which would put an end to corruption and malpractices through public pressure. The existing law is defective one, and therefore merits far-reaching changes and modifications. We have available with us a blue print of Freedom of Information law and we shall implement it. We shall provide respect and service based security to media workers and journalists. We will do our maximum to implement Wage Board Award. We shall improve the working conditions and existing legal framework focusing the remuneration of working journalists. We shall change PEMRA laws and this institution shall be made an attached body of Ministry of Information which shall ensure provision of improved facilities and environment to the electronic media.

Madam Speaker!

Our Government is determined to amend and alter the laws impervious to laborer's interest. All such laws shall be brought in line with ILO legal framework. In this regard, we shall put an end to IRO – 2002. On this historical occasion I announce restoration of all Trade and Students Unions. We shall review all retrenchment cases of government servants and laborers' of the previous regime. We shall ensure justice to all, and shall bring minimum wages of the laborers to Rs. 6,000/- per month.

Madam Speaker!

Minorities are an important segment of the society and in the eyes of constitution hold equal civil rights. I express my determination to safeguard the social, legal, religious and other rights of the minorities. It is our determination that every institution of the country should have representation of minorities. Inshallah, we shall see our determination through.

Madam Speaker!

We shall review all cases of political prisoners, and the first priority of our government is respectful release of all these prisoners.

Madam Speaker!

I want to make it clear on this occasion that we shall compensate in every possible manner to all those and their heirs who have lost their lives or suffered financially for the restoration of democracy. The financial assistance provided by previous government to the members of the families of Shohada is not sufficient at all. We shall remember them in such a manner that they remain the beacons of light for future generations. Therefore, I announce scholarships to the widows of Shohada for education, health and livelihood of their children. We also announce to abolish redundant laws like FCR in tribal areas. Senate has already passed a unanimous resolution in this respect. I also announce all pension benefits for those government servants who are incapacitated due to illness, accidents, earthquake or terrorism. The condition of 10 year service applicable to them is hereby withdrawn. I instruct concerned departments to frame generous policies and avoid screwing of poor government servants.

Madam Speaker!

The promotion of the principles of equality, brotherhood and tolerance in the society is our social and religious duty. We shall continue our struggle to uphold these principles and traditions and also protect human rights and dignity.

Madam Speaker!

By the grace of God our resolve is firm and unbreakable and our faith is strong. We fully believe in the benevolence of Allah, the faith in truthfulness and commitment of our leaders and workers. I am sure that we shall come up to the expectations of the Nation. May Allah help us (Ameen).

Follow-up Statement on the Floor of the House

Later in a statement on the floor of the house the Prime Minister announced to withdraw black laws regarding PEMRA issued on November 03, 2007. The Prime Minister explained that he had not only announced to withdraw PEMRA laws issued on November 03, 2007 but had ordered to implement his announcement. He further said that he wanted to remove the doubts about what he said in reference to political victimization. He said that he had ordered for providing the details of case registered against MNA from Sindh, Mr. Ghous Bux Mehr. He told that so far the Provincial Governments are not in place and the Sindh province is being run by caretaker set-up and that he will order inquiry of this case as soon as the process of formation of Government in Sindh is completed.■

(Speech By H.E. Syed Yousaf Raza Gilani, Prime Minister Of Pakistan, Made In The Parliament On March 29, 2008, The High Commission for Pakistan in United Kingdom).

<http://www.phclondon.org/speeches/pmgilani080402.asp>

DOCUMENT 13

HUMAN RIGHTS COUNCIL ADOPTS TWO IMPORTANT INITIATIVES SPONSORED BY PAKISTAN

Pakistan's initiatives to combat defamation of religions particularly Islam received broad support in recently concluded Seventh Session of the Human Rights Council (HRC) which was held from 3 to 28 March 2008. The Human Rights Council adopted a resolution sponsored by Pakistan on behalf of OIC entitled Combating Defamation of Religions which, inter alia, expressed its grave concerns at the serious instances of deliberate stereotyping of religions, their adherents and sacred persons in the media and urged States to take actions to prohibit the dissemination, including through political institutions and organizations, of racist and xenophobic ideas and material aimed at any religion or its followers that constitute incitement to racial and religious hatred, hostility or violence.

In addition to the members of the OIC and African Group in the Human Rights Council, the resolution was supported by China, Cuba, Nicaragua, the Philippines, Russian Federation and Sri Lanka.

The Human Rights Council (HRC) also adopted an amendment to the resolution on the mandate of the Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression. The amendment which was sponsored by Pakistan on behalf of OIC, was meant to respond to recent instances in which Islam and Muslims have been ridiculed and associated with violence and terrorism. It mandated the Special Rapporteur on promotion and protection of the right to report on instances where the abuse of the right of freedom of expression constitutes an act of racial or religious discrimination taking into account Articles 19(3) and 20 of the International Covenant on Civil and Political Rights (ICCPR) and General Comment of the committee on Racial Discrimination on Article 4 of the Convention on the elimination of all forms of Racial Discrimination.

While introducing the amendment, Pakistan underlined the importance of responsible exercise of freedom of expression. Referring to reprinting of blasphemous caricatures and screening of hate documentaries, Pakistan urged States to take all necessary measures to ensure a balance between freedom of expression and freedom of religion.

The amendment was voted in favour by a majority of the members of the Human Rights Council including all Islamic and African States. Subsequently, the Human Rights Council adopted the resolution as amended by Pakistan by a record vote of 32. The Western Group in the Human Rights Council abstained on the resolution. ■

Ministry of Foreign Affairs, Islamabad, Pakistan, April 3, 2008
http://www.mofa.gov.pk/Press_Releases/2008/April/PR_080_08.htm

DOCUMENT 14

JOINT STATEMENT OF THE ISLAMIC REPUBLIC OF PAKISTAN AND THE PEOPLE'S REPUBLIC OF CHINA (15 APRIL 2008)

PR. No.090/2008

Date: 15/04/2008

President Pervez Musharraf visited China on 10-15 April 2008 on the invitation of President Hu Jintao. He was accompanied by Begum Sehba Musharraf.

During the State visit, President of Pakistan held official talks with President Hu Jintao in Sanya; met Chairman NPC Standing Committee Mr. Wu Bangguo, Premier Wen Jiabao, and Chairman CPPCC Mr. Jia Qinglin in Beijing as well as the leadership of the Xinjiang Uygur Autonomous Region in Urumqi.

In their warm and friendly discussions, the leaders of Pakistan and China underscored the importance of the special relations that so happily exist between the two countries as well as their determination to take Pakistan-China friendship and strategic partnership to new heights.

Both sides expressed complete satisfaction on the development of comprehensive cooperation in all fields and agreed to further enhance their

cooperative ties in economy, trade, science & technology, culture, and people to people relations.

China expressed its full support to the efforts of the Government of Pakistan to promote socio-economic development and in this regard expressed its readiness to assist Pakistan for the development of the energy, mineral and mining sectors; enhance financial and banking sector cooperation; and extend support for “projects” under the Pakistan-China Joint Five year Economic and Trade Cooperation Plan. Both sides agreed to work together to achieve the trade target of \$ 15 billion as early as possible.

Both sides also agreed to optimally utilize the bilateral FTA. It was agreed that FTA on Trade in Services will be completed as early as possible.

Both sides agreed to enhance coordination and cooperation between relevant departments and agencies so as to facilitate overland trade between Pakistan and China.

Both sides also agreed to take steps for upgrading transportation and communication networks overland with a view to enhancing connectivity between the bordering regions for mutual benefit. Both sides also agreed to cooperate closely in the fields of water management, environmental protection and bio-diversity.

Both sides agreed to further strengthen defence cooperation and enhance collaboration between their respective defence industries.

China expressed its full support for Pakistan’s efforts to preserve its sovereignty, independence, territorial integrity and expressed appreciation for Pakistan’s important role in promoting peace, stability and security and its contribution to counter terrorism.

Pakistan reiterated its full support for the One China Policy and the return of Taiwan to motherland as well as its condemnation and rejection of the three evil forces i.e. secessionism, separatism and terrorism.

Both sides exchanged views on regional and global issues and reached common understanding. They agreed to work together closely in global and regional forums to promote the cause of peace and development. Pakistan warmly congratulated the Chinese leaders and people on their great national accomplishments and expressed joy at the celebrations of the three decades of the policy of economic reforms and opening up.

