

Government of Pakistan Ministry of Commerce



NATIONAL TRADE FACILITATION STRATEGY

July 2008

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Abbreviations and Acronyms

ACCESS	Automated Custom Clearance System
APEC	Asia Pacific Economic Cooperation
ARTNET	Asia – Pacific Research and Training Network on Trade
CAA	Civil Aviation Authority
CARE	Customs Administrative Reform
CB	Capacity Building
CMR	Convention on Contracts for International Carriage of Goods by Road
CODEX	Alimentarius
CSI	Container Security Initiative
C-TPAT	Customs – Trade Partnership Against Terrorism
DPP	Department of Plant Protection
EASY	Electronic Assessment System
ECO	Economic Cooperation Organization
FBR	Federal Board of Revenue
EDF	Export Development Fund
EDI	Electronic Data Interchange
EDIFACT	Electronic Data Interchange for Administration, Commerce and Transport
FIATA	International Federation of Freight Forwarders Association
GAP	Goods Agriculture Practices
GATT	General Agreement on Trade and Tariffs
GCI	Growth Competitiveness Index
HACCP	Hazard Analysis and Critical Control Points
IATA	International Air Transport Association
ICC-Pakistan	International Chamber of Commerce – Pakistan national Committee
INTRA	Integrated Regulatory Authorities
ISO	International Organization for Standardization
ISPS CODE	International Ships and Port Facility Security Code
IT	Information Technology
KICT	Karachi International Container Terminal
MFD	Marine Fisheries Department
MINFA	Ministry of Food, Agriculture and Livestock
MRL	Maximum Residue Limits
NTCIP	National Trade Corridor Implementation Program
NTFS	National Trade Facilitation Strategy
NTTFC	National Trade and Transport Facilitation Committee

PaCCS	Pakistan Customs Computerized System
PACCS	Pakistan Customs Community based Computerized System
PAKET	Pakistan Electronic Trade
PHDEB	Pakistan Horticulture Development and Export Board
PICT	Pakistan International Container Terminal
PIFFA	Pakistan International Freight Forwarders Association
PSI	Pre-Shipment Inspection
QICT	Qasim International Container Terminal
RKC	Revised Koyoto Convention
SOLAS	Safety of Life at Sea
SPS	Sanitary and Phytosanitary
TARIP	Tariff and Integrated Policy
TDAP	Trade development Authority of Pakistan
TDED	Trade Data Element Directory
TFFA	Transit Transport Framework Agreement
TIR	International Transport of Goods
TRS	Time Release Study
TTA	Transit Trade Agreement
TTFP	Trade and Transport Facilitation Project
UN/CEFACT	United Nations Centre for Trade Facilitation and Electronic Business
UNCTAD	United Nations Conference on Trade and Development
UNECE	United Nations Economic Commission for Europe
UNeDocs	United Nations electronic Documents for Trade
UNESCAP	United Nations economic and Social Commission for Asia and the Pacific
UNLK	United Nations Layout Key
UNTDED	United Nations Trade Data Elements Directory
WCO	World Customs Organization
WEF	World Economic Forum
WTO	World Trade Organization

Executive Summary

With the developments in WTO and globalization of trade, trade facilitation has become an important tool for improving the competitive edge of a country in the international market place. Completion of all transaction requirements for the international supply chain to achieve just-in-time delivery within the shortest possible lead time and at the least cost of doing business requires adoption of trade facilitation measures with cooperation and coordination of all the concerned parties, and appropriate measures have to be adopted to remain in the competitive international market.

There are differing definitions of trade facilitation. However, a broader understanding of trade facilitation includes any procedure, process or policy capable of reducing transaction costs and facilitating the flow of goods in international trade. Trade facilitation in this wider sense can affect a wide range of activities such as import or export procedures, transportation formalities, logistics services, payment, insurance and other financial requirements.

WTO has defined the trade facilitation requirements in GATT Articles V, VIII and X. WCO has developed Conventions, standards and recommendations relating to harmonized systems, facilitation procedures, use of information technology, compliance and enforcement. Revised Kyoto Convention provides a foundation for modern and efficient Customs procedures and is therefore central to Customs modernization and reform. UNECE and UNCTAD have been major players in trade facilitation development for over 30 years. UN/CEFACT, which is hosted by UNECE, has already developed over 30 major trade facilitation recommendations. A major development is the introduction of Single Window facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements. Chapter 3 has examined in detail the global supply chain requirements for trade facilitation, the trade facilitation measures recommended by various international organizations, the requirements for facilitation of international trade.

