

## Chapter 27 | TRANSPORT AND LOGISTICS

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**P**akistan is gifted with a strategic location, which is well-suited to serve as a hub of commercial activity. Transport contributes about 10 per cent to the GDP, accounts for over 6 per cent of employment, and consumes 35 per cent of the total energy annually.

The Vision 2025 set the target of raising the road-density to a level of 0.45 kilometre per square km by 2018, which will increase the existing road national network from about 2,60,000 km to 3,58,000 km. Major upgrade in the railway system includes: increasing speed from 95 km per hour to 140-160 km per hour, doubling of tracks on main line sections, increasing line capacity with a modern signalling system, establishing North-South and East-West corridors and developing linkages through road and rail to the Central Asian states, China, and other neighbouring countries and development of a separate freight corridor on the railway tracks. The Vision emphasises participation of the private sector as a growth-driver.

In the aviation sector, the government has approved New National Aviation Policy, which is aimed at provision of equal opportunities to all airlines and operators, enhance competition, benefit passengers and provide more employment opportunities. Pakistan has a total of 46 airports for conducting commercial operations. Out of these airports, 42 are owned and operated by the Pakistan Civil Aviation Authority (CAA), out of which, 13 are being used for both international and domestic operations, whereas 11 are only for domestic operations. The CAA generates aeronautical revenue to the tune of 70 per cent of its total income while the non-aeronautical revenue is 30 per cent of the total revenue of CAA.

Road transportation is the backbone of Pakistan's transport system, which accounts for 96 per cent of all passengers and freight traffic. This highlights the current minimal participation of the Pakistan Railways in Pakistan's passenger and freight transport.

Pakistan has a coastline of over 1,000 km and an offshore exclusive economic zone, covering an area of 2,40,000 square kilometre, remains unexplored. Two major ports i.e. Karachi Port and Port Qasim, handle 95 per cent of all international trade. The Gwadar Port has been built as a leading one in the region to serve as a gateway for the China-Pakistan Economic Corridor (CPEC).

Recognising importance of transport in economy and besides making large investments to improve road, rail, air and ports infrastructure, the government has planned to focus on supporting trade and logistics services. Through initiative of the CPEC, the economic trade corridor will be developed to connect Gwadar with Khunjab upto Kashgar,

and creating further east and west linkages besides developing economic trade centres and zones at potential locations.

## Performance review 2016-17

Under the new two initiatives i.e. CPEC & Urban Mass Transit System in the T&L Sector; significant progress has been made which is given below:

### China-Pakistan Economic Corridor (CPEC)

China and Pakistan are developing the long-term plan to connect Kashgar with Gwadar and Karachi which includes a master plan that would contain projects for developing the economic corridor.

The spatial scope of the transport plan consists of 11 major connection points, i.e. Kashgar, Gilgit, Islamabad, Lahore, Multan, Sukkur, Karachi, Peshawar, Quetta, D.I.Khan and Gwadar based on regional transport characteristics as agreed by China and Pakistan. The plan focuses on study of arterial roads, railways, Gwadar Port and Gwadar airport projects. The planned period is 2014 to 2030, with the Short-term from 2014 to 2020 (with priority projects before 2017-18), medium and long-term from 2021 to 2030.

### Urban Mass Transit System

Rail based mass transit projects were approved for all the provincial capitals under which Peshawar Circular Railway, Quetta Circular Railway, Karachi Circular Railway (KCR) and Lahore Metro Train (Orange Line) projects were included in the CPEC framework.

#### 6th JCC Meeting of CPEC

Under China-Pakistan Economic Corridor (CPEC), in the 6<sup>th</sup> JCC meeting held in Beijing on 29<sup>th</sup> December 2016, size of proposed investment has been increased from \$46 billion to \$54 billion (i.e. approx Rs5,700 billion). 85 to 90 per cent of the infrastructure projects cost is to be financed by concessionary loans from China, with the remaining to be financed by the government of Pakistan. In the meeting following additional projects were approved:

- Ketu Bunder Sea Port Development Project
- Naukundi – Mashkhel – Panjgur Road Project connecting with M-8 & N-85
- Chitral CPEC link road from Gilgit, Shandor, Chitral to Chakdara
- Mirpur – Muzaffarabad – Mansehra Road Construction for connectivity with CPEC route.
- KKH Thakot-Raikot N-35 remaining portion (136 Km).
- Khuzdar – Basima Road N-30 (110 Km); that links Gwadar with Khuzdar.
- Up-gradation of D.I Khan-Zhob, N-50 Phase-I (210 Km).