Pakistan also expressed its appreciation for the excellent arrangements made by the Government and people of China for the holding of the Beijing Olympics and expressed its fullest cooperation and support to the Chinese Government. President Hu Jintao accepted with pleasure the invitation extended by the President of Pakistan to visit Pakistan at his convenience.

Following Agreements/MoUs were signed during the visit:

- Memorandum of Understanding between the Ministry of Water and Power of the Islamic Republic of Pakistan and the Ministry of Water Resources of the People's Republic of China.
- Memorandum of Understanding on Cooperation in Engineering and Technological Sciences between the Ministry of Science and Technology of Islamic republic of Pakistan and the Chinese Academy of Engineering of the People's Republic of China.

- Agreement on Sports Cooperation between the Ministry of Sports of the Islamic Republic of Pakistan and the General Administration of Sport of the People's Republic of China.
- Memorandum of Understanding on Cooperation between the Ministry of Finance of the Islamic Republic of Pakistan and Ministry of Finance of the People's Republic of China.
- Memorandum of Understanding for Cooperation on Architectural Design, Research and Constructions between Capital Development Authority (CDA), Islamabad, Pakistan and The Consortium of China Architecture Design & Research Group and Institute of Architecture Design and Research, Chinese Academy of Sciences.
- Memorandum of Understanding for Cooperation in the field of exchange of news between Pakistan Television Corporation and China Central Television Network of the People's Republic of China.
- Memorandum of Understanding for the establishment of Pakistan Culture and communication centre at Tsinghua University.
- Memorandum of Understanding on Economic and Trade Cooperation between the Ministry of Commerce of the Islamic Republic of Pakistan and Foreign Trade and Economic Cooperation Bureau of Xinjiang Uygur Autonomous Region, People's Republic of China.
- Memorandum of Understanding between Board of Investment of the Islamic Republic of Pakistan and China Council for International Investment Promotion on Cooperation in Investment.
- Memorandum of Understanding on establishing relations of Friendship and Good Neighbourly Cooperation between the North West Frontier Province (NWFP) of Islamic Republic of Pakistan and Xinjiang Uygur Autonomous Region. ■

Ministry of Foreign Affairs, Islamabad, Pakistan, April 15, 2008
http://www.mofa.gov.pk/Press_Releases/2008/April/PR_090_08.htm

DOCUMENT 15

PAKISTAN FULFILS ITS PLEDGE BY RATIFYING ICESCR, SIGNING ICCPR AND CAT

PR. No.093/2008

Date: 18/04/2008

On 17 April 2008, Pakistan ratified the International Covenant on Economic, Social and Cultural Rights (ICESCR) and signed the International Covenant on Civil and Political Rights (ICCPR) as well as Convention against Torture (CAT).

In a brief ceremony at United Nations Headquarters in New York, Pakistan's Permanent Representative, Ambassador Munir Akram, ratified and signed the Conventions on behalf of the Government of Pakistan.

Pakistan is already a party to the International Convention on the Elimination of Racial Discrimination (CERD), International Convention on the

Elimination of all forms of Discrimination against Women (CEDAW), Convention on the Rights of the Child (CRC), and to the core ILO Conventions 29, 87, 98, 100, 105, 111, 138, and 182.

Joining the main international human rights instruments reflects the commitment of the democratic government to promote human rights in Pakistan, including the rights of women, children, minorities and the underprivileged.

The ratification of International Covenant on Economic, Social and Cultural Rights commits the Government to ensure the full realization of the economic, social and cultural rights of the people of Pakistan enshrined in the Covenant including the elimination of economic injustice and poverty.

Signature of the International Covenant on Civil and Political Rights as well as the Convention against Torture reflects the Pakistan Government's renewed commitment to promote civil and political rights of its people and to protect them from inhuman and degrading treatment in accordance with internationally recognized legal standards. They also demonstrate the resolve of the Government to strengthen democracy and create a just society which is free of suffering and deprivation.■

Ministry of Foreign Affairs, Islamabad, Pakistan, April 18, 2008
http://www.mofa.gov.pk/Press_Releases/2008/April/PR_093_08.htm

DOCUMENT 16

FOREIGN MINISTER LEVEL REVIEW OF THE FOURTH ROUND OF COMPOSITE DIALOGUE, ISLAMABAD, 21 MAY 2008

PR. No.134/2008

Date: 21/05/2008

1. The Foreign Minister of Pakistan, Makhdoom Shah Mahmood Qureshi, and External Affairs Minister of India, Mr. Pranab Mukherjee, met in Islamabad on 21 May 2008 to review the progress made in the Fourth Round of Pakistan-India Composite Dialogue. This was preceded by a meeting between the Foreign Secretary of Pakistan, Mr. Salman Bashir and Foreign Secretary of India, Mr. Shivshankar Menon, on 20 May 2008.

2. The talks were held in a friendly and constructive atmosphere.

3. They reviewed the progress made in the Fourth Round of the Composite Dialogue encompassing (i) Peace and Security, including CBMs; (ii) Jammu and Kashmir; (iii) Siachen; (iv) Sir Creek; (v) Wullar Barrage/Tulbul Navigation Project; (vi) Terrorism and Drug Trafficking; (vii) Economic and Commercial Cooperation; and (viii) Promotion of Friendly Exchanges in Various Fields.

4. They noted the positive contribution to improvement of relations by the Composite Dialogue process since its resumption after the joint statement of 6 January 2004 and the subsequent Summit Statements of 25 September 2004, 18 April 2005, 14 September 2005 and 16 September 2006. The Ministers reaffirmed their determination not to let terrorism impede the peace process and take all necessary steps to eliminate

this scourge against humanity. They further resolved to carry forward the peace process and to maintain its momentum.

5. The Ministers noted that in 2007 and over the course of the Fourth Round of Composite Dialogue there had been a number of important bilateral achievements, including:

- MoU to increase the frequencies, designated airlines and points of call in either country.
- Agreement for the trucks from one side to cross the border up to designated points on the other side at the Wagah-Attari border.
- Increase in frequency of Delhi-Lahore bus service from two to three trips per week.
- Signing of Agreement on 'Reducing the Risk from Accidents relating to Nuclear Weapons'.
- MoU between the Securities and Exchange Board of India (SEBI) and Securities and Exchange Commission of Pakistan (SECP) to facilitate the sharing of information between two agencies.
- Completion of the Joint Survey of Sir Creek and adjoining areas.
- Two meetings of the Joint Anti-Terrorism Mechanism.

6. The two sides signed the Agreement on Consular Access, which was finalised during the Fourth round of Composite Dialogue.

7. They exchanged views on the issue of Jammu and Kashmir and agreed to continue discussions to build on convergences and narrow down divergences. They also agreed to continue with the implementation of Cross-LoC CBMs with a view to enhancing interaction and cooperation across the LoC. In this regard, they decided:

- a) To increase the frequency of Muzaffarabad-Srinagar and Rawalkot-Poonch Bus service from a fortnightly to a weekly basis.
- b) To finalize modalities for intra-Kashmir trade and truck service as early as possible.
- c) To implement other measures to expand and facilitate travel, a meeting of Working Group on Cross-LoC CBMs would be convened within two months.

8. They reaffirmed the importance of ceasefire in place since November 2003 and the commitment of both sides to cooperate to safeguard it.

9. They agreed that progress has been made under the Composite Dialogue process on promoting a stable environment of Peace and Security including CBMs. The Expert Groups on Nuclear and Conventional CBMs should consider existing and additional proposals by both sides with a view to developing further confidence building measures in the nuclear and conventional fields.

10. Both sides exchanged views on Siachen and reiterated their commitment to seeking an early amicable solution.

11. Both sides expressed satisfaction on the progress made on Sir Creek, with the completion of the joint survey, the exchange of maps, and the discussions thereafter. They agreed to further facilitate the process for an early resolution of this issue.

12. Both sides reiterated their commitment to fight terrorism in all its forms and manifestations, and re-emphasized the need for effective steps for the complete elimination of this menace. In this context, it was agreed to continue cooperation in the Joint Anti-Terrorism Mechanism whose next meeting would be held within two months. Both sides agreed to refrain from hostile propaganda.

13. Both sides emphasized the need for further strengthening cooperation to eliminate drug trafficking and welcomed the finalization of an MOU on Cooperation between Pakistan's Anti-Narcotics Force and Narcotics Control Board of India.