Pakistan is a founding member of ECO. Many member countries of ECO are landlocked. To facilitate transit trade of these countries ECO has adopted Transit Trade Framework Agreement. The ECO Member States adopted in 1997 a Programme of Action for ECO Decade of Transport and Communications (1998-2007). One of its requirements is accession to a number of international conventions. Pakistan has not yet acceded to most of these conventions. This is a major hindrance in development of transit trade through Pakistan.

9/11 caused the world to refocus on Customs control. For the purposes of supply chain security WCO introduced the Customs Guidelines of Advance Cargo Information and SAFE Framework of Standards which provides guidelines on integrated border management through a single window to coordinate border agencies. US Homeland Security Department introduced a number of programs such as CSI, 24 Hour Rule and C-

TPAT to secure the supply chain of goods entering US through ocean going sea containers. Chapter 4 explains the trade and border security measures that are now being adopted internationally

In Pakistan the trade facilitation activity commenced in August 2001 with establishment of NTTFC and initiation of work on a World Bank funded Trade and Transport Facilitation Project (TTFP) with technical assistance of UNCTAD. During the intervening period activities of NTTFC have mainly related to:

- Study of international trade transaction procedures
- Harmonization of important trade documents with UNLK
- Coordination with Pakistan Customs in implementation of the Goods Declaration and PaCCS
- Supporting the concerned organizations in implementation of border security measures
- Modernization of transport and marine insurance legislations
- Providing advice on implementation of international conventions
- Study of sanitary and phytosanitary controls
- Study of capacity requirements and policies needed for refrigerated domestic transport and cold storage of fresh produce
- Study of requirements for PACCS (PAKET) Network
- Studies relating to logistics costs and shipping charges
- Modernization of freight forwarders by introducing standard trading conditions, minimum standards of professional qualifications and the code of conduct
- Providing training to support trade facilitation

International trade processes used in Pakistan are still predominantly manual. With introduction of internet the use of email for commercial transactions is on the increase. But in the absence of internationally standardized trade documents which could be authenticated with digital signature and necessary infrastructure for converting paper documents to electronic documents the email messages do not meet the requirements of international e-Commerce.

Since initiation of CARE in 2002 the Customs services in Pakistan are going through a major transformation from a completely paper based environment to web based paper free environment. PACCS has been introduced in container terminals and is to be rolled out to all other Customs stations. However, the scope of PACCS needs to be widened in to a community based Single Window

The Bills to introduce or modernize some transport related legislation are still going through the administrative processes.

Some important issues relating to implementation of SPS standards for exports and SPS controls on imports need to be addressed.

Many international conventions need to be acceded to facilitate transit trade.

Human resource development needs to be addressed and suitable training arranged.

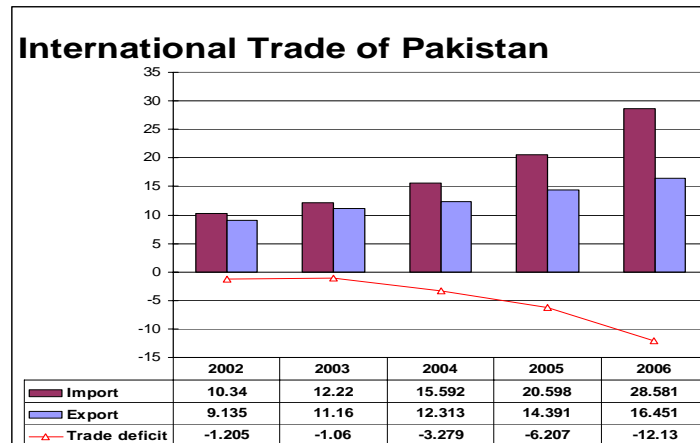
The present status of trade facilitation in Pakistan has been discussed in detail in chapter 5 and the measures that need to be adopted have been identified. After taking in consideration the international developments and the situation in Pakistan the National Trade facilitation Strategy has been evolved and presented in chapter 6. An Action Plan indicating the deadlines for executing various strategy objectives is presented in chapter 7.

