

**Chapter****13****Transport and Communications**

The vision for the Transport and Communications (T&C) sector is the establishment of an efficient and well integrated system that will facilitate the development of a competitive economy and poverty reduction, while ensuring safety in mobility, accessibility and effective connectivity. The strategic thrust is on optimal utilization of the existing capacity, improved management for maintenance and operation and coordinated use of various modes of transport. Private sector participation in the sector would be enhanced and institutional capacity building and research and development activities undertaken to enhance the efficiency of T&C sector.

The transport sector currently accounts for 11 percent of GDP, 16 percent of fixed investment, 35 per cent of the total annual energy use, and about 15 percent of the Public Sector Development Program. The T&C sector covers roads, road transport, railways, ports & shipping, aviation and telecommunications. The sector has direct and indirect linkage with all important sectors of the economy, which influence economic and social development. An efficient transport system contributes to economic growth by lowering domestic production cost through timely delivery of raw materials (in agriculture and manufacturing sectors), enhancing economies of scale in the production process, and creating economic opportunities and communications links among people. This sector generates a large number of employment opportunities currently estimated at 2.3 million jobs (6 per cent of employed labor force). It also helps in integrating markets, strengthening competition, and increasing access to improved farming techniques and social services, besides promoting trade, tourism and foreign investment. The sector also contributes to the Government revenues through taxes and duties on production and import of vehicles and parts, petroleum products, and fees on ownership and operation of vehicles.

**Sectoral Issues**

Performance of the transport system is not up to mark. There are logistics constraints, which impede competitiveness of the country's trade and industrial development. The existing capacity of the system cannot support the 7 percent growth which Pakistan is hoping to achieve. As much as 4 per cent of the GDP is estimated to be lost because of inefficient and outdated infrastructure. In order to cope with the situation, a major portion of the public expenditure during 2007-08 is earmarked for a major revamp of the country's infrastructure.

Some of the sectoral shortcomings are outlined as under:

- Container dwell times at ports is 7 days (3 x that of developed countries / East Asia)
- Road freight carries 95 percent of land freight, and takes 4-6 days between ports and north of the country (twice the equivalent time in Europe / East Asia)
- Trucking rates for high value commodity traders higher than India and Brazil, and same as China (where service quality is higher)

- Rail carries less than 5 percent of freight, and takes from 1 – 2 days on the main Karachi – Lahore line; this is 2 to 3 times slower than in China and USA.

### **Transport Infrastructure for the 21st Century**

Global experience shows a close relationship between economic growth and infrastructure development. On average, for each percentage point of growth in GDP, the infrastructure stock rises by one percentage point. This implies that the stock of infrastructure must keep pace with growth if growth has to be sustained. The growth in capacity must be achieved while increasing service levels and decreasing costs. Internationally, prices of transport services have fallen due to increased productivity and competition between suppliers. There would be need for a higher level of investment in transport with enhanced private sector participation in the provision of transport infrastructure and services. Infrastructure also contributes significantly to a country's social development and helps raise standards of living by improved access to critical services like health and education. Evidence also shows that growth is the most powerful weapon in the fight against poverty. Pakistan's public sector investment in infrastructure has declined as a percentage of GDP since the early 1990s resulting in a huge backlog in maintenance and new infrastructure.

An efficient transport system is a pre-requisite for Pakistan to become globally competitive. To meet the needs of the 21st century, it is necessary to follow a policy based on three strategies.

- **First**, the existing infrastructure, which is quite unsuitable even by present standards, will have to be updated to international standards in scale, quality and management efficiencies within the next five to six years, so that it can be used optimally,
- **Second**, better coordinated use of various modes of transport will be facilitated. This includes road, rail, ports and air traffic. This will help reduce the cost of doing business for domestic as well as foreign commerce.
- **Third**, it is necessary to prepare for energy efficiencies, and other modal changes which will occur in this century.