14. Both sides reiterated the importance of enhancing mutually beneficial economic and commercial cooperation and agreed to discuss further steps for facilitating trade and redressing the trade imbalance. In this regard, Indian and Pakistan Railway officials would meet in June for resolving all technical issues to enable increase in to and fro freight movement. They also agreed to facilitate the process of early opening of bank branches in the two countries.

15. Both sides appreciated the work being done by the Judicial Committee on Prisoners, which will meet in Pakistan shortly; welcomed the finalization of the Consular Access Agreement that will help addressing humanitarian aspects relating to persons under detention in each other's country and; agreed to provide on a regular basis updated and comprehensive list of prisoners in each other jails.

16. Both sides agreed to the need for promoting friendly exchanges between the two countries.

17. Both sides agreed to the early finalization of the Visa Agreement which will help liberalize the visa regime and facilitate people-to-people contacts.

18. The two Ministers reiterated their commitment to the Iran-Pakistan-India gas pipeline project and had a useful exchange of views in this regard.

19. The two Foreign Ministers also exchanged views on promoting the Pakistan-India peace process, reinvigoration of SAARC and agreed to work towards promoting regional cooperation for enabling South Asia to realize its full development potential. It was agreed to work for promoting sustainable development and food and energy security.

20. It was decided that the two Foreign Secretaries will launch the Fifth Round of the Composite Dialogue in New Delhi in July 2008.

21. The External Affairs Minister of India, Mr. Pranab Mukherjee, called on the President and the Prime Minister of Pakistan. ■

DOCUMENT 17**TRANSCRIPT JOINT PRESS STATEMENT OF FOREIGN MINISTER
MAKHOOM SHAH MAHMOOD QURESHI WITH AFGHAN FOREIGN
MINISTER DR. RANGIN DADFAR SPANTA
(KABUL, 6 JUNE 2008)****PR. No.156/2008****Date: 06/06/2008**

It is a matter of profound pleasure for me to visit Afghanistan on the invitation of my friend and colleague, Foreign Minister Dr. Rangin Dadfar Spanta. This is my maiden visit to Kabul, and among the first few I have undertaken after taking over as Foreign Minister of Pakistan. I am most impressed by the traditional warmth and hospitality that has been extended to my delegation. For this, may I express my gratitude.

Besides having discussions with the Foreign Minister, I will have the privilege of calling on President Karzai, and benefiting from his wise counsel.

I have come here to underscore the immense importance the new leadership of Pakistan attaches to relations with Afghanistan. In April earlier this year, Dr. Spanta and I had decided to reinvigorate our two countries' age-old ties, and pursue mutually beneficial cooperation with a renewed sense of vigour, and in a spirit of complete mutual trust and understanding.

This morning, I am happy to report that we have taken forward this process. Our consultations have covered the entire gamut of bilateral relations, as well as a range of issues of mutual concern, and regional significance.

Militancy and extremism pose a grave challenge to the security of both our countries. Dr. Spanta and I have agreed on the need for broad based and coordinated efforts to curb this twin menace. To this end, we have reviewed progress on the Joint Peace Jirga Process. This will not be allowed to lose momentum. Pakistan will shortly host the next meeting of the mini Jirga in Islamabad.

Pakistan and Afghanistan are facing the common challenge of terrorism and extremism. In Pakistan's view peace is indivisible. I have explained that the recent peace deals in the Tribal Areas were not made with the militants but with the tribal elders, and are aimed at weaning the hard core militants away from those willing to negotiate. While pursuing the political tract, Pakistan has not foregone the military option, nor have we been negligent of our obligation towards peace and stability in Afghanistan. We have not, and will not negotiate with those who are unwilling to forsake the path of violence and destruction. In tackling terrorism in our region, we do not make any distinction between the interests of Pakistan and those of Afghanistan. Pakistan also supports Afghan government's efforts for national reconciliation.

We have also availed this opportunity to discuss the agenda of the forthcoming Paris Conference, where I will be leading the Pakistan delegation. At the conference, Pakistan will join Afghanistan in calling for international assistance to be channeled through the Afghan Government, in accordance with its wishes and the

needs of its people. Pakistan and Afghanistan will speak with one voice in the Paris Conference.

Pakistan will be hosting later this year, the Third Regional Economic Cooperation Conference on Afghanistan (RECCA). Besides discussing other aspects, the Conference will highlight the prospects Afghanistan holds as Asia's land bridge.

The meetings I have had earlier today are part of a series of consultations which I hope, we will hold regularly with Afghan side. I look forward to working in partnership with my distinguished colleague to explore new horizons for mutually beneficial cooperation. It will be our endeavour to expand our multifaceted ties, even further, to the benefit and advantage of our two peoples. ■

Ministry of Foreign Affairs, Islamabad, Pakistan, June 6, 2008
http://www.mofa.gov.pk/Press_Releases/2008/June/PR_156_08.htm

DOCUMENT 18

PRIME MINISTER'S SPEECH ON DEFENCE BUDGET

Syed Yousaf Raza Gilani (Prime Minister Islamic Republic of Pakistan): Mr. Speaker, I want to inform this House about some development that has taken place regarding the mode of budget and to give the policy statement. Pakistan is located in a geo-strategically important, but a turbulent region. We live and operate in a volatile environment. We cannot, therefore, afford to remain oblivious to our defence needs. I wish to categorically state that Pakistan stands for peace with honour. We shall continue to strive for it without compromising on our national interests. As a matter of policy, I declare that our defence is based on the strategy of minimum essential credible deterrence and that we shall not enter into any arms race. As a measure or for tangible display to seek peace with other neighbours, we have decided to freeze, actually reduce the defence budget when seen in the context of inflation and the Rupee-Dollar parity. We hope to see a reciprocal gesture from our neighbour for the sake of peace and prosperity of the region. Presently, the budget on the three Services, Ordnance Factory and other is presented as one line allocation. It is not approved separately but in a consolidated form of all Defence Services.

After approval of the budget, Ministry of Defence apportions allocation to the three Services and other.

Defence Organization, my government has now decided to present the defence budget estimate in a format reflecting the estimated expenditure under major head in the parliament. I am pleased to inform you that the Ministry of Defence and the Chief of the Army Staff have fully endorsed the revised format of the Defence Services Budget Estimate. ■

National Assembly of Pakistan, June 9, 2008
http://www.na.gov.pk/speeches/ld_speech090608.pdf

DOCUMENT 19**TEXT OF BUDGET SPEECH 2008-09**

Minister for Privatisation and Investment Naveed Qamar, who was given additional charge of the ministry of finance, on Wednesday [June 11] presented the budget proposals for the fiscal year 2008-09 in the National Assembly. The following is the text of his budget speech.

Madam Speaker

1. I rise to present budget before the House after a long time. We presented the budget 12 years ago when it was certainly a different budget, a different social environment, a different House and a different Pakistan.

2. Budget was not that large but at the same time the deficits were also not large. At that time we did not have such a large population, but the society also did not have so much of poverty, hunger, unemployment and disease. The House was not so large but it did not have such complex issues to face. It was the same Pakistan but it did not have problems and challenges of such magnitude.

3. We handed over the country after putting an end to load-shedding, but today not only the country but destiny and hopes of the people are immersed in complete darkness. This was an agricultural country which has been handed back to us with famine-like conditions. There were small law and order problems, but we were not so helpless before the terrorists because of which lives of innocent people have become unbearable. Every city is a dead place and fear has gripped every house. On top of it, with the demise of our brave leader, Shaheed Benazir Bhutto, the hopes and aspirations of the people were also shattered.

Madam Speaker

4. We did not have so much resources but we were not confronted with such grave problems. We may not have had such a large infrastructure but infrastructure was neither hallow nor crumbling which could break into pieces with a slight tremor. Life was not so difficult and hopeless to make living a burden. There was democracy and the country was not under the rule of a dictator which makes life oppressive.

Madam Speaker

5. History is witness to the fact that whenever we were entrusted with power we inherited a broken Pakistan, surrounded by upheavals, dangers, poverty, hunger, terrorism and injustice. Our leader Shaheed Zulfiqar Ali Bhutto and Shaheed Benazir Bhutto nurtured this country and its poor peoples. However, we accept the present challenge and assure the nation that we will salvage the situation and retrieve the country from the problems that surround it.

Madam Speaker

Where are we standing?

6. Before I present the specific proposals of the Budget for the consideration of this House, it will be necessary that I present the condition of the economy that we

inherited and the budgetary conditions prevailing in the current fiscal year. Such an appraisal will enable my colleagues to judge for themselves the economic conditions surrounding us and appreciate the difficult choices we are faced with.