1. Introduction

Trade facilitation has figured prominently in Doha round of the World Trade Organization (WTO) negotiations. As progress is made in reducing tariffs and quotas, non-tariff barriers become main obstacle to trade. Moreover advent of information technology has made available new powerful tools for trade and production (e-business). These have created the risk of new barriers because of the developing countries like Pakistan not keeping in step with the developments in information technology.

Trade facilitation is recognized increasingly as an essential component of the basic infrastructure of market economy. It is inherently linked to proper functioning of the tangible and intangible public infrastructure of a nation; i.e. not only transport, energy, Customs and telecommunications, but also knowledge networks, education, training and good governance. It requires, therefore, a broad and comprehensive approach to trade policy¹.

Although the economic reform process started by the Government of Pakistan has resulted in growth of exports during the recent years, the imports have increased at an even faster rate, which has resulted in increasing trade deficit². Extremely competitive international environment, infrastructure bottlenecks and weaknesses in efficient supply chain management are making it difficult for Pakistani exporters to produce and deliver quality products of the required international standard at competitive prices within the required delivery time to meet just-in-time delivery requirements. In the World Economic Forum (WEF) Growth Competitiveness Index Pakistan ranked at 91st place during 2007³ and was not very favorably placed with its regional competitors.



WEF Growth Competitiveness Index Ranking

Country	GCI 2006 rank	GCI 2005 rank	GCI 2004 rank
China	54	48	46
India	43	45	55
Sri Lanka	79	80	73
Pakistan	91	94	91
Bangladesh	99	98	102

To improve the infrastructure for international supply chain the Government of Pakistan has launched the National Trade Corridor Improvement Programme (NTCIP). Trade facilitation is an important component of this programme. Preparation of a National Trade Facilitation Strategy laying down its implementation plan has been mandated as apart of this programme. This report has been produced to define the national trade facilitation strategy for subsequent implementation.

2. Global Supply Chain

Competition has changed dramatically with the opening up of trade barriers regionally and globally. Local companies in both developing and developed countries are now being exposed to increased competition from a new set of competitors that can exploit the comparative advantage of several countries simultaneously. Adding to the local companies' problems is the growing volatility of the business environment due to the larger number of international players, rapid changes in technology and shorter product life cycles.

The challenge of this globalization is to create automated business processes across multi-party, multi-country supply chains that will result in faster, more reliable, low risk, and low cost transactions. Companies are facing the challenge of being compliant with different laws and regulations across the globe. Global supply chain requires an enabling environment that facilitates free movement of goods and services across borders, while still taking into account the necessary regulatory and statutory instruments. This includes an acceptance of the need for speed and agility in the production and flow of goods across borders; an open attitude to information sharing; the need for appropriate legislation to cover the acceptance of digital signature and certificates; the development of a corporate culture that looks at and takes responsibility for the entire supply chain (as opposed to one's individual component); and a keen focus on satisfying (and anticipating) the needs and preferences of clients.⁴

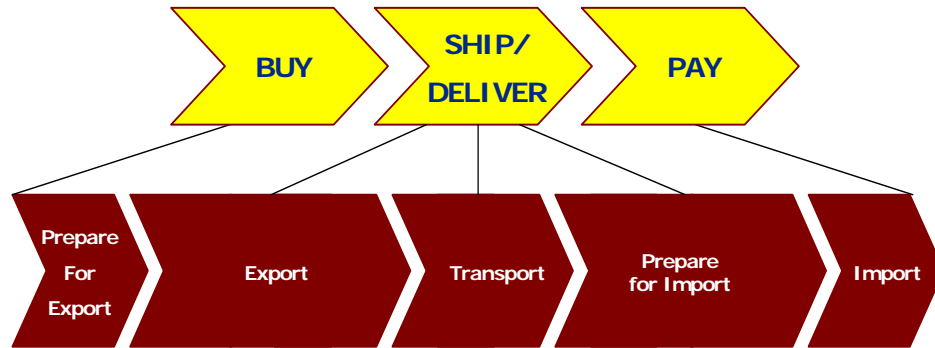
Similarly, global e-commerce offers tremendous potential for economic development, but it demands a rapid delivery system for products and services, commensurate with the concept of "instant" e-business. The right information has to be communicated to the right party at the right point of time. This could be achieved only by adopting IT solutions based on international standards. Automated processes also increase security and transparency. Information becomes more reliable and costs significantly reduced.