### **Existing Infrastructure**

The total annual inland traffic by road and rail transport is currently estimated at 239 billion passenger-km of passenger traffic and 153 billion ton-km (btkm) of freight traffic. However, there has been a massive shift from railways to road transport, with latter now accounting for 90 per cent of passenger traffic and 96 per cent of freight traffic. The projected growth will double traffic by 2015. Although Pakistan has a road network of 258,000 km (including 9,500 km national highway and motorways), the road density is low for a population of 156 million people and an area of 796,000 km. There are also about 7.0 million vehicles on-road, which are projected to increase to 21 million by 2030. Pakistan Railways have about 10,000 km of track, but is performing below commercial potential. The two major ports handle over 41 million tons annually apart from container traffic.

The National Highway Authority (NHA) maintains the national highway network while the Provincial Communications and Works Departments are responsible for the provincial road network. Following the implementation of the devolution plan, a majority of the intra-district provincial networks have been

devolved to the districts. The total public expenditure on roads is over Rs 33 billion per year, with 65 percent on national highways. The roads sub sector has been the main recipient of public sector funding, consuming about 69 percent of the PSDP allocation for T&C sector. However, road maintenance expenditures over the years have only been at about 20 percent to 30 percent of the requirements.

The road transport services are regulated by the provincial governments through the Provincial Transport Departments. The Provincial Transport Authorities (PTAs) and Regional Transport Authorities (RTAs) plan, allocate routes, regulate, enforce and assert day-to-day control over inter- and intra-city passenger transport services, which are dominated by the private sector. Road related public revenue collection is about Rs 32.5 billion per year (52 percent from surcharge on POL products).

Around 95 percent of the country's imports and exports are handled through the ports. The two existing national ports are handling about 40 million tons of cargo annually. Karachi Port, handles about 30 million tons of cargo, while Port Qasim handles about 10 million tons.

There are 44 airports maintained by the Civil Aviation Authority of which 25 are operational. There is one major public sector airline and a few private airlines.

PTCL enjoys 98 percent share of the fixed telecom network in the country while National Telecommunication Corporation (NTC) has about 2 percent share (Government telephone network). The Special Communications Organization (SCO)'s telecom jurisdiction is restricted to the AJ&K and Northern Areas. The present total teledensity [fixed lines (3), WLL (1) and mobile (38)] is 42 per 100 persons. At present, six private mobile companies are operating (with 55 million mobile connections).

## **REVIEW OF 2006-07**

The public sector development program for 2006-07 provided an outlay of Rs 44.0 billion for the federal public sector program comprising Rs 18.1 billion for the budgetary program and Rs 25.9 billion for the budgetary corporation program (NHA). Against this, an expenditure of Rs 44.3 billion has been incurred giving an overall utilization of 101 percent of the total outlay. An expenditure of Rs 18.8 billion has been incurred under the budgetary program and Rs 25.5 billion under the budgetary corporation program (NHA). Salient features of implementation. of the program are discussed in the following paragraphs.

### **Pakistan Railways**

An allocation of Rs 11.1 billion was made for Pakistan Railways, against which an expenditure of Rs 10.4 billion has been incurred giving a utilization of almost 94 percent of development program. The main thrust was improvement of infrastructure and procurement of essential material for locomotives, coaches, bogie wagons and track rehabilitation of the railway network. Work on track rehabilitation, doubling of track from Lodhran to Khanewal and onwards to Raiwind, procurement of 144 DE locos, 775 passenger coaches and 2300 high capacity wagons continued with further acceleration. Feasibility studies for laying new tracks on Bostan–Zhob–Peshawar, Dina to Mirpur, and Shahdara–Faisalabad sections continued. Basic objective of the projects is enhancement in quality of public service, boost in freight & passenger business and to run the Railways on commercial lines keeping in view the national interest.