7. The economy we have inherited was built on the windfalls of the aftermath of 9/11. Economic progress made has not proved to be sustainable. Significant amount of capital was withdrawn from the West and transferred to the developing countries; informal channels of financial transfers were blocked, thereby resulting in huge inflow of remittances through the normal banking channels; sizeable support was received by the country from its partners in the war on terror. The phenomenal increase in the flow of foreign capital helped the country to build reserves as well as sustain high demand for imports.

The economy expanded significantly and high rates of growth were achieved. However, much of the growth was driven by growth in consumption, such as in consumer durables cars, TVs, refrigerators, air-conditioners, mobile phones and similar consumer products. Commensurate investments in industry, infrastructure and agriculture were not made to support high growth on a sustained basis. This mismatch in growth and supporting infrastructure is poignantly reflected by the fact that we have no electricity to use such durable goods. Similarly, urban roads were not built to accommodate the growth in the motor cars.

Madam Speaker,

8. The fragile foundation of growth was exposed as the country suffered a series of shocks since the eruption of judicial crisis on March 9, 2007. This was followed by oil price shock and widespread food shortages. Just as these crises were brewing the government went into policy inaction, delaying some painful decisions needed to face these challenges, as it was politically expedient in view of presidential and parliamentary elections. The current budget has taken the brunt of all ills that were associated with these crises so much so that it is threatening to undo much of the gains which the economy had achieved in the last 4 years.

9. A quick account of unfavorable developments during the year would enable us to gauge the damage done to the economy:

- (1) In 2007-08, the economy will grow at 5.8 per cent compared to the target of 7.2 per cent, and the actual growth rate of 6.8 per cent last year;
- (2) Both manufacturing and agriculture sectors have recorded very low growth of 5.4 per cent and 1.5 per cent respectively;
- (3) Inflation is running at 11 per cent as compared to 7.8 per cent last year;
- (4) Budget deficit after concerted efforts of this government is still estimated at 7.0 per cent of GDP, against the target of 4 per cent;
- (5) There was a phenomenal build-up in subsidies in the budget, which are largely responsible for this huge deficit. These subsidies, totaling Rs. 407 billion include; petroleum Rs. 175 billion; electricity Rs. 133 billion; wheat Rs. 40 billion, and textiles and fertilisers Rs. 48 billion, of which only Rs. 114 billion were provided in the budget;

- (6) Largely due to an exceptionally high fiscal deficit, balance of payments is facing unprecedented deficit as well. The current account deficit is projected at \$11.9 billion or 7 per cent of GDP;
- (7) Reserves have declined from a high of \$16.5 billion in October, 2007 to less than \$12.3 billion as at end April 2008. This has put pressure on the exchange rate which has depreciated by nearly 6.4 per cent during July 2007 to April 2008;
- (8) Much of the deficit had to be financed from borrowing from the State Bank, which is like printing more money. As much as Rs. 551 billion (up to May 2008) have been borrowed from the central bank, which is unprecedented in country's history. It is not difficult to imagine what this printing of money means. With more money and no new production, only prices are likely to increase, which is what is happening. We have to stop this process otherwise the inflation will be running much higher than what it is at present, and as I noted it is already highest in country's history.

Madam Speaker

10. The budget for 2008-09 is part of a perspective plan on which the new government is currently working and will shortly be finalized. Accordingly, we are taking a long term perspective while announcing the budget. It will be useful to spell out the key assumptions about the macroeconomic conditions assumed to prevail during the year and will affect the budget. These are:-

- (a) GDP growth will increase by 5.5 per cent in the year 2008-09;
 - (b) Inflation will be contained at 12 per cent;
 - (c) Gross investment to GDP ratio will be maintained at 25 per cent;
 - (d) Fiscal deficit will be contained to 4.7 per cent;
 - (e) Current account deficit will be reduced to 6 per cent of GDP;
 - (f) Foreign exchange reserves will be increased to \$12 billion.
- Development Plan

11. Public investment remains an important engine of growth, even though its share vis-à-vis private sector has declined in recent years, which is a good thing as we want private sector to bear an increasingly larger burden of economic development. The National Economic Council has approved a development plan of Rs. 549.7 billion for the year 2008-09. This represents an increase of nearly 5 per cent over the budgetary target of Rs. 520 billion for 2007-08, despite serious resource constraint facing the economy.

Budget estimates for 2008-09 and Revised Estimates 2007-08

12. We are setting the following key objectives for the budget 2008-09:-

- (1) Restore economic stability through:
 - (a) Significant reduction of fiscal deficit;
 - (b) Rationalization of subsidies;
 - (c) Reduction in current account deficit; and,
 - (d) Build-up of foreign exchange reserves to a minimum of \$12 billion.

- (2) Protect the vulnerable Groups by increasing their incomes through a targeted programme of cash transfers;
- (3) Focus on agriculture and manufacturing sector to raise their productivity and competitiveness;
- (4) Restore investors' confidence by declaring government's commitment to economic growth and investment and private sector's lead role in the process;
- (5) Remove key bottlenecks in supportive infrastructure for spurring growth;
- (6) Increase social sector allocations to bring about a meaningful change in the social indicators;
- (7) Make significant additions to low cost housing to lessen the rising gap in housing stock, especially for the low income groups.

13. The budget estimates for the year 2008-09 together with a review of budgetary performance of the current year i.e. 2007-08 is presented below.

14. Against a revised fiscal deficit of 7 per cent of GDP for this year, the budget for 2008-2009 envisages a budget deficit of 4.7 per cent of GDP. This represents a significant fiscal adjustment and promises stability in public finances. A combination of better revenue collection and expenditure control measures has made it possible for us to aim for this target.

15. FBR revenues will rise to Rs. 1,250 billion from revised estimates of Rs. 1,000 billion for 2007-08, representing an increase of about 25 per cent. A combination of natural growth and discretionary effort proposed in the budget will provide the necessary base for projecting this meaningful increase in revenue collections. Current Federal expenditure has been budgeted at Rs. 1493 billion against the revised estimates of Rs. 1,516 billion for 2007-08. We will try to achieve further savings in current expenditure on the basis of measures proposed to be adopted for bringing fiscal discipline.

16. The government will reconstitute and convene the meeting of National Finance Commission as soon as nominations of members are received from the provinces. Provincial transfers (including grants) are projected at Rs. 606 billion against the revised estimates of Rs. 490 billion for the current year, representing an increase of 24 per cent. The projected income and expenditures indicate that the provinces are likely to have an improvement of about Rs. 79 billion in their cash balances after catering for the local component of their PSDP and extra expenditure.

17. Based on the above estimates, we expect that our budget will help stabilise the economy, promote fiscal discipline and further the process of economic revival. Our measure of success will be reflected in averting any further decline in market confidence and better flow of investment both from local as well as from foreign investors.

Impact on vulnerable groups

Madam Speaker

18. It is widely documented that income distribution in Pakistan has worsened during the last decade. The wealth accrued during this period was not equitably distributed. Even though much of the inflation is due to foreign price increases, and

while a large part of the required price increase has yet to be passed on, the conditions facing the vulnerable and fixed income groups are precarious at best, and down right unbearable at worst. We cannot afford to remain oblivious to the plight of the poor. We still have time to act. It is incumbent on us to react to their voices before they are taken over by despair that state is unable to play any meaningful role in their lives. We must insulate these people from the vagaries of rising prices and falling real incomes. The founding fathers of PPP had 'social justice' as the core value guiding their struggle for democracy. Accordingly, we are determined to fulfill our responsibility toward such groups and the current budget will address this issue.

Infrastructure shortages

19. As I stated earlier, investment in key infrastructure projects needed to support rising and sustained growth were not undertaken either in public sector or encouraged in the private sector. For instance, in the power sector, the country is facing the most severe load-shedding of its history. The peak demand-supply gap was recorded at some 4,500 MW. I cannot resist making the point that this gap has occurred despite the fact that 6500 MW of private power was added in the last decade, all approved by the Peoples' Government under its Energy Policy of 1994. These IPPs, which are now our saviors, were unjustifiably maligned and castigated. Similarly, and even though significant amount of additional gas was injected in the system again because of the incentives offered under the Energy Policy of 1994, yet there is a demand-supply gap of nearly 1.5 bcf at present and rising rapidly unless major sources of additional supply are added to the system. We have to augment our supplies both from indigenous sources as well as from outside, both through imports and cross border pipelines, as we are raising the priority of gas supply to power sector to ensure that we fully utilize our existing facilities.