To operate competitively in the international market it is essential to complete all trade transaction processes illustrated on the next page efficiently. It implies not only efficient management of the global supply chain, which is composed of purchasing, materials management, product distribution management, sales, credit rating, insurance and delivery promises, but also completion of all regulatory procedures smoothly in the least possible time.

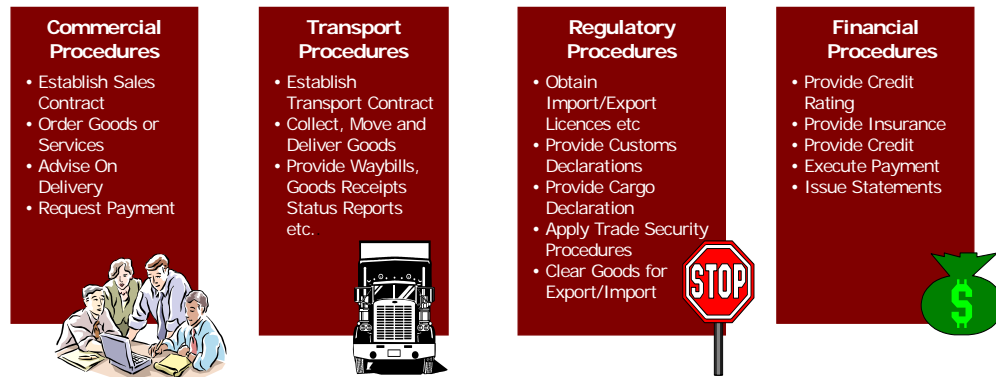
The government has to have an ongoing communication with industry regarding international trading transactions to increase efficiency and to enable a stable growth of international trading volume. At the same time the procedures have to support the security initiatives across the world e.g. 24-hour rule or Container Security Initiative (CSI). The government has also to set up communication channels towards the international organizations dealing with trade, Customs and security.

While management of the supply chain is the responsibility of exporters and importers involved in the international trade, the regulatory procedures have to be streamlined by the government authorities and other public and private service providers. Completion of all these requirements to achieve just-in-time delivery within the shortest possible lead time and at the least cost of doing business requires adoption of trade facilitation measures with cooperation and coordination of all the concerned parties.

INTERNATIONAL TRADE TRANSACTION PROCESS⁵



INVOLVING



3. Trade Facilitation

3.1 Definition and Objectives

Trade facilitation is an important issue as it helps countries to enhance and sustain their trade competitiveness. This is because:

- Exports will be efficient and cost-effective;
- Imports of raw materials for the manufacturing sector will be less costly;
- Small and medium-sized enterprises will be able to participate in international trade as the country's trade regulations and procedures become easier; and
- Increased trade flows will result in more foreign exchange earnings⁶

The term 'Trade Facilitation' has been defined in multiple ways by different organizations and trade agreements. For example, in the context of the WTO and the Organization of Economic Cooperation and Development (OECD) trade facilitation means:

“The simplification and harmonization of international trade procedures including the activities, practices and formalities involved in collecting, presenting, communicating and processing data and other information required for the movement of goods in international trade”⁷

This definition excludes non-tariff barriers to trade, such as sanitary and phytosanitary measures, or measures to protect social or environmental standards. The current WTO negotiations on trade facilitation are limited to the improving and clarifying of the General Agreement on Trade and Tariff (GATT) Articles V (Freedom of Transit), VIII (Fees and Formalities connected with Importation and Exportation), and X (Publication and Administration of Trade Regulations).

By comparison many bilateral and regional trade agreements have a broader understanding of trade facilitation, and include any procedure, process or policy capable of reducing transaction costs and facilitating the flow of goods in international trade. Trade facilitation in this wider sense can affect a wide range of activities such as import or export procedures, transportation formalities, logistics services, payment, insurance and other financial requirements. However, trade facilitation even in its wider sense is generally distinguished from tariff negotiations and the development of physical infrastructure for trade (such as ports, roads, railways), that also influence the flow of traded goods.⁸

United Nations Economic Commission for Europe (UNECE) has elaborated on the definition of trade facilitation as follows⁹:

“Trade facilitation, then, is a comprehensive and integrated approach to reducing the complexity and cost of trade transaction process and ensuring that all these activities take place in efficient, transparent and predictable manner, based on internationally accepted norms, standards and best practices. At the same, time it seeks to optimize the effectiveness of regulatory controls to ensure the safety and well-being of citizens and the collection of appropriate taxes and fees. Trade facilitation therefore involves primarily:

- Simplifying (and eliminating where possible) formalities and procedures. In particular those related to import, export and transit of goods;
- Harmonizing applicable laws and procedures;

- Improving and standardizing physical infrastructure and facilities, including transport and Customs facilities; and
- Standardizing and integrating information definitions and requirements and the use of information and communication technologies so as to exchange this information efficiently.”