Pakistan Railways Main Line (ML-1) project from Peshawar to Karachi and some infrastructure projects in the framework of the China-Pakistan Economic Corridor (CPEC).

Regarding the following two projects, JCC agreed to initiate preparatory work including joint technical and commercial feasibility study at the earliest for next steps:

- Expansion of existing multi-purpose terminal including breakwater and capital dredging of Gwadar Port, and
- East Bay Expressway-II

The project of the Lahore Orange Line Metro Train is under implementation stage, and is scheduled for completion in 2018. The project of the Green Line for Karachi (length

27.45 km) at the cost of Rs24,600 million, fully funded by the federal government, is under implementation stage and is scheduled for completion by December, 2018.

During the year, the new project of construction of Infrastructure and allied Works for Metro Bus Services connecting already constructed Metro bus station at Peshawar Morr to New Islamabad International Airport (25.6 km) at a cost of Rs16,427 million has been approved and work on the project has been initiated on the project with completion time of 10<sup>th</sup> August, 2017 for operational works of metro bus and March, 2018 for other ancillary works. An expenditure of Rs8.0 billion on the project has been incurred.

The project of revival of Karachi Circular Railway (43.2 km) is expected to be approved at a cost of Rs276,381 million equivalent to US\$2.6 billion under CPEC financing with implementation period of 36 months. The project of Peshawar Sustainable Bus Rapid Transit Corridor (25.8 km) has been approved at a cost of Rs56,800 million through ADB loan financing (85per cent) with completion period of 24 months. The work on both the projects will start soon.

### **Pakistan: Enabling Economic Corridors Through Sustainable Transport Sector Development**

The project titled: "Pakistan: Enabling Economic Corridors Through Sustainable Transport Sector Development" was approved by the Asian Development Board (ADB) Board of Directors on 17 November 2015. The project is aimed at development of National Transport Policy and Master Plan and its adoption, multimodal transport facilitated within Pakistan and with its neighboring countries, National road safety improvement programme and to make functional the National road asset management system. The project will be implemented over 4 years and 4 months, from December 2015 to March 2020. The project is being implemented through cooperation between the Government of Pakistan, the Asian Development Bank (ADB) and the Government of the United Kingdom (UK) acting through the Department for International Development (DFID). Expertise and inputs from various ministries and agencies from GoP, together with other development partners, research agencies, universities, private transport associations, will be sought. The Government of the United Kingdom is providing \$15.4 million to this project, under its Pakistan Economic Corridors Programme (PECP). The Asian Development Bank is administering the project. During the CFY, regarding the instant projects, two meetings of steering committee, two meetings of Technical Working Group (TWG) and one workshop have been held.

In addition to the above initiatives; the PSDP for 2016-17 provided an outlay of Rs259.154 billion for the federal programme under T&L sector. Against this, expenditure of Rs261.4 billion is expected to be incurred by the end of the current financial year, giving an overall expenditure of 101 per cent (Annex-I). The salient features of implementation are given below.

### **Pakistan Railways**

During 2016-17, the main thrust was at the improvement of existing infrastructure, signalling system, and procurement and manufacture of rolling stock like locomotives, coaches, and bogie wagons.

