

KARACHI, JUL 02 - One afternoon a stranger called at Muhammad Faizanullah's stationery shop in Karachi, Pakistan's commercial capital, and wordlessly handed the man behind the counter two items: a piece of paper with a phone number scrawled on it, and a bullet.

The letter contained a demand for 200,000 Pakistan i rupees (\$2,000)," Faizanullah, 20, said. "The man said 'Just call this number and pay the amount, otherwise the bullet is meant for you.'

Businesses in Karachi are facing a surge in extortion demands from criminal gangs, forcing many owners to delay new investment or to relocate their families to escape the sense of insecurity gripping the urban heart of Pakistan's economy.

The worsening law and order situation in Karachi, which generates 25 percent of Pakistan's economic activity, presents one of the many challenges new Prime Minister Nawaz Sharif must overcome to fulfill promises to set Pakistan on a path to faster growth.

An expanding middle class is fuelling consumer spending but extortion is hurting confidence among thousands of family-run firms that form the backbone of the economy.

With the Muslim Holy month of Ramadan due to start in July, a traditional time for extortionists to come calling, Karachi traders and shopkeepers are braced for what police say will be a record year of demands.

"The extortion racket has blown out of all proportion with the previous year," said Ahmed Chinoy, chief of the Citizen Police Liaison Committee (CPLC), a Karachi body set up to help police by providing crime statistics and technical support.

The growing demands reflect the shifting dynamics of a city of 18 million people where new challengers, including Pakistan's Taliban movement, are locked in an increasingly violent, neighborhood-by-neighborhood battle for control.

Figures collected by Chinoy's committee show there were more than 630 extortion complaints registered in Karachi from January to mid-June, compared to 589 in the whole of last year. Most cases were registered by people who have refused to pay.

Police say the actual number of incidents is many times higher since the vast majority of extortion demands go unreported and victims usually decide to pay. There is no way to know the sums involved, but police say payments run into tens of millions of dollars annually and that 2013 will be a record year.

Ten days after the extortionist paid his visit to Faizanullah's shop in the bustling Alam cloth market in December, two men on motorbikes stopped him, his father and uncle as they were driving home from work.

One of the men, a gun visible in his waistband, told Faizanullah: "You people don't seem to understand our polite attitude, we will have to shoot you." They demanded the men's cellphones and roared away.

"We live under constant stress," Faizanullah said. But he has insisted that his family refuse to hand over any cash.

Professionals, not just shopkeepers, are also targets.

When Javed Hanif, a doctor, answered his cellphone in June the caller reeled off a list of Hanif's personal details: his work in a government hospital, the registration number of his car, and preparations for his son's wedding. The man demanded

Written by Administrator

Tuesday, 02 July 2013 10:15 -

500,000 Pakistan i rupees.

HAND GRENADES

Karachi traders say paying extortion has long been part of the cost of doing business in Karachi.

The police say thugs working for the Muttahida Qaumi Movement (MQM), the dominant political party in Karachi, are the biggest extortion menace in the city.

The police have also linked other political parties to extortion, although the MQM and other parties in Karachi repeatedly deny any involvement.

In the past year, the rules of the game have changed as competing political parties, militant groups and criminal entrepreneurs intent on challenging MQM's grip on Karachi have expanded their extortion rackets to fund ever deadlier turf wars, police officials say.

The number of killings in Karachi jumped to more than 2,300 in 2012 from 1,700 the previous year. More than 1,400 murders have already been recorded since the start of this year. The increasing death toll has made it easier for gangs to coerce people into paying money, although there have been few reports of extortion-related killings.

"The extortion racket in Karachi has become an industry," said senior police officer Niaz Ahmed Khosa. "There are around 50 no-go areas in Karachi, which police can not enter. Most of the extortion rackets and other crime are being generated from these population pockets."

The police blame much of the increase in extortion on a criminal gang known as the People's Aman Committee (PAC), based in the district of Lyari, one of the police no-go areas, and which they say is expanding into new parts of the city. The gang, the police say, is linked to the Pakistan People's Party, which ruled Pakistan until its defeat at May general elections.

"If some political party says they are not involved in the extortion racket, they are lying," said Majyad Aziz Balagamwala, a former president of the Karachi Chamber of Commerce and Industry.

Police say Pakistan 's Taliban movement, which originated on the northwestern frontier with Afghanistan, has also ramped up extortion operations in Karachi in the past year and has been blamed for attacks that have killed dozens of police.

In spite of the climate of fear, business sentiment is not universally bleak. Retail is booming in Karachi, symbolized by the opening of a flashy modern shopping centre called Dolmen Mall Clifton in 2011 which showcases international brands such as Debenhams and Fatburger.

But nobody is immune from an extortionist's call.

Byram D. Avari, the owner of a prominent hotel chain and a well-known figure in Karachi, refused to pay the demands of a caller who threatened to set off hand grenades at his hotels and home. But many others dare not say no.

Courtesy: ekantipur