3.2 APEC Principles

The Asia Pacific Economic Cooperation (APEC) has maintained trade facilitation on its agenda since mid-1990s. APEC trade ministers adopted at their 2001 Shanghai meeting the following nine trade facilitation principles for trade of goods and services¹⁰:

- Transparency,
- Communication and consultation,
- Simplification, practicability and efficiency,
- Non-discrimination,
- Consistency and predictability,
- Harmonization, standardization and recognition,
- Modernization and the use of new technology,
- Due process, and
- Cooperation

3.3 WTO - GATT Articles V, VIII & X

Reduction of trade barriers such as tariffs and quantitative restrictions has raised the profile of reducing the transaction costs, especially at the border crossings; and the logistics costs for the goods in transit. WTO – GATT Articles V, VIII and X relate to trade facilitation issues. Ministers from the 150 countries member countries of WTO decided, in December 2005 at the Ministerial Conference in Hong Kong, to start negotiations drafting the text of a WTO trade facilitation agreement.

GATT Article V addresses matters related to goods in transit, including nondiscrimination of transit goods, disciplines on fees and charges, disciplines on transit formalities and documentation requirements, and improved coordination and cooperation amongst authorities and with the private sector.

The following categories of measures fall under Articles VIII, X or both: publication and availability of information; time period between publication and implementation; consultation and commenting on new or amended rules; advance ruling; appeal procedures; advance lodgment of data; fees and charges connected with importation and exportation; border agency coordination; release and clearance of goods; tariff classification.

3.4 WCO Revised Koyoto Convention

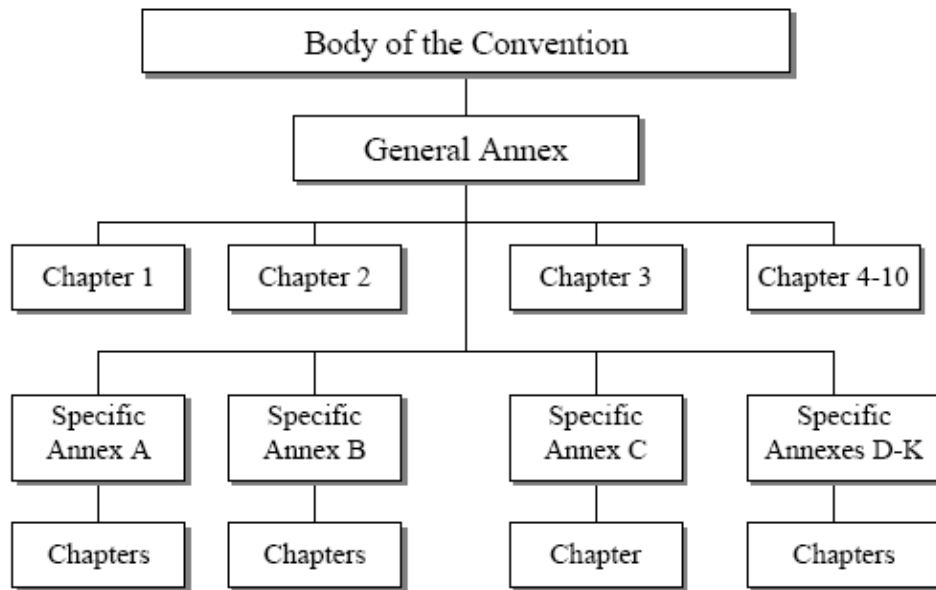
WCO has been striving to achieve the balance between trade facilitation and compliance with statutory requirements. The efforts of WCO are focused at simplifying and standardizing Customs practices across its Member administrations. The organization has developed Conventions, standards and recommendations relating to harmonized systems, facilitation procedures, use of information technology, compliance and enforcement through which its Member Customs administrations offer their governments enhanced trade facilitation combined with effective Customs control.