The projects, which reached at an advanced stage of completion, include: doubling of track on Khanewal-Raiwind Section (246 km), rehabilitation and improvement of track from Karachi to Khanpur, conversion of 260 passenger coaches from 110 volts to 220 volts

electrical system, improvement of signalling system between Lodhran – Khanewal – Shadara Bagh, rehabilitation of overage 27 HGMU-30 DE Locos, procurement of high-capacity bogie wagons and 40 power vans, procurement/ manufacture of 58 DE locomotives, rehabilitation, upgradation and conversion of 400 passenger coaches, procurement/ manufacture of 75 New Diesel Electric Locomotives, reconstruction of assets damaged during floods of 2010, acquisition of land for railway container yard, station and railway line from sea port upto Coastal Highway at Gwadar.

The ongoing projects include, procurement/ manufacture of 780 high capacity bogie (hopper) wagons and 20 brake vans for coal transportation, rehabilitation of 300 Traction Motors, mechanization of track maintenance (pilot project), special repair of 100 DE locos, coal transportation by rail to Jamshoro power plant, doubling/ improvement of existing track from Port Qasim to Bin Qasim Station (CPEC).

The projects approved and launched during the 2016-17 include: preliminary design study of up-gradation/ rehabilitation of Main Line (ML-1) & construction of New Dry Port/ cargo handling facility at Havelian (Baldher), District Haripur (costing of Rs10.64 billion), Feasibility Study for New Rail Link from Islamabad – Murree – Muzaffarabad (costing Rs115 million).

During 2016-17, Pakistan Railways has started e-ticketing facility supported through a mobile application where customer can buy train tickets on-line. The e-ticketing facility is now available on Green Line Train and on railcar services from Lahore to Rawalpindi section. The e-ticketing facility will be expanded to other railway services soon.

Against an allocation of Rs41.0 billion, an expenditure of Rs55.0 billion is expected to be incurred during 2016-17, giving utilization of 134 per cent. The over expenditure is due the fact that the funds amounting to Rs.14 billion have now been utilized which were released during the previous year (2015-16) and were available in the non-lapsable PSDP account of Ministry of Railways.

### **Ports and shipping**

Against an allocation of Rs11.58 billion, an expenditure of Rs4.34 billion is expected to be incurred by the end of the Fiscal Year, showing a utilisation of about 37 per cent. During the year, work completed on construction of Mehran Highway (Phase-III) from Port Qasim road to Steel Mill road Karachi, work continued on development & construction of port allied structures in Mula Band Area Gwadar and coal conveying system from Pakistan International Bulk Terminal (PITB) to railway network at Port Qasim. Regarding the project for construction of Eastbay Expressway Gwadar (CPEC), the agreement for interest free loan has been signed; bidding process resumed and the Chinese side has instructed the nominated Chinese Companies to submit their bids to GPA for evaluation and selection of one company for early ground-breaking.

### **Ministry of Communications**

Under Ministry of Communications, the entire allocation of Rs193.29 billion, which include Rs188 billion for NHA and Rs5.29 billion for projects of other organizations under the Ministry.

The entire allocation of Rs0.257 billion is expected to be incurred during 2016-17 on National Highway & Motorway Police (NH&MP) which includes, construction of the Central Police Office Islamabad and completion of construction of complex for NH&MP at Rahim Yar Khan. The entire allocation of Rs0.023 billion is expected to be incurred on completion of the project for Construction Technology Training Institute (CTTI) viz. "Enhancement of Training Capabilities of the CTTI (Phase-IV) Islamabad". The entire allocation of Rs5 billion is expected to be incurred on the project of Green Line Bus Transit Project, Karachi.

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

During the year, funds were utilised to gear up the slow moving ongoing projects, especially for Gwadar links and regional connectivity, and provided funds for those projects, which were near completion.

The entire allocation of Rs188 billion (FEC: Rs61.35 billion), is expected to be incurred during 2016-17. Salient projects and their status are given in the following paras:

Among the ongoing projects, works continued on the construction of Faisalabad-Khanewal Expressway Phase-II (184-km), bridge over the River Indus linking N-5 with N-55 at Nishtar Ghat, Peshawar Northern Bypass (34 km), Khuzdar-Shahdadkot-Ratodero (Khoriquba Saeed Khan 143 km) (M-8), Burhan-Havelian-Manshera Expressway, National Highway Development Sector Project (NHDSP) – revised for improvement and construction of 687 km of roads under the ADB financing, Kalat-Quetta-Chaman N-25 (247 km), Kolpur Bypass N-65, Lowari Tunnel and access roads, Bewata-Khajuri-Waigum Rud N-70 (132 km), construction of the Amri-Qazi Ahmed Bridge over the River Indus at Qazi Ahmed Amri, and construction of Bridge across River Chenab linking Shorkot & Garh Mahraja.