20. When we took over, the nation was suffering from load-shedding and black out. We took stock of the position and are undertaking numerous measures in the short term, medium term and long term to relieve the people, industry and agriculture from the menace of electricity shortages. These include conservation in electricity use, revamping and efficient use of installed capacity which will make available 1,500 MW of electricity. We assure the nation that by taking these measures, load shedding will be substantially reduced. While textile industry will have continuous round the clock supply, flour and ghee mills will have 18 hours of supply. Agricultural tube wells will have continuous power supply for 10 hours at a stretch every night to avail rebated tariff.

21. Water availability is now a real issue facing the country. The need for expansion in storage capacity has never been more pressing. However, at the same time efficiency in water use is equally important. Thus alongside increasing water storage capacity, we need to pay equally serious attention to water use efficiency.

Madam Speaker

22. Agriculture is the backbone of the economy which remained neglected and sidelined during the last 8 years. Numerous measures and policy directions are being put in place to ensure relief and motivation to the farmer as well as incentives to the agriculture sector to contribute its due share to the national economy. These include:-

- a) Increase of support price of wheat from Rs. 510 to Rs. 625 per 40 kg.
- b) Review of the support price for the next year's wheat crop in August-September, i.e., before the next sowing season keeping in view the input cost and prevailing international prices.
- c) Provision of Rs. 75 billion in the PSDP to improve the availability and efficient use of water resources through construction of dams, rehabilitation of irrigation, improve drainage system, lining of canals and water courses throughout the country.
- d) To ensure that agriculture produce retains its value and quality and to facilitate its export. Cold chains will be set up in the country.
- e) Arrangements for import of bulldozers through foreign collaboration to increase and improve the cultivable area.
- f) DAP fertiliser is an essential input that enhances crop yields. The steep increase in its international prices is discouraging the use of this important fertiliser and thereby adversely affecting productivity. Our government will more than double the subsidy on DAP from Rs. 470 per bag to Rs. 1,000 per bag. Subsidy on other fertilisers will also continue. A total allocation for subsidy on fertilisers has been increased from Rs. 25 billion to Rs. 32 billion.
Complete exemption from sales tax and other duties on imported and local supply of fertilisers and pesticides, so that the farmers can get these at much cheaper prices. The effect of exemption from duties in respect of both fertilisers and pesticides is Rs. 6 billion.
- g) Availability of credit to agriculture sector has been limited compared to industry and other sectors. During the year an additional amount of Rs. 30 billion will be made available in addition to total credit to agriculture sector amounting to Rs. 130 billion disbursed this year.
- h) We are also revamping ZTBL and will broaden its outreach.

Madam Speaker

23. In addition to above measures, agriculture sector will also be provided more incentives and facilities through fiscal measures as well, which are:-

- a) Exemption from 10 per cent custom duty on import of rice seeds to ensure healthy and quality production of rice in the country.
- b) Duty free import of machinery and equipment for grain handling and storage facilities to be de-linked from the conditionality of local manufacture. This will largely help in improving the grain handling and storage facilities in the country.
- c) It is also proposed to waive off the levy of 5 per cent Federal Excise Duty on premium of crop insurance policy also. These measures shall yield higher productivity and substantial raise in the income levels of the common man.

Livestock and Dairy

24.

- a) Livestock and dairy is a major source of income and livelihood for the rural population. Pakistan is the fifth largest producer of milk. However, this potential has not been optimally leveraged. In order to encourage this sector, the Prime Minister's under his Special Initiative for "White Revolution", allocation of Rs. 1.5 billion is proposed for the projects through the PSDP in this sub-sector. These include livestock production and development of meat production, Veterinary services for livestock, milk collection and processing and dairy production and development programme, establishment of an integrated national animal and plant health inspection services facility and up-gradation of animal health laboratories at NARC for poultry diseases.
- b) In the fisheries sector such important projects like aqua culture and shrimp farming, stock assessment survey programme in EEZ of Pakistan and fisheries training center in Gwadar are being undertaken for which an allocation of Rs. 1.1 billion is proposed in the budget.

25. To enhance supply of quality seed to farmers, a National Commercial Seed Production Program is being prepared. Negotiations have been started for fast track, formal release of Bt cotton varieties in Pakistan. This would help in making our farmers more competitive in production of cotton.

26. Foreign investment in agriculture sector will be encouraged to increase our productivity and develop cultivable areas. Large tracts of land will be made available to foreign investors to induct capital and technology in our local farming sector.

Industry and Manufacturing

Madam Speaker

27. Our industry is losing its competitive edge, which is most notably reflected in the slow-down in all categories of textiles, which is the mainstay of our exports. There are procedural irritants that add to the cost of doing business in Pakistan. Similarly, a number of inefficiencies inherent in the provision of infrastructure services, such as electricity, have led to increased cost of production, thereby adversely affecting our competitive edge. A number of fiscal measures are being undertaken to incentivize local manufacturing, which are:-

- i) Customs duty on import of sewing machines in CKD/SKD condition is therefore being increased from the existing 5 per cent to 20 per cent to promote and protect the local manufacture of sewing machine parts and components,
- ii) Import duties on raw materials, parts and components of these industries are proposed to be reduced to the lower slabs of zero, 5 per cent and 10 per cent respectively depending on their nature and requirements,
- iii) Tariff based system of the auto industry is being improved further. For this purpose various additions, deletions, mergers and creation of new tariff lines in Schedule-1 of the Customs Act, 1969 have been proposed. The new tariff lines will continue to attract additional duty

- at the rate of 15 per cent as the respective items are being manufactured locally,
- iv) PTA is very important chemical for production of Polyester Staple Fibre (PSF). It is proposed that now rate of customs duty on PTA may be reduced from 15 per cent to 7.5 per cent and duty on Polyester Staple Fibre (PSF) may be reduced from 6.5 per cent to 4.5 per cent. It is expected that this proposal will not only benefit the textile industry in general but fabrics and garments, in particular,
 - v) In order to maintain the prices of medicines at the present levels and to provide relief to the local industry, it has been proposed to reduce the rates of customs duties on respective chemicals, active pharmaceutical ingredients and packaging materials from the existing 10 per cent down to 5 per cent. Similarly as many as 18 more life saving drugs and medicines, as are used for treatment of cancer and other terminal diseases, are being completely exempted from import duties,
 - vi) The import duty on calcium carbide is proposed to be reduced from the existing 15 per cent down to 5 per cent ,
 - vii) The import duty on caustic soda is proposed for reduction from the existing rate of Rs. 5000 per metric tonne to Rs. 4000 per metric tonne, being the industrial input,
 - viii) Reduction of customs duty on import of printing screens from the present rate of 15 per cent to the lower slab of 10 per cent whereas its raw materials are proposed for complete exemption of duty in order to promote their local manufacture,
 - ix) Reduction in customs duty on import of buckram from the higher slab of 25 per cent to the lower slab of 10 per cent, for value addition to textile industry,
 - x) Extension of duty free import facility of samples of no commercial value, to all manufacturers irrespective of the fact whether they are direct or indirect exporters,
 - xi) Bitumen is presently charged to a concessionary rate of 5 per cent duty which is proposed to be exempted,
 - xii) The existing 20 per cent duty on import of base oil for lubricating oil is proposed to be reduced to the lower slab of 10 per cent,
 - xiii) Under the existing tariff regime, equipment used in the telephone call centers are chargeable to 5 per cent duty with complete exemption from sales tax. Two of the major components namely voice cards and “vast terminals” which are meant for use in the telephone call centres are however chargeable to 10 per cent customs duty whereas the “other digital call recorders” attract 20 per cent duty on import. It is proposed to reduce customs duty on the said category of equipment and components to the lower slab of 5 per cent with exemption from sales tax,
 - xiv) The rate of duty for polyester films is proposed to bring at par with other items of the same category and it will also become liable to 20 per cent duty,