Developments in WTO negotiations; increased globalization of trade; and growth in e-commerce and use of EDI have raised prospects for paperless Customs clearance environment and electronic exchange of trade related information. The simplification and harmonization of Customs procedures is therefore important to the liberalization of international trade. International Convention on the Simplification and Harmonization of Customs Procedure as amended by 1999 Protocol – Revised Koyoto Convention (RKC) provides a foundation for modern and efficient Customs procedures and is therefore central to Customs modernization and reform.

RKC is designed to help Contracting Parties achieve a modern Customs administration, improved facilitation and control with simpler, harmonized and more flexible approach. RKC is formulated to contribute to international trade by¹¹:

- Developing uniform Customs practice and procedure around the world;
- Meeting the needs of international trade and Customs for facilitation, through simplification of Customs procedures and practices;
- Ensuring appropriate standards of Customs control;
- Enabling Customs to respond to major changes in business and administrative methods and techniques; and
- Reducing the costs to traders and to Governments of Customs processing.

RKC is in three parts – the Body, the General Annex and the Specific Annexes. The Body is obligatory. The General Annex is also obligatory. It contains core principles which are not repeated in the Specific Annexes. The ten Specific Annexes, which cover different aspects of Customs procedures, are not obligatory. The Specific Annexes contain both Standards and Recommended Practices.



Source: World Customs Organization

The revision has incorporated important modern concepts, including the application of new technology (particularly the use of IT for electronic transactions), the implementation of new philosophies on Customs control (such as risk management and post-transaction audit) and new cooperative arrangements with private sector partners. The RKC establishes best practice in key operational fields including:

- risk management;
- audit based controls;
- pre-arrival information;
- information technology;
- coordinated interventions;
- consultation with trade;
- information on Customs laws, rules and regulations;
- system of appeals in Customs matters

3.5 UNCTAD and UNECE Recommendations

UNECE and UNCTAD have been major players in trade facilitation development for over 30 years. The United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT), which is hosted by UNECE, has already developed over 30 major trade facilitation recommendations¹². Recommendation No. 1, United Nations Layout Key for Trade documents and the Recommendation No 2, Location of Codes in Trade Documents established the basis for use of standardized paper documents in international trade and transport.

Recommendation No. 4, National Trade Facilitation Organs recommends that Government establish and support trade facilitation bodies with balanced private and public sector participation in order to identify issues affecting the cost and efficiency of their country's

international trade; develop measures to reduce the cost and improve the efficiency of international trade; assist in implementation of those measures; provide a national focal point for collection and dissemination of information on best practices in international trade facilitation; and participate in international efforts to improve trade facilitation and efficiency.

Many other recommendations establishing internationally standardized codes for various names and terms used in international trade and transport and developments in the use of IT led the way for adoption of recommendation No. 25, Use of the United Nations Electronic Data Interchange for Administration, Commerce and Transport (UN/EDIFACT). Developments in the use of internet as a convenient and efficient mean for data transfer and communication resulted in recommendations 31 and 32 recommending need for development of self-regulatory instruments and voluntary code of conduct for electronic business to support development of international trade.

Recommendation No. 33, Recommendation and Guidelines Establishing a Single Window aims at enhancing efficient exchange of information between trade and government through a single window facility that allows parties involved in international trade and transport to lodge standardized information and documents with a single entry point to fulfill all, import, export and transit-related regulatory requirements.

UNCEFAT in collaboration with International Organization for Standardization (ISO) has produced Trade Data Elements Directory (TDED) to facilitate an open interchange of data in international trade. These standard data elements can be used with any method of data interchange on paper documents as well as with other means of data processing and communication: they can be selected for transmission one by one, or used with particular system of interchange rules.

UNCEFACT is at present working on United Nations electronic Trade Documents (UNeDocs) project. The objectives of this project is to develop, publish and maintain a Business Standard which can be applied by countries, regions or industries to provide the definitions of contextualized data exchange documents which can be integrated into software solutions for traders, carriers, freight forwarders, agents, banks, Customs and other Governmental authorities etc. This Business Standard will include paper and electronic document structures which have been derived from the UNeDocs canonical data model. Derivation from this canonical data model ensures that each UNeDocs paper or electronic document specification is an individual implementation of a document development methodology which follows the aligned concepts described in UNECE Recommendation 1, the UN Layout Key (UNLK). This ensures that traders can choose the type of document technology that best meets their business requirements and technology capabilities and also provides a migration path for the adoption of new technologies¹³.