The projects approved & launched during 2016-17 include: construction of 06-Lane Highway From Kala Shah Kaku to Lahore Ring Road (18.3 km) including Bridge over River Ravi (Lahore Eastern Bypass), Dualization & Improvement of Indus Highway (N-55) Sarai – Gambilla to Kohat (128 km) from 2-Lane to 4-Lane, construction of Lahore – Sialkot Motorway (91 km) on BOT Basis for 25-years concession period including 2-years construction Period (costing Rs45.38 billion including BOT financing of Rs43.85 billion) and construction of 4-lane Lahore – Sialkot Motorway (LSM) link via Narang Mandi to Narowal (73.5 km).

### **Progress on NHA Projects under CPEC**

Projects approved and launched under the CPEC include: i) construction of Lahore-Abdul Hakim-Khanewal Section (276 km) of PKM, (ii) construction of Multan-Sukkur Section (392 km), (iii) Construction of Havelian-Thakot Section (118 km) including acquisition of land, and (v) acquisition of 100 m wide ROW for Hakla / Burhan to D.I. Khan / Yarik as 4-lane motorway (285 km), improvement & widening of N-45 (130 km). The project of Gwadar – Sorab (650 km) section has been completed and has operationalized the western route.

Work is underway on the projects of: Hazara Motorway project (Burhan to Havelian Section; 59 km) which is being financed by the Federal Government through ADB loan to the extent of 92.5 per cent of total cost. The next section from Havelian to Mansehra (39 km) of Havelian to Thakot (118 km) having 4-lane and remaining portion upto Thakot as 2-lane will be constructed under CPEC as early harvest project to be completed in 36 months.

In November, 2016, a trade convoy, organised by the Governments of Pakistan & China, successfully passed through the western route for the first time from the North to the South. In this way; Gwadar Port has also marked its first export of massive containers to overseas destinations showing successful shipment of Chinese cargo from Gwadar Port.

### **Pakistan Maritime Security Agency (PMSA)**

Against the allocation of Rs0.597 billion, an expenditure of Rs0.158 billion is expected to be incurred on the continuation of procurement/ construction of six Marine Patrol Vessels (MPV). During the year, 04 MPV have been constructed before schedule.

### **Aviation Division**

Against an allocation of Rs2.45 billion, an expenditure of Rs0.794 billion is expected to be incurred on Civil Aviation Authority (CAA) on their projects of land acquisition for the establishment of basic aerodrome facilities at Mansehra and New Gwadar International Airport (NGIA). Work on construction of NGIA will start soon through \$230 million grant under CPEC, as development of Gwadar port is directly linked with the up-gradation of airport facilities. The entire allocation of Rs0.8 billion is expected to be incurred on the projects of Airport Security Force (ASF).

### **Defence Production Division**

Against an allocation of Rs2.3 billion, an expenditure of Rs1.17 billion is expected to be incurred on the project of Karachi Shipyard and Engineering Works (KS&EW) viz. 'Installation of new Ship Lift and Transfer System with lifting capacity up to 7,781 tonnes'. Physical progress of civil works is 72 per cent and the EPC contract for the shiplift & transfer system (equipment) is being finalized. During the CFY revision of the project was approved at Rs9.56 billion.

### **Finance Division (Provincial Road Infrastructure Projects)**

Against the total allocation of Rs2.40 billion, an expenditure of Rs1.02 billion (43 per cent) is expected to be incurred for completion of ongoing works of various provincial road projects co-financed by the Federal Government, these are sponsored by the Finance Division.