## **Ports & Shipping**

An allocation of Rs 1.3 billion was made in the Ports and Shipping sub-sector, against which an expenditure of Rs 3.7 billion has been incurred giving a utilization of 295 percent. Major utilization was made for completion of additional dredging of the navigation channel of the Gwadar Deep Sea Port Project to deepen its draught to 14.5 meters. The dredging has since been completed. President of Pakistan inaugurated the Gwadar Port on 20<sup>th</sup> March 2007. Port of Singapore Authority has been entrusted the Port operations. Consultancy work on preparation of a comprehensive master plan for Gwadar deep sea port and its related infrastructure & port market strategy also continued.

## **National Highways**

An allocation of Rs 25.8 billion was made for the National Highways development program, against which the NHA incurred an expenditure of Rs 25.6 billion giving a utilization of almost 100 percent. Work on Gwadar–Gabd section of Makran Coastal highway, Karachi Northern bypass, Islamabad–Peshawar Motorway (M-1), Lyari Expressway, Islamabad–Muzaffarabad Road, Mansehra–Naran–Jalkhad Road, Nutal–Sibi–Dhadar sections of N-65, Ratodero–Shahdardkot–Khuzdar road and improvement of N-70 Qilla Saifullah–Loralai–Bewatta Section was accelerated. Work continued on rehabilitation of National Highway (N-5), Lowari Tunnel, Chenab bridge at Shershah, five bridges on Gilgit–Skardu road, Indus Highway Phase-III, widening of Kararo – Wad Section (N-25), construction / improvement of existing sub-regional roads under NWFP Road Development Sector project and National Highway Development program. Work on 19 new projects was initiated. Main objective of the rehabilitation, widening and construction of national highways has been to enhance countrywide mobility, accessibility, safety in travel and productivity, reduction in travel time & costs thereby boosting of trade and economic activities.

## **National Transport Research Center**

An allocation of Rs 19 million was made for National Transport Research Center (NTRC), against which an expenditure of Rs 7 million could be incurred giving a utilization of 37 percent. Due to late arrivals of expatriate staff on the projects for Pakistan Transport Plan Study and National Transport Policy the work started at belated stage which is the main reason for low utilization. Work on research and on-going studies/projects continued. The NTRC is endeavoring to develop a National Transport Policy which would be a milestone in achieving an integrated and holistic approach towards the improvement of country's transport system and logistics thereby strengthening the economy.

## **National Highways and Motorways Police**

The entire allocation of Rs 429 million made for the National Highways & Motorway Police (NH&MP) was incurred for acquisition of land for establishment of police posts & offices along N-5, Road safety component of NWFP Road Development Sector project and establishment of training center at Sheikhupura. The NH&MP is playing a very important role in maintaining discipline and safety on the national highways and motorways. Their contribution has drastically reduced the number of accidents and other mishaps on the national highways.

### **Special Communications Organization (SCO)**

The SCO was allocated Rs 1.22 billion for continuation and completion of their on-going and new programs in AJ&K and northern areas. An expenditure of Rs 1.17 billion stands incurred giving a utilization of 96 percent. Works for the on-going projects in AJ&K and Northern Areas continued. These include GSM project for provision of 50,000 mobile telephone connections in AJ&K and Northern Areas, International Gateway Exchange & Earth Station for AJ&K and Northern Areas and Rural Digital Expansion Project for AJ&K (Phase-II). Work on the laying of Optic Fibre Cable alongwith Transmission System between Mansehra & Gilgit and Gilgit-Skardu and Expansion / Improvement of Telecom Facilities in Northern Areas was initiated. Objective of these projects is mainstreaming and social uplift of far flung areas by providing them connectivity with rest of the country/world.

### **SUPARCO**

An allocation of Rs 408 million was made for the SUPARCO, against which an expenditure of Rs 358 million was incurred giving a utilization of 88 percent. Rs 298 million were expended on payment of the annual operating & lease for the PAKSAT-I (Phase-I) Satellite. Other utilizations were made on Upgradation of Propellant Testing Facility at Karachi, Development of Flexible Bearing and Fog Aerosol Characterization. These projects are part of the National Space Development Program and would enhance the country's space technology capability.