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- xv) In order to encourage import of dedicated CNG buses, 15 per cent customs duty on their import will be abolished,
 - xvi) It is proposed to allow the import of dredgers free of customs duty in order to reduce the cost of port operations,
 - xvii) Energy Saving incentives: In order to achieve the objective, the customs duty on import of energy saver bulbs is proposed for complete exemption. Two components namely “Generators” and Deep Cycle Batteries”, which are meant for dedicated use in the solar energy equipment, are also proposed for exemption from the customs duty,
 - xviii) It is further proposed that WAPDA and its generation companies be allowed temporary import of power generation plants free of customs duty as against the existing rate of 5 per cent duty. The local manufactures' production will be purchased by WAPDA for distribution,
 - xix) In order to deal effectively with the energy crisis in the country and to keep the prices as low as possible so as to encourage its use, it is being proposed that energy saver lamps may be exempted from sales tax. This measure would not only ensure the availability of energy saving lamps on cheaper prices but also save energy up to 1000 mega watt,
 - xx) In order to incentivize the investment in domestic manufacturing industry, the Government allows import of raw materials, parts and components etc., either at zero or reduced rate of duty provided these are not manufactured locally. It has been observed that the conditionally of local manufacture as envisaged in respective notification SRO. No. 565(I)/2006 unnecessarily hampers the scheme of incentive. Therefore the condition pertaining to local manufacture for import of inputs at concessionary rate of duty under SRO. 565(I)/2006 is proposed to be deleted,
 - xxi) It is proposed that any plant, machinery, equipment and capital goods which is worth US\$50 million (C&F) or more, being imported for setting up of new industrial projects may be de-linked from the conditionality of local manufacture. This will curtail the discretionary powers of the administrative authorities and will provide for the hassle free investment environment,
 - xxii) Tax incentives like time-bound tax holidays and creation of tax free zones/industrial estates etc. for industrial development in the past ignored rural and under developed areas. It is proposed that 90 per cent First Year Allowance and 10 per cent normal depreciation be allowed to the industries established in specified rural and under developed areas duly notified by the Government. It will generate economic activity and employment in such areas besides eradication of poverty and illiteracy. Linked with this is providing enabling environment for future Direct Foreign Investment (DFI) and stabilizing economic growth by extending further already available exemption to “Capital Gain” on sale of shares of companies listed on stock exchange for a period another two years,

- xxiii) It is being proposed that caustic soda/flakes, cotton linter and sequins should be zero-rated so that financial liquidity in the Textile sector is increased and the textile producers are free from the hassles of delays in getting refunds on this account,
- xxiv) It is, proposed that sales tax paid by non-resident entrepreneurs/traders arriving in Pakistan on trade fairs may be exempted by inserting suitable provision in the Sales Tax Act, 1990. This exemption will be available to foreign entrepreneurs on reciprocal basis,
- xxv) The Government has strong desire to provide health facilities on cheaper rates to the people of Pakistan. For this purpose, the import of medical equipment, apparatus, reagents, disposables, spares and donations supplied to Government hospitals and charitable institutions are exempt from sales tax. However, such goods are taxable if produced locally which increases the cost of health facilities. It is proposed that the local supply of medical equipment, apparatus, reagents, disposables and spares to the Government hospitals and charitable hospitals having more than 50 beds and proceeds to be exempted from sales tax,
- xxvi) The Government of Azad Jammu and Kashmir does not allow its registered persons to get refund of input tax paid in Pakistan because of paucity of funds with the Government of Azad Jammu and Kashmir. The business community of Azad Jammu and Kashmir has been demanding since long that it should be given refund of input tax paid in Pakistan. To resolve this long standing issue, it is being proposed that registered persons in Azad Jammu and Kashmir may be allowed to claim refund on supplies of inputs from Pakistan. Accordingly, a new section is being added in the Sales Tax Act, 1990 to authorize FBR authorities to pay such refunds/repayments.

28. Expansion in communication links - roads, railways, ports and terminals - is an equally pressing need. Gwadar port has yet to take-off for lack of supportive road links to transport cargo up-country. We have to guard against such occurrences because huge development funds were invested, yet the economy has so far reaped no benefits from such a gigantic project.

29. All the above factors, particularly infrastructure shortages, are stunting our growth. We have undertaken a detailed review of the current pipeline of approved projects for development budget. We have decided to prune projects as we saw little benefit to the economy from such projects. Details of this review will be provided separately. However, I would like to state that the development plan we are giving to the nation reflects our priorities which are based on economic realities as well as people's aspirations.

30. Pakistan has to make important strategic choices to ensure sustainable growth in the manufacturing sector in a rapidly changing and challenging international competitive environment. This requires massive structural changes rather than a marginal change, a shift in the production paradigm to technology and knowledge-based industrialization with a focus on the quantitative and qualitative growth of an

integrated and competitive industry in private sector. The in-efficiencies of import substitution must give way to export-led strategy.

31. The Government is creating a synergy between public and private sectors to benefit from the respective strength of each. A policy and operational framework for fostering public private partnership is gradually evolving. Ministry of Industries and Production also decided to “re-position” it to play a leadership role in formulation and implementation of a comprehensive strategy for rapid industrialization of Pakistan which aims at maximizing job creation and will coordinate all programmes aimed at providing employment, imparting skills to the unemployed, broadening the opportunities for technical training and vocational education and encouraging work for food programmes. Adequate resources will be provided to fund the activities of the Commission.

32. National Internship Program: This programme was started last year for the benefit of those who have completed 16 years of education. It is proposed to continue this programme. It is estimated that a minimum of 30,000 post-graduate students will take benefit of this programme during 2008-09. An allocation of Rs. 1.6 billion is proposed to be made in the budget for funding the internship programme.

33. People’s Rozgar Programme: Creation of self employment opportunities has to form part of any programme for employment generation. For this purpose, we have to make arrangements so that the unemployed can have access to credit to enable him to start a useful business. Credit will be provided to unemployed persons to start own small businesses. The current self employment scheme being undertaken through National Bank will be augmented and new businesses made eligible.

34. Women development: No nation can progress by ignoring half of its population. We believe in the social and economic role of the women in particular women's contribution to the economic growth of the country. A ten percent quota for women across the board in all government departments has been approved by the government, thus increasing their role in the decision making process. Mohtarma Benazir Bhutto had established the First Women Bank. We will continue to support it. In addition, Khushhali Bank, Zarai Taraqqiati Bank will be encouraged to provide credit for women for promoting women entrepreneurship. In line with its commitment to remove gender imbalances in society, the government, through its Poverty Reduction Strategy Paper and Medium Term Development Framework, has initiated the process of gender responsive budgeting for mainstreaming gender dimension in the budgetary process at the federal level.

35. Microfinance: Microfinance plays a critical role in the lives of the poor. The potential client base of microfinance sector is around 25-30 million borrowers. It is noteworthy the female clients make up 45 per cent of the total microfinance users. Government will strive to increase the outreach of microfinance services to 3 million borrowers by 2010 including increase in rural micro-finance.

36. Low cost housing: Shaheed Zulfiqar Ali Bhutto had given the slogan of roti, kapra and makan to Pakistan's people. In keeping with this commitment, the Prime Minister, in his 100 days programme had announced that 1 million housing units will be added to country's housing stock, for low income groups and government employees. It is proposed to allocate Rs. 2 billion as a revolving fund which will be further expanded through innovative financing during the year to initiate these

projects, so that the execution of these projects is not dependent on the availability of budgetary resources.

Restoring fiscal discipline

Madam Speaker

37. Controlling fiscal deficit is the foremost need for stabilizing the economy. We are moving in a number of directions for this purpose. Many of the measures proposed for this purpose, have been included in the Finance Bill which I will be placing before the house for its consideration.

- (1) Freezing of non-development, non-salary expenditure: As a first major step of economy, it is proposed that government's non-development and non-salary expenditures may be frozen at the revised level of the last year. This measure has been adopted after realizing the grimness of the budgetary situation and seeking the cooperation of key institutions. However, the pink book had to be published much earlier and, therefore, is not reflected there. However, it is understood that all budgets in excess of this limit will be slashed to adhere to this principle.
- (2) Ban on purchase of physical assets: With a view to further economizing on public resources, it has been decided to place a ban on the purchase of motorcars, air-conditioners and other office equipment.
- (3) Budgetary cuts for the Prime Minister Secretariat, National Assembly and Senate: Prime Minister has offered this sacrifice at the outset. The budget of his office has been curtailed from Rs. 329,8 million to Rs. 230.9 million. Also both National Assembly and Senate have agreed to freeze their non-development non-salary expenditure at the level of the last year.
- (4) Budgetary cut of NAB: The Prime Minister, in his opening speech to the National Assembly, had announced that appropriate measures will be taken to wind-down the National Accountability Bureau (NAB). In view of this decision, there is no justification for NAB to carry a budget that is not commensurate with its future status. Since legal and procedural requirements have to be met before it is decided to wind-up NAB, it will function with a truncated mandate. Accordingly, a 30 per cent cut is proposed in the budget of NAB.
- (5) Disclosure of details of defence budget: In a major policy move government has decided to do away with the past practice of presenting a single line budget for defense. All the relevant details of the defense expenditure are available for the review and debate of the Parliament. This will go a long way to bring greater fiscal discipline by inducing more economical use of available resources.
- (6) Phasing out of subsidies: There is an unbearable burden of subsidies currently carried by the budget. Much of it is unintended and benefiting such groups who are neither needy nor should they be subsidized. It is estimated that at present more than Rs. 400 billion are provided in subsidies of all kinds from the budget. A detailed pruning of subsidies is, therefore, necessary and inevitable to preserve country's finances.