### **Housing and Works Division (Provincial Road Infrastructure Projects)**

The entire allocation of Rs3.55 billion is expected to be incurred for completion of the ongoing works of various provincial and federal road projects; the provincial road projects co-financed by the federal government, these are sponsored by the Housing and Works Division. During the 2016-17, the project for dualization & improvement of Mandra – Chakwal Road (64 km) was approved at revised cost of Rs9.33 billion with completion period of 12 months. Similarly, the project for dualization and improvement of Sohawa – Chakwal road (66.4 km) was approved at revised cost of Rs8.76 billion. During the year, work continued on construction of Musa Khel-Taunsa road (35 km) to be linked with Zhob.

### **Kashmir Affairs and Gilgit Baltistan Division (Provincial Road Infrastructure Projects)**

The entire allocation of Rs1.2 billion is expected to be incurred on continuation of works of construction of Rathua Haryam Bridge, Athmuqam Keran Bypass Road and Nuasehri Laswa Bypass road sponsored by this Division.

## Planning, Development & Reform Division

The revision of the project titled “Integrated Transport Infrastructure Planning & Management Unit” was approved at a cost of Rs0.20 billion. The project is yet to be launched.

## Outlook for 2017-18

During the financial year, emphasis will be on: i) Asset management with consolidation, upgrading, rehabilitation and maintenance of the existing system, ii) Enhancing the role of private sector participation in sector development and institutional capacity building, iii) research and development by adopting modern technology, procedures and processes to increase sector efficiency, and iv) Improving the regional and domestic connectivity, regional connectivity will provide links to China, Central Asian States, Iran, Afghanistan and India.

It is planned to revitalise the Railway system by improving its infrastructure and operational efficiency so as to enhance its share of freight & passenger traffic.

Airports have evolved as drivers of business location and urban development in the 21<sup>st</sup> century. To supplement the growth in the aviation industry and enhance its non-aeronautical revenue, CAA has planned to enhance its commercial activities at its airports through CAA’s own resources outside PSDP.

Development of the port infrastructure and rationalisation of the port charges is envisaged to cater to trans-shipment through the Landlord Port concept with enhanced private sector participation.

## Urban Mass Transit System

Rail based mass transit projects were approved under CPEC, for all the provincial capitals under which Peshawar Circular Railway, Quetta Circular Railway, Karachi Circular Railway (KCR) and Lahore Metro Train (Orange Line) projects. The project of the Lahore Orange Line Metro Train is under implementation stage, and is scheduled for completion in 2018, while the projects for other three provincial capitals are under design stage.

An allocation of Rs13.0 billion has been made for the Green Line for Karachi (length 27.45 km), fully funded by the federal government, is under implementation stage and is scheduled for completion by December, 2018, and will benefit 400,000 city commuters on daily basis.

An allocation of Rs8.43 billion has been made for the project of construction of Infrastructure and allied Works for Metro Bus Services connecting already constructed Metro bus station at Peshawar Morr to New Islamabad International Airport (25.6 km). Work on the project has been initiated with completion date of 10<sup>th</sup> August, 2017 for operational works of metro bus & March, 2018 for other ancillary works.

Work on the project of revival of Karachi Circular Railway (43.2 km), under CPEC financing, will be initiated. Also work on the project of Peshawar Sustainable Bus Rapid Transit Corridor (25.8 km) under ADB loan financing (85per cent) will be initiated.

## Programmes

An allocation of Rs403.78 billion has been made for the development programme of the sector. The share of the sector is about 40 per cent of PSDP 2017-18 (Annex-1). The salient features of the proposed programme are outlined as under:

### Pakistan Railways

An allocation of Rs42.9 billion has been made for 2017-18. Works will continue on the projects for rehabilitation and doubling of track, procurement and manufacture of the DE locomotives, repair of DE locos, procurement and manufacture of passenger coaches, replacement of old and obsolete signalling system, rehabilitation of over aged DE Locos, replacement of metal sleepers and track renewal.