### **Finance Division**

An allocation of Rs 2.2 billion was made for construction/improvement of 19 provincial and district roads in all the provinces. These roads have been identified under the President / P.M directives. An expenditure of Rs 2.1 billion stands incurred on these ongoing/new schemes giving a utilization of 95 percent.

### **Planning & Development Division**

Work on Upgradation & Expansion of Existing NLC Communication Network was completed. PC-I on the Project for CNG buses for Karachi on Private – Public partnership basis was cleared for ECNEC. PC-I for Trade and Transport Facilitation Project -2 (TTFP-2) was approved by the ECNEC. The NTC Management Unit in Planning Commission and TTF Unit in the Commerce Division have been established to implement and coordinate the National Trade Corridor Improvement Program.

### **National Trade Corridor (NTC)**

The NTC initiative started in August 2005 and by now marked progress has been achieved. For instance, free time at ports has been reduced from seven days to five days already, increasing port capacity by 50 percent increase through procedural improvements, without spending a single rupee. It has been planned to further reduce this time to 3 days. Similarly, clearance time at new container terminals has been reduced to 4 hours, whereas it used to be 5-7 days previously. The intensity and nature of present and future competition envisages to enhancing Pakistan's share of world trade to grow from the current 0.2 percent to 1.0 percent in 2030, and this corridor initiative would act as catalyst to enhance the trade. Salient features of the NTC are presented in the box 13.1.

**Box 13.1****National Trade Corridor**

A major new initiative is the National Trade Corridor. The strategic framework for the National Trade Corridor Implementation Program (NTCIP) has been developed based on a holistic and integrated approach. The objective is to reduce the cost of doing business by improving the trade and transport logistics chain in Pakistan and bringing it up to international standards. It is estimated that over the next five years, about US\$ 6.0 billion would be required for the implementation of first phase of the NTCIP, including railways, roads, trucking, ports & shipping, aviation, trade facilitation and energy logistics. The World Bank (WB), the Asian Development Bank (ADB) and the Japan Bank for International Cooperation (JBIC) are actively supporting the program. Under the direct leadership of the Prime Minister, the task of development of proposals for NTCIP and overall coordination, implementation, monitoring and evaluation of the NTCIP has been assigned to the Planning Commission with the Deputy Chairman chairing the Prime Minister's task force. Seven committees have been constituted under the task force each chaired by the concerned federal secretaries of the participating Ministries/Divisions, viz; CBR, Railways, Communications, Defense, Industries, Petroleum and Ports & Shipping. A management unit (NTCMU) has been set up in the Planning Commission, to act as the Secretariat. A Trade & Transport Facilitation Unit (TTFU) has also been set up in the Ministry of Commerce. Full-fledged studies identifying gray areas in the aforementioned sectors and their remedies would be recommended under these studies and coordinated and implemented by the Planning Commission and line ministries.

**Program 2007-08**

A comprehensive and integrated transport policy will be developed during 2007-08. The transport development program 2007-08 would be based on a broad strategy that will include establishment of a multi-modal transport system; an emphasis on asset management with consolidation, upgrading, rehabilitation and maintenance of the existing system; enhanced private sector participation in sector development and institutional capacity building, with research & development and use of modern technology, procedures and processes to increase sector efficiency. The strategy also takes into account the regional and domestic dimensions, particularly in relation to rail, road and ports & shipping sub-sectors, enhancing regional connectivity to improve links to the Central Asian States, Iran, Afghanistan and India.

During the period, ways and means to improve the transport planning, prioritization and rationalizing public sector expenditure and mobilization of resources from users and the private sector and other institutions governance reforms would be explored. An integrated and holistic approach would be adopted for making transport system more productive, efficient and reliable, which may lower the transport costs and enhance the productivity in the economy.