- (7) Limiting borrowing from the State Bank: Borrowings from central bank have reached an unacceptable level. This is a major source of inflationary pressures and should be contained. Partly it is the result of fewer choices available to attract non-bank resources and relatively underdeveloped capital market. We are taking a number of measures to address this problem. A new borrowing instrument to be called Government Commercial Paper has been designed and will be launched shortly. This will be available on tap from all authorized commercial banks for maturities of 3 months and 6 months and 1 year. New products of shorter maturities will also be introduced in the National Savings Schemes. More importantly, pricing on all government borrowing instruments will be made attractive and competitive with market rates. With these changes, dependence on central bank borrowing will likely decline considerably. Amendments in Foreign Exchange Regulatory Act are being undertaken to make SBP more effective against irregular foreign exchange operations. Similarly, SECP is also being empowered through introduction of legislation to protect the investors from insider trading and malpractices.

Relief Measures

Madam Speaker

38. As I noted earlier, fixed income groups have been hardest hit by the price hike. The largest segment of such people is in the service of the government. Accordingly, it is imperative that immediate relief should be provided to this group. Similarly, pensioners also fall within this group and they also need some relief. Finally, individuals investing in government savings schemes need relief as real returns have fallen considerably in face of rising prices.

39. Keeping these needs in view, government has decided to provide following relief to the above groups:-

- a) A 20 per cent increase in basic pay is proposed to all Federal Government employees. The similar increase will also be allowed to defence services.
- b) A 20 per cent increase in net pension is proposed for all civilian and defence pensioners.
- c) Minimum Pension increased from Rs. 300 to Rs. 2000.
- d) 100 per cent increase in Conveyance Allowance, for government employees from BS-1 to BS-19, which is currently at a very low level.
- e) Medical Allowance for BS-1-16 is being increased from Rs. 425 to Rs. 500 per month.
- f) Increase in minimum wages level from Rs. 4600 to Rs. 6000 per month.
- g) Profit rates of National Savings Schemes (NSS) are being increased by 2 per cent. The rates will be revised quarterly instead of biannually so as to minimize the gap between NSS and market rates.
- h) Those government employees who are unable to work due to illness, accident, earthquake and terrorism will get complete pension benefits. The condition of 10 years service is abolished.
- i) Regularisation of contract staff from BS-1 to 15 is proposed.

- j) A Pay and Pension Commission to be set up to review pay and pension of government employees.
- k) Number of posts of Judges of the Supreme Court is being increased from 16 to 29.

Taxation Proposals

Madam Speaker!

40. I now turn to the Revenue proposals for the year 2008-09. Most of the Fiscal incentives for Agriculture Growth, Industrial and Energy sector have already been presented. As we all know that we are facing a very challenging economy. Our foremost need is to stabilize the fast deteriorating economic conditions. A number of far reaching steps have been taken to control the expenditures so that the burden on budget is reduced. However, such measures are not enough to meet the ambitious target for deficit reduction which we have set in the budget. Accordingly, the rest of the burden will have to be shared by carrying out a more diligent and concerted effort on revenue mobilization.

Madam Speaker

41. There is a realization that our Tax Administration revenue effort and service standards need drastic improvements. Accordingly Reform of Tax Administration would be a continuous commitment of the Political Government with the objective to convert Tax Administration into a modern, progressive, effective and credible organization and thereby enhancing the capability of the tax system for optimizing revenue, increasing the tax to GDP ratio, broadening the tax base, strengthening audit and enforcement procedures, fair and equitable application of tax laws through modern techniques, quality service and promoting compliance with tax laws.

42. Before I place the taxation proposals before the House, let me spell out that despite all odds, the net collection during this year is expected to be around Rs. 1 trillion. The heavy dependence on indirect taxes is being now shifted to direct taxes which has gone up to 39 per cent. There is marked improvement in the tax return filers. Due to low tax/GDP ratio, there is ample scope to further improve revenue collection by FBR.

Customs

43. There is a compelling need to curtail the widening gap in Pakistan's international trade by discouraging imports of the non-essential and luxury items. It has therefore been proposed to enhance import duties on about 300 non-essential and luxury items from the existing 15 per cent, 20 per cent and 25 per cent slabs of import duties to the higher slabs of 30 per cent and 35 per cent respectively. These items generally include perfumery, cosmetics, crockery, ceramics, bath room fittings, kitchen utensils, furniture, sporting arms and domestic appliances such as air conditioners, refrigerators, deep-freezer, cooking range, ovens and other such equipment. The list also includes confectionary items like biscuits, chocolates and cookies besides cigarettes, cigars and some of the food preparations.

44. Similarly, the customs duty on the luxury vehicles of 1800cc engine capacity and above is being increased from the existing 90 per cent to 100 per cent.. Used motorcars and jeeps of below 1800cc engine capacity are presently being charged to

the fixed amounts of duty and taxes. Respective fixed amounts of duty and taxes are proposed to be enhanced by 10 per cent. Specific customs duty of Rs. 500 per set is being proposed on the import of mobile cellular phones. Import duty on betel leaves is proposed to be enhanced from Rs. 150 per kg to Rs. 200 per kg. Sales Tax & Federal Excise Duty (FED),

Madam Speaker

45. Following are some Sales Tax and Federal Excise measures for the industrial growth:

46. To achieve sustained economic growth, it is essential that sufficient revenues may be available with the Government to spend on the socio-economic well-being of the people. Presently, 15 per cent rate of sales tax is comparatively low in the region. In some cases, it is even 20 per cent. In order to meet the increased requirements of greater revenue generation, it is being proposed that the rate of sales tax may be increased from 15 per cent to 16 per cent. To facilitate cross subsidization of PDC, an enabling amendment is being made in the relevant law for the government to levy PDL on transport fuels like CNG, LPG whenever considered necessary.

47. It is also being proposed to increase the rate of federal excise duty on telecommunication services from 15 per cent to 21 per cent which is collected in VAT mode.

48. It is, proposed that 5 per cent FED may be imposed on the imports as well as on the local supply of cars having engine capacity exceeding 850cc.

49. To keep our rates of FED in line with the neighboring countries and to increase tax to GDP ratio, it is being proposed that rate of FED on banking, insurance and franchise services may be increased from 5 per cent to 10 per cent.

50. The fixed rate of Federal excise duty on cement is being proposed to be increased from Rs. 750 PMT to Rs. 900 PMT on account of indexation of inflation.

Income Tax

Madam Speaker

51. Now, I highlight some of the important measures proposed for Direct Taxes:-

52. Despite 20 per cent annual increase in the number of taxpayers during the last three years 2.2 million taxpayers in a population of 160 million people is still very low in the region. Like-wise tax to GDP ratio having remained static at about 11 per cent for the last so many years does not reflect any appreciable performance. Your government proposes to take two steps to improve the tax base:

- a) Withdrawal of 35 income tax exemptions which would be a landmark achievement and bold initiative compared with the past governments.
- b) Launching of a liberal "Investment Tax Scheme" whereby taxpayers are proposed to declare past business, capital formation and assets acquired, by paying just 2 per cent on their market value and come forward to play their constructive role in the advancement of documented economy. The declarants would not have any fear of investigation in their tax affairs for the past. A massive campaign would be undertaken to make

the scheme a success so that there is a fair improvement in tax to GDP ratio and number of taxpayers.