The new initiatives will include: procurement of new rolling stock, improvement of signalling system, feasibility study for provision of new rail links from Gwadar to the rest of the Railway network to facilitate functioning of the Gwadar Deep Sea Water Port. Additional schemes during the period include: i) initiation of work for upgradation of main line (ML-1) from Karachi to Peshawar and development of dry port at Havelian under the CPEC; ii) conversion of 260 passenger coaches from 110 volts to 220 volts electrical system, iii) feasibility study for dedicated freight corridor for transportation of coal from Karachi to Lahore, iv) renovation and upgradation of major railway stations, and v) development of infrastructure for uninterrupted coal supply chain from Karachi to various coal-fired power plants, including procurement of locomotives and rolling stock.

The project of re-opening of rail car on Kohat-Rawalpindi-Kohat section (Prime Minister's Directive) has been approved at cost of Rs381 million with completion period of 12 months.

### CPEC Railway Projects

The CPEC "Early Harvest" plan includes a complete overhaul of the 1,876 km long (including rail link from Hassan Abdal to Havelian) railway Main Line-1 (ML-1) between Karachi and Peshawar expected to be completed by year 2020. Upgrading of the railway line will permit train travel at speeds of 160 km per hour, versus the average 60 to 105 km per hour speed currently on existing track. The upgrades will also cut transit time from Karachi to Peshawar substantially.

In addition to a complete overhaul of the Karachi to Lahore, the remaining stretch of track between Lahore and Peshawar is to be upgraded to a dual track railway. Improvement & upgradation of existing line from Taxila to Havelian and establishment of dry port at Havelian near Baldher.

CPEC project also includes upgrading of the 1,254 km long railways Main Line-2 (ML-2) between Kotri in Sindh province, and Attock in northern Punjab province via the cities of Larkana and D.G. Khan. The route towards northern Pakistan roughly parallels the Indus River, as opposed to the ML-1 which takes a more eastward course towards Lahore. The project also includes a plan to connect Gwadar to the town of Jacobabad.

Under CPEC, other projects include feasibility study to connect Gwadar with Karachi, connect Gwadar to Jacobabad via Basima, feasibility study for up gradation of Main Line

(ML-II) from Havelian to Jacobabad via Bhakhar - Kundian - Daud Khail - Basal and Taxila, feasibility study for rail link from Havelian to Pak China border (682 km) and doubling/ improvement of existing track from Port Qasim to Bin Qasim Station, Feasibility Study for Up-gradation of existing Main Line (ML-II) & Up-gradation & Extension of ML-III (costing Rs532 million), feasibility study of up-gradation of existing railways link from Rohri to Koh-e-Taftan via Quetta including the re-alignment of Sibbi – Spezand Section (1,022 km) and feasibility study of rail link from Quetta to Kotla – Jam (538 km) ML-III (costing Rs198 million)

### **Ports and Shipping**

An allocation of Rs6.74 billion has been made for Ports and Shipping (P&S) for on-going projects of construction of Eastbay Expressway (under CPEC), development & construction of port allied structures in Mulaa Band area Gwadar, provision of coal conveying system from Pakistan International Bulk Terminal (PIBT) to railway network at Port Qasim. Under new CPEC projects which includes capital dredging of berthing areas & channel for additional terminal and feasibility study for construction of break waters.

### **Ministry of Communications**

Under Ministry of Communications, Rs333.38 billion has been made, which include Rs319.720 billion (Foreign assistance Rs86.15 billion) for NHA and Rs13.66 billion for projects of other organizations under the Ministry which includes Rs13.0 billion for Green Line Bus Transit project Karachi, Rs0.57 billion for ongoing projects of National Highway & Motorway Police (NH&MP) viz. construction of the Central Police Office for the NH&MP Islamabad, acquisition of land for establishment of police posts and offices of NH&MP along National Highway (N-5) and new projects of NH&MP viz. Construction of SSP Office at Gwadar, construction of NH&MP buildings/ offices on acquired lands and construction of buildings at NH&MP training college at Sheikhpura. An allocation of Rs0.10 billion has been made for National Transport Research Centre (NTRC) for their research programme.

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

A Policy and Regulatory framework for private sector participation in National Highways would be adopted in consultation with different stakeholders to facilitate investment and increase efficiency.