It is planned to revitalize the Railway by transforming it into a commercially oriented entity, while retaining the railway network in public ownership. Development of port infrastructure and rationalization of port charges is envisaged to cater to trans-

shipment through the landlord port concept with enhanced private sector participation. Likewise rationalization of airport charges and the development of airports through the private sector are also planned. Benchmarking will be carried out and performance indicators would be developed for each of the sub-sectors to assess progress against envisaged targets.

An allocation of Rs 60 billion has been made for the development program of the T&C Sector. This includes Rs 29.4 billion for the budgetary program and Rs 29.6 billion for the budgetary corporations program (NHA). Salient features of the program are outlined as under:

### **Pakistan Railways**

A major step under the NTC initiative is the restructuring of Pakistan Railways on commercial lines. The Railways would be transformed into a corporate entity making profitable business through its core activities. Railways Business Plan is being prepared and a professional CEO would be appointed to run the Railways. Seven fast freight trains have already been introduced from Karachi to Lahore / Faisalabad and back. The other important initiatives include finalization of track access policy for private sector and outsourcing of container transportation.

An allocation of Rs 11.6 billion has been made for 2007-08. Works on track rehabilitation of Pakistan Railway network, procurement of 69 DE locos, procurement / manufacture of 625 passenger coaches, procurement of 2300 bogie high capacity wagons, rehabilitation of 450 passenger coaches, re-commissioning of 55 stabled DE locos, doubling of track on Lodhran - Raiwind sections, and other on-going projects would continue. Procurement / manufacture of 75 DE locomotives, 150 passenger coaches, construction of railway line and container terminal at Gwadar to provide up-country linkages, setting up of a PMU in the ministry, modern signaling Khanewal to Shahdra and conversion of Quetta – Zhob meter gauge line into broad gauge would be started.

### **Ports and Shipping**

A Ports master plan study, defining the roles of Karachi Port, Port Qasim and the Gwadar Port would be prepared. The Business Plans of the three ports would be completed. A project monitoring unit would be established within the Ministry of Ports and Shipping to study the existing bottlenecks in efficient operation of ports and recommend phase-wise improvements required at the ports. Outsourcing of container and other terminals at the ports is also planned. The closure of Karachi Dockyard Labour Board (KDLB) at the Karachi Airport is also envisaged.



An allocation of Rs 757 million has been made to complete the balance civil works on the Gwadar Deep Sea Port Project, initiate works for acquisition of land for construction of East Bay expressway at Gwadar, land for Free Trade Zone and the Oil City.

### **National Highway Authority (NHA)**

An allocation of Rs 29.6 billion has been made for the national highways program. Main thrust of the program is aimed at the acceleration of work on the rehabilitation & dualization of National Highway (N-5) on different sections, Islamabad-Peshawar Motorway (M-1), Makran Coastal Road, Karachi Northern Bypass, Layari Expressway, Islamabad-Muzaffarabad Road (N-75), Mansehra Naran-Jalkhad Road, Nutal-Sibi-Dhadar Section (N-65), Ratodero- Shahdadkot-Khuzdar Road, Qilla Saifullah-Loralai-Bewata Section of (N-70), D.I.Khan-Mughalkot Section (N-50), Realignment of N-65 near Dera Allahyar and Jaccobabad & Bridge on River Jhelum at Azad Pattan, Lowari Tunnel, Gwadar Ratodero Road (Khuzdar-Khori, Ratodero-Quba Saeed Khan & Gwadar- Turbat), Hoshab-Panjgur-Nag-Baseema-Surab (450 Km long section) & the remaining portion of the Indus Highway (N-55) (Sehwan-Dadu, Dadu-Larkana, Rajanpur-D.G.Khan & Malana Junction-Sarai Gambila Sections). In addition, work will be initiated on the improvement of N-65 from Jaccobabad Bypass to Shikarpur, Quetta-Kalat-Chaman road, Quetta Western bypass, Jhalkhad – Chilas Road, and the National Highway Development Sector program and NWFP Road Sector program. Procurement of land is planned for additional carriageway from Faisalabad to Khanewal (M-4). Projects on Lodhran - Khanewal section of N-5, Peshawar Northern bypass, Lakpass Tunnel & Rawalpindi By-pass projects would be undertaken on BOT basis. The projects will increase the total kilometrage of national highway network and contribute towards smooth and safe flow of vehicular traffic on the national highways network.