3.6 UNESCAP Trade Facilitation Framework

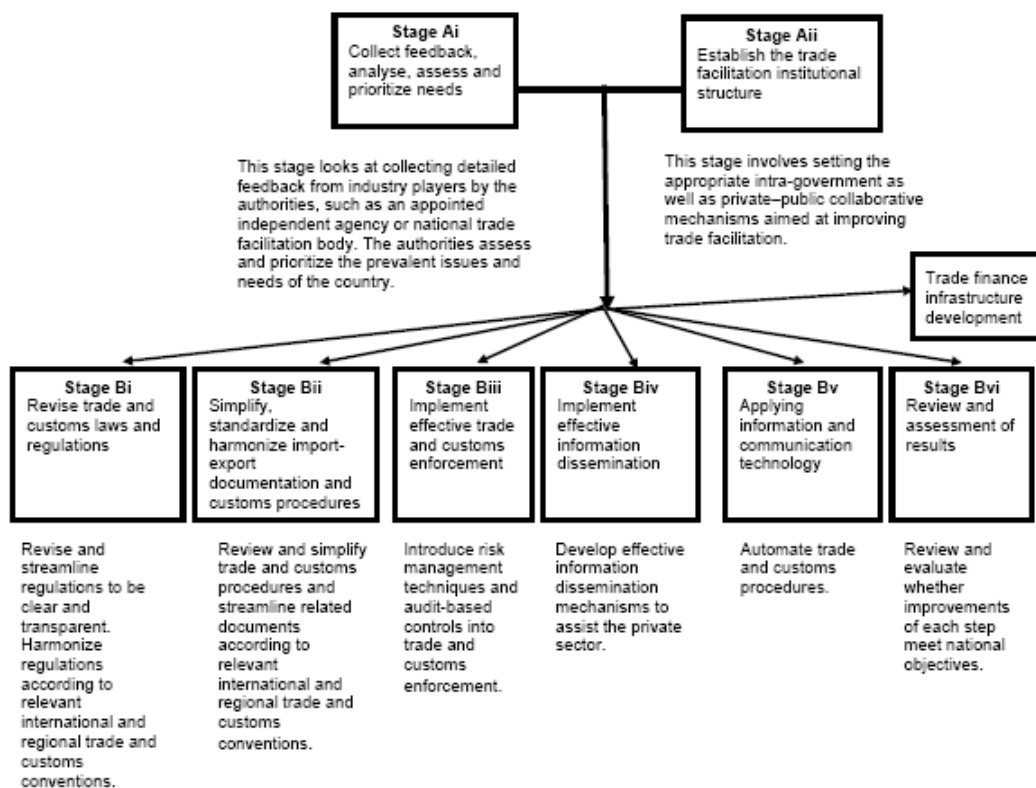
In 2004 UNESCAP published a document titled “ESCAP Trade Facilitation Framework – a Guiding Tool”¹⁴. The purpose of this guide is to provide a guide for Governments to identify the problems and bottlenecks within a country’s trade facilitation system and to identify remedial action. The framework is aimed at addressing possible issues and impediments in the following areas:

- Trade and Customs laws and regulations

- Trade documentation
- Customs clearance procedures
- Trade and customs enforcement
- The use of ICT for trade facilitation
- Trade finance infrastructure development

While the framework is intended for use in improving the trade facilitation system, the systematic process used to identify problems and solutions is also readily applicable to improvement of transport facilitation processes, and would be effective if applied to an integrated trade and transport facilitation system.

Diagrammatic Representation of Trade Facilitation Framework



3.7 ECO TTA, TFA and Plan of Action

ECO is an intergovernmental regional organization constituting Islamic State of Afghanistan, Azerbaijan Republic, Islamic Republic of Iran, Republic of Kazakhstan, Kyrgyz Republic, Islamic Republic of Pakistan, Republic of Tajikistan, Republic of Turkey, Turkmenistan and Republic of Uzbekistan. Most of the Member countries are landlocked. To facilitate trade and transport of these countries ECO has adopted Transit

Trade Agreement (TTA) and Transit Transport Framework Agreement (TTFA). These agreements have been ratified by most of its Members and have come in force¹⁵. However, implementation of the agreements is being delayed because many of the international conventions requiring ratification/accession by its Members have not yet been acceded by them.