An allocation of Rs319.72 billion has been made for the NHA. An amount of Rs305.02 billion has been made for ongoing projects, while Rs14.7 billion has been made for new projects. Among the ongoing projects, works will continue on the projects for Karachi – Hyderabad M-9 (136 Km), Dualization of Indus Highway (N-55) Sarai Gambila to Kohat Section (costing Rs30 Billion), .Construction of Lyari Expressway Project (LEP) (16.5 Km) (Karachi), National Highway Development Sector Improvement Programme (NHDSIP) ADB Revised - Qila Saifullah Loralai Waigum rud (N-70), Peshawar Northern Bypass (34 Km), Rakhi Gaj-Bewata (N-70) East West (34 Km), land acquisition & construction of Burhan-Hakla on M-1 to D.I. Khan Motorway (CPEC), Gwadar – Turbat – Hoshab Section (200 Km) of Gwadar – Ratodero Road (892 Km) M-8 including Khuzdar – Shahdadkot – Ratodero (143 Km) – (Gwadar, Turbat, Khuzdar in Balochistan and Kamber, Shahdadkot & Larkana in Sindh), Widening & Improvement of N-85, Hoshab – Nag – Basima – Surab Road (459 Km), Zhob Mughal Kot 81 km N-50, Rehabilitation of D.I. Khan Mughal Kot 50 Km Section N-50, Construction of Burhan-Havelian Expressway (E-35) 59.1 km (ADB loan financing upto 92per cent), approach roads to New Islamabad International Airport (NIIA) (Land Acquisition +

Shifting of Utilities), construction of road network for New Islamabad International Airport Main Link, Thallian Link & Periphery Road, land acquisition & construction of Sialkot-Lahore Motorway (91 Km), Construction of Highway from Athmuqam to Taobutl including Two Tunnels in Neelum Valley, dualization of (Gandhi Chowk to Sarai Narang) + (Domali to Rangeenabad) Old Banu Road N-55, Dualization of Indus Highway Remaining Portion (164 Km) (Kohat Sarai Gambila), improvement and widening of Jaglot – Skardu Road (S-1, 167 Km).

The projects which will complete during the year include: land acquisition for Faisalabad – Abdul Hakeem Motorway (M-4, 135 km), Improvement and Construction of Jalkhad – Chilas Road, land acquisition, affected properties compensation & relocation of utilities for Construction of Burhan / Hakla to D.I. Khan Motorway.

Projects under the CPEC include: i) construction of Lahore-Abdul Hakim-Khanewal Section (276 km) of PKM, (ii) construction of Multan-Sukkur Section (392 km), (iii) Construction of Havelian-Thakot Section (118 km) including acquisition of land, and (v) acquisition of 100 m wide ROW for Hakla / Burhan on M-1 to D.I. Khan near Yarik on N-55 (4-lane, 285 km) Motorway as part of the western route of CPEC (completion by June, 2018) and initiation of construction works, Dualization & Implementation of existing N-50 from Yarik – Sagu – Zhob including Zhob Bypass (210 km), rehabilitation of NHA Highway KKH (N-35) between Thakot – Raikot (remaining length of 136.4 Km) damaged road damaged due to unprecedented monsoon rains & flash floods 2010 and construction of 2-lane highway from Basima to Khuzdar (106 km).

New projects include, construction of new bridge on River Chenab between Shujaabad (Multan) and Khangarh (Muzafagarh), construction of double carpeted road from chowk Azam to Layyah and Layyah Taunsa bridge over River Indus and construction of Kallokot – D.I. Khan bridge over River Indus.

### **Defence Production Division**

An allocation of Rs4.47 billion has been made for Karachi Shipyard and Engineering Works (KS&EW) for continuation of ongoing works for the project of installation of ship-lift and transfer system to provide docking and repair facilities for big ships of upto 7,781 tonnages at the KSEW. Expected date of completion is December, 2018. After completion of the project, the ship repair turnover (business) of KS&EW will increase to the tune of 50per cent. The above allocation also include an allocation of Rs0.15 billion for its new project viz. Infrastructure upgradation project of KS&EW.