Madam Speaker

53. Following are the Tax Relief through Direct Taxes:-

- a) Minimum tax @ 0.5 per cent on declared turnover is levied on loss making companies or companies whose income is not chargeable to tax due to specific exemption provided in law. This tax is obviously paid out of equity in the absence of income for the year and is also regressive. It is proposed to abolish levy of minimum tax to improve economic growth and incentivize the taxpayers to grow in business.
- b) Basic Exemption of Rs. 150,000 for salaried taxpayers is being raised to Rs. 180,000 and for Rs. 200,000 to Rs. 230,000 for the women taxpayer. This measure would provide relief to more than 75,000 taxpayers.
- c) Taxation of salaried persons was rationalised to provide 21 income slabs for levying income tax starting from 0.25 per cent to 20 per cent. However, hardship has been caused in the shape of higher tax incidence, when income crosses a slab to next higher slab and tax rate. This may happen frequently due to incremental changes in salary income. To provide relief to salaried class, it is proposed to allow marginal relief in tax at every incremental slab of income.

Madam Speaker

54. Following are the Direct Tax Revenue Measures:-

55. Advance income tax is collected on import of goods @ 1 per cent to 5 per cent on individual and commercial importers. Instead of a facilitation measure it has caused dichotomy where manufacturers statedly misuse low rate of tax and possibility of maneuvering tax payment at import stage by applying incorrect withholding tax rates in connivance with the state functionaries cannot be ruled out. To make the tax payment transparent a uniform tax rate of 2 per cent is proposed for commercial as well as industrial importers. This tax has also been made adjustable in the case of companies who are engaged in manufacturing activities.

56. Industrial as well as commercial consumers of electricity are proposed to pay advance tax @ 10 per cent on their electricity bills exceeding Rs. 20,000 per month, which would be adjustable against their final tax liability. It will help to discharge their tax liability in 12 installments.

Madam Speaker

57. A couple of years back income tax on property income was levied @ 5 per cent of the gross rent where the rent amount, being only income of an individual or association of persons, was above Rs. 150,000. It was a clear favour to the higher income group and disincentive for the lower income bracket. To make it equitable on the principle "the more you earn the more you pay", it is proposed to provide progressive withholding tax rates for higher income brackets, ranging from 5 per cent to 15 per cent on different income slabs.

58. The most lucrative investment in recent past has been investment in real estate which has really retarded industrial growth in the country. Development of land into housing schemes, construction of high-rise residential and commercial building attract huge profits but the tax contribution in this field is very low, it is therefore proposed that the developers and builders should pay Rs. 100 per sq. yard on developed plots sold during the year and Rs. 50 per sq. ft. on the sale of constructed property as minimum tax.

Concluding Remarks

Madam Speaker

59. This is a budget that will herald a new era of economic stability, social justice and prosperity to all sections of the society. This vision of Pakistan is the one which was given by Shaheed Zulfiqar Ali Bhutto on that historic day of 14th April, 1972 as President of Pakistan, when he addressed the National Assembly which first met to frame a constitution for Pakistan. He said:

Apart from the obvious requirement of justice and equity between man and man and between regions, there is a fundamental philosophy governing [our] approach. Our economic muscle and national cohesion can grow only with a just economic and social order. It is only when every peasant and every worker and the entire population of all the regions are convinced in their own mind that each one of them is striving and struggling for the good of all, that the creative energies of the entire nation will be fully harnessed. Otherwise, we shall not overcome our national crisis.

60. This budget is for all the people of Pakistan. It is seeking sacrifices from all sections who can afford it. It is protecting the poor and the weak. It gives an inclusive message, a sense of sharing. The crises we are facing are daunting but this nation has been tested in the past and we will prove that we are worthy of successfully facing and overcoming these challenges.

Pakistan Paindabad ■

Dawn, June 12, 2008

<http://www.dawn.com/2008/06/12/local7.htm>

DOCUMENT 20

JOINT PRESS STATEMENT BY PAKISTAN-INDIA JUDICIAL COMMITTEE ON PRISONERS

First meeting of the Pakistan-India Judicial Committee on Prisoners was held in New Delhi on 26th February, 2008. Members of the Committee are Justice (R) Abdul Qadeer Chaudhary, Justice (R) Fazal Karim, Justice (R) Nasir Aslam Zahid and Justice (R) Mian Muhammad Ajmal from Pakistan side and Justice (R) Nagendra Raj, Justice (R) Amarjeet Choudhary, Justice (R) A.S. Gill and Justice (R) M.A. Khan from the Indian side. As agreed in New Delhi, the Judicial Committee visited jails in Karachi, Rawalpindi and Lahore from 9th to 13th June, 2008, met the Indian prisoners in these jails, and held discussion with officials of both countries.

The Committee was informed of the signing of the Consular Access Agreement between the two countries on 21st May, 2008. The Committee is of the view that the Consular Access Agreement will greatly help in furthering the objective of humane treatment of nationals of either country arrested, detained or imprisoned in the other country.

After completion of the visits to the jails in Karachi, Rawalpindi, and Lahore discussions with officials of the two countries, and detailed deliberations, the Committee makes the following recommendations: -

1. Noting the recent deaths of 04 Pakistani nationals in Indian prisons and one Indian national in Pakistani prison, the Committee recommends that the following steps/action be taken by either country where a national of the other country dies while in custody: -

- High Commission of the other country will be immediately informed in writing of the death of the prisoner and in this regard immediate instructions be issued by the Federal/Central governments to the Home Departments and Inspectors-General of all the Provinces/States for strict compliance.
- Instructions may also be issued for supply of copies of inquest or inquiry reports, if any, and post-mortem reports in respect of such deceased prisoners to the High Commission of the other country.
- Bodies of such prisoners be sent to the other country at the earliest and in any case within three weeks of death.

2. Women and Juvenile prisoners, prisoners terminally ill or suffering from serious illness or physical disability and also mentally disabled persons deserve compassionate and humanitarian consideration. The Committee recommends that such prisoners, whether under-trial or convicts, be repatriated to the country of their origin at the earliest and, for that purpose, necessary action be taken for withdrawal of prosecution or for remission of the balance sentence, as the case may require.

3. Prisoners involved in minor offences, e.g., violation of Foreigners Act, border-crossing, visa violation, like overstaying or visiting places not covered by the visa, also deserve compassionate and humanitarian consideration. The Committee makes similar recommendations for such prisoners as made for women, juvenile and physically ill or disabled prisoners.

4. The Committee recommends that the 34 Indian juvenile fishermen at present confined at the Youthful Offenders Industrial School Karachi be repatriated to India immediately and for that purpose necessary action be taken for withdrawal of prosecution.

5. In view of the recommendation made by the Committee, after their First Meeting in New Delhi on 26th February, 2008, all those Indian fishermen, confined at the District Jail Malir, Karachi, whose national status has been confirmed by the Indian High Commission, be repatriated immediately and, for that purpose, urgent necessary action be taken by the Pakistan Government for withdrawal of prosecution or remission of balance sentence, as the case may require.

6. The Committee recommends that all such prisoners who have completed their respective sentences and whose national status has been confirmed by their High Commission be released immediately and those whose national status has not been

confirmed, exercise in respect of their national status be finalized within one month and in any case before the Committee next meets in India.

7. The Committee recommends that the benefit of remission in sentence be extended to all prisoners who have been convicted under any special law or military law and for that purpose, if required, the Governments should make necessary amendments in the rules.

8. The Committee noted that lists of prisoners exchanged by the two Governments on 31st March, 2008 are not complete and do not mention names and details of all detainees/prisoners. The Committee expects that the procedure for preparation and updating such lists shall be streamlined and the next lists to be exchanged on 1st July, 2008 will be complete and without omissions. Such lists shall contain information about the date of arrest, details of sentence, charges under which the prisoner was sentenced and the expected date of release.

9. The Committee reiterated its recommendation that Consular access should be provided within a month of arrest and process of national status confirmation initiated immediately thereafter so that release is not delayed. The Committee noted that the extended time taken to confirm the national status and strongly recommended that the process should be simplified and confirmation expedited. It also took note of the pending cases of confirmation and suggested that steps should be taken to confirm the nationality by 31st July, 2008.

10. The Committee recommends that efforts should be made to identify prisoners from both sides who could be considered for early release and expedite their repatriation.

11. The Committee recommends that in all cases where Consular access was yet to be provided should be provided before 31st July, 2008.

The Committee suggests that the visit of Indian jails by the Committee be fixed from 20th to 27th July, 2008.

The Committee will expect reports from both countries about the steps taken for compliance of these recommendations when it next meets in India. ■

Joint Press Statement by Pakistan-India Judicial Committee on Prisoners, Ministry of Foreign Affairs, Islamabad Pakistan, June 14, 2008

http://www.mofa.gov.pk/Press_Releases/2008/June/PR_175_08.htm