Development of a new expressway corridor in Phase-I being one of the vital components of the National Trade Corridor initiative, the route alignment of expressways would be finalized during the year. Under Phase-II, a new motorway corridor on the west of Indus touching Balochistan would be developed as a long term measure. It is envisaged to develop industrial clusters, oil storage facilities and oil & gas pipelines along the proposed motorway and expressway corridors. These initiatives would open up new vistas and avenues of trade with China, Central Asian Republics, India, Iran and even with Western countries.

### **Planning, Monitoring & Evaluation Cell in M/o Communications**

An allocation of Rs 14 million has been made for establishment of Planning, Monitoring & Evaluation Cell in M/o Communications. The Cell would be instrumental in expediting the pace of work in the organizations working under M/o Communications, such as NHA, NH&MP, CMTI, NTRC and Post Offices.

### **National Transport Research Center (NTRC)**

An allocation of Rs 9.3 million has been made for continuation of research program and work on the Pakistan Transport Plan Study and National Transport Policy.

### **National Highways and Motorway Police (NH&MP)**

National Highway and Motorway Police is an effective organization working towards ensuring safety and smooth mobility on the national highways and motorways. An allocation of Rs 181 million has been made for ongoing and new programs.

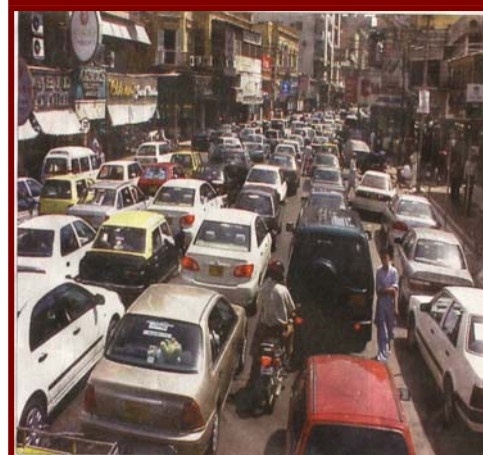
## Planning and Development Division

For T&C Sector, the Planning & Development Division has been allocated an amount of Rs 5.58 billion for the establishment of the NTC Management Unit, provision of CNG buses for Karachi city on PPP basis (Box 13.2), acquisition of land in Gwadar for Free Trade Zone and Oil City.

### Box 13.2

#### Environment Friendly CNG Buses for Mega Cities

Another major initiative of the Government of Pakistan is provision of Environment friendly public transport. The Federal Government, as a policy matter, has planned to provide dedicated CNG buses on Public-Private Participation (PPP) basis in mega cities of Pakistan to control the public transportation problems and environmental pollution. Private sector companies having a fleet of not less than 50 CNG buses / double deckers would be invited to ply on various public routes. Loans to procure buses would be available from the designated commercial banks / financial institutions, repayable within 5-7 years. Interest part of these loans would be met by the Federal Government. An allocation of Rs 5.0 billion has been earmarked which would be spent through the development budget during next five years to defray the cost of interest. As a first step, environment friendly dedicated CNG buses/ double deckers would be provided in Karachi. The Government of Sindh (GoS) and City District Government Karachi (CDGK) would ensure investment friendly and enabling environment to the private sector to ply safe, comfortable, reliable and affordable public transport on sustainable basis. The financial institution and the private investor / operator would mutually decide the terms and conditions of the payment and the repayment plans. The City District Government Karachi (CDGK) would play its regulatory role to ensure that the interests of the commuters as well as the operators remained intact in the scheme by payment of reasonable equity. The main objective of the project was to establish an integrated, efficient, economically sustainable affordable, and market-driven quality urban transport system which would meet the needs of citizens, support rapid economic development, protect the environment and ensure service / road discipline.