### **Aviation Division**

An allocation of Rs1.5 billion have been made for Civil Aviation Authority (CAA) for initiation of work on the New Gwadar International Airport (NGIA), under CPEC, and continuation works on the project of establishment of basic aerodrome facilities at Mansehra – acquisition of land for construction / establishment of airport at Mansehra. An allocation of Rs1.16 billion has also been made for Airport Security Force (ASF) projects specially accommodation for its security force at the airports.

**Defence Division**

An allocation of Rs0.25 billion has been made for Pakistan Maritime Security Agency (PMSA) under Ministry of Defence, for continuation of work on the procurement/ construction of 6-Maritime Patrol Vessels for the Pakistan Maritime Security Agency.

**Finance Division (Provincial Road Infrastructure Projects)**

A total allocation of Rs2.67 billion has been made for continuation of ongoing works besides initiation of new provincial road projects in all the four provinces by this division.

**Housing and Works Division (Provincial Road Infrastructure Projects)**

An allocation of Rs8.68 billion has been made for continuation of the ongoing works besides initiation of new provincial and federal road projects in all the four provinces by this Division.

**Kashmir Affairs and Gilgit Baltistan Division (Provincial Road Infrastructure Projects)**

An allocation of Rs1.744 billion has been made for AJ&K ongoing road infrastructure projects viz. construction of Rathua Haryam bridge, Athmuqam-Keran Bypass road and Nuaseri-Laswa Bypass road. An allocation of Rs0.3 billion has been made for GB new project viz. upgradation of road from RCC bridge Kanadas to Naltar Airforce base via Nomal.

**Planning, Development & Reform Division**

An allocation of Rs0.05 billion has been made for initiation of the project titled "Integrated Transport Infrastructure Planning & Management Unit".

## Annex-I

## Transport &amp; Communications

(Rs million)

No.	Executing Agency	PSDP Allocation For 2016-17	Estimated Expenditure during 2016-17	Expenditure in %age of PSDP Allocation	Proposed PSDP 2017-18
1	Ministry of Communications	193,285	193,262	100%	333,380
1(a)	National Highway Authority (NHA)	188,000	188,000	100%	319,720
1(b)	Green Line Bus Transit Project, Karachi	5,000	5,000	100%	13,000
1(c)	National HW & Motorway Police (NH&MP)	257	257	100%	565
1(d)	National Transport Research Centre (NTRC)	5	5	100%	96
1(e)	Construction Technology Training Institute (CTTI)	23	23	100%	0
2	Pakistan Railways	41,000	55,091	134%	42,900
3	Ministry of Ports & Shipping	11,580	4,339	37%	6,735
4	Aviation Division				
4(a)	Civil Aviation Authority (CAA)	2,450	794	32%	1,500
4(b)	ASF (Construction of barracks accommodation at NIIA Islamabad & other ASF projects)	800	800	100%	1,163
5	Defence Division				
	Construction of 6 Marine Patrol Vessels for Pakistan Maritime Security Agency (PMSA)	597	158	26%	249
6	Defence Production Division				
	Shiplift & Transfer System & infrastructure upgradation project of KSEW	2,300	1,168	51%	4,468
7	Finance Division (Provincial Roads)	2,397	1,021	43%	2,663
8	Housing & Works Division (Provincial Roads)	3,545	3,545	100%	8,675
9	AJK & GB Division				
9(a)	AJK (Const. Of Rathua Haryam Bridge, Athmuqam - Keran Bypass Road and Nauseri - Laswa Bypass Road, AJ&K)	1,200	1,200	100%	1,744
9(b)	GB (Upgradation of road from RCC bridge Kanadas to Naltar Airforce base via Nomal)	0	0		300
<b>Total T&amp;C</b>		<b>259,154</b>	<b>261,400</b>	<b>101%</b>	<b>403,777</b>
		<b>Total PSDP</b>			<b>1,001,000</b>
		<b>T&amp;C Share</b>			<b>40%</b>