Existing Traffic Situation in Karachi



Dedicated CNG Bus

## Commerce Division

An allocation of Rs 31 million has been made for the Trade & Transport Facilitation Unit to be established in the Ministry of Commerce.

### **Special Communication Organization (SCO)**

An allocation of Rs 490 million has been made for increasing the telecom connectivity in the remote areas of AJK and Northern areas. Major programs include development of facilities in Northern Areas, laying of optical fiber cable between Mansehra & Gilgit and Gilgit & Skardu, international gateway exchange & earth station for AJ&K and the Northern Areas, Rural Digital Communication uplift project for AJ&K (Phase-II), Inter Transit Main Exchange Optical Fiber alongwith Transmission line System for AJ&K, Interconnect Billing & Custom Support System, and initiation of work on Northern Areas Terrestrial Microwave link, OFC Connectivity along Gupis – Gilgit – Sust, and GSM Expansion for AJ&K.

### **National Telecommunication Corporation (NTC)**

An allocation of Rs 305 million has been made for completion of the on-going work on the establishment of the optical fiber based transmission link for establishing coastal communication link between Karachi and Gwadar / Jiwani and Karachi to Keti Bandar and Telecom Sector De-regulation projects. Work on Shifting of GHQ Circuits from PTCL to NTC Network and Provision of PSTN Legal Interception Facility by the NTC would also be undertaken.



### **Pakistan Meteorological Department (PMD)**

An allocation of Rs 139 million has been made for completion of 12 ongoing projects and initiation of 9 new projects scattered all over the country for enhancing the capabilities of PMD.

### **SUPARCO**

SUPARCO is embarking upon the National Satellite Development Program during the next 5 years. An allocation of Rs 3.25 billion has been made for the SUPARCO.

### **Finance Division**

An allocation of Rs 6.2 billion has been made for construction/improvement of 19 provincial and district roads in all the provinces including Lai Expressway. These roads have been identified under the President / P.M directives.

### **Maritime Security Agency (MSA)**

An allocation of Rs 65 million has been made for continuation of work on construction of MSA Headquarters Building at Karachi.

### **Airport Security Force (ASF)**

An allocation of Rs 175 million has been made to complete the balance ongoing works for construction of barrack accommodations at 5 small airports i.e. Muzaffarabad, Gilgit, D.I.Khan, Rawalakot and Nawabshah, barrack accommodations at Islamabad, Quetta, Multan, Faisalabad and one office

accommodation for Chief Security Officer (CSO) North at Islamabad airport. Works on reconstruction / rehabilitation of ASF barracks at Muzaffarabad & Rawalakot airports and Tube Well at Quetta airport would also be undertaken.

### **Karachi Shipyard & Engineering Works (KSEW)**

An allocation of Rs 500 million has been made for Installation of Ship Lift and Transfer System and Associated Machinery and Equipment to provide docking and repair facilities to Surface Ships, Submarines and Commercial Vessels of upto 4,000 Tonnage at the KSEW.

### **Civil Aviation Authority**

An allocation of Rs 750 million has been made for construction of New Gwadar International Airport. It will meet the requirement of wide bodied aircrafts B-747.

### **Innovative Financing**

The current infrastructure programs at average need over Rs 210 billion per year, with only half of the available for investment from the public sector. Public-Private Partnerships would be encouraged to meet the funding gaps and to improve the efficiency of these investments. Capital market, bonds, long-term loaning and securitization of revenue streams would be explored as additional financing vehicles.