The ECO Member States adopted in 1997 a Programme of Action for ECO Decade of Transport and Communications (1998-2007). One of the requirements of this Plan of Action is accession to the following international conventions:

- Convention on Road Traffic (1968)
- Convention on Road Signs and Signals (1968)
- Customs Convention on the International Transport of Goods under cover of TIR Carnet (1975)
- Customs Convention on the Temporary Importation of Commercial Road Vehicles (1956)
- Customs Convention on Containers (1972)
- International Convention on the Harmonization of Frontier Control of Goods (1982)
- Convention on the Contract for International Carriage of Goods by Road (CMR) (1956) New York Convention on Transit Trade of Landlocked States of 8 July 1965
- Barcelona Convention and Statute on Freedom of Transit of 20 April 1921
- Agreement concerning the adoption of Uniform Conditions of Approval and Reciprocal Recognition of Motor Vehicle Equipments and parts of 20 March 1958
- Convention on Civil Liabilities for Damage caused during Carriage of Dangerous Goods by Road, Rail and Inland Navigation Vessels (CRTD) of 10 October 1989
- Agreement on the International Carriage of Perishable Food Stuffs and on the special Equipment to be used for such Carriage (ATP) of 1 September 1970
- Convention relating to the Unification of Certain Rules concerning Collision in Inland Navigation of 15 March 1960
- Convention on the Contract of the International Carriage of Passengers and Luggage by Inland Waterways (CVN) of 6 February 1976

3.8 IATA e-Freight Project

International Air Transport Association (IATA) represents 260 airlines around the world and is embarked on an e-freight project to simplify the business process for reducing the cost and improving the efficiency in airline industry. Under this initiative it has adopted a strategy to eliminate the need to produce and transport paper documents for air cargo shipments by moving to a more simple, industry-wide, electronic, paper-free environment.

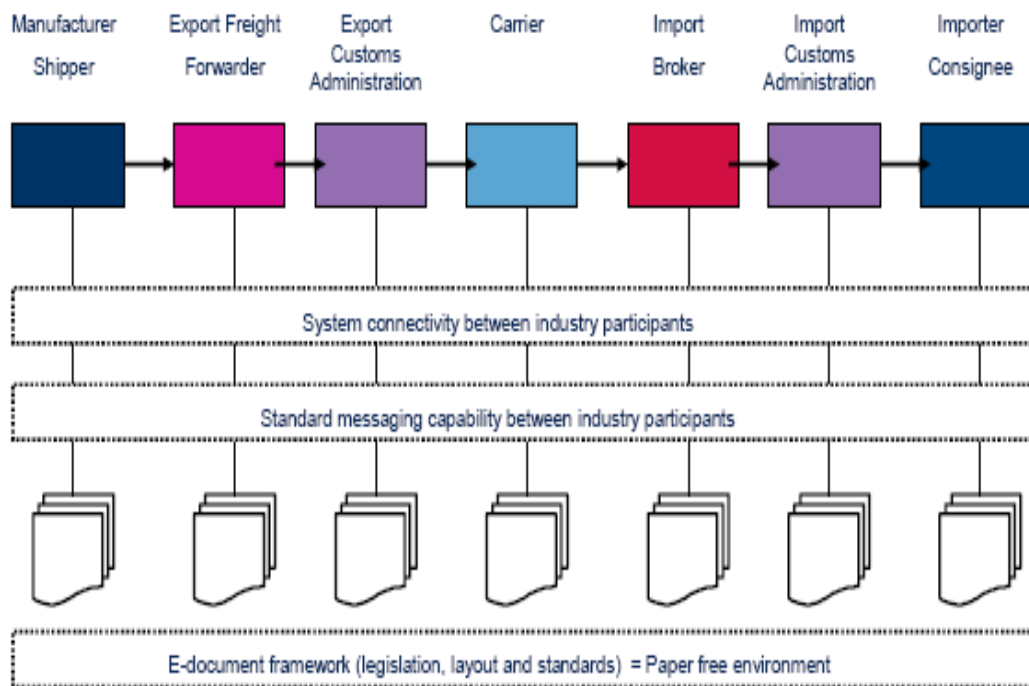
The scope of e-freight is focused on Paper Free, which has been defined as an environment in which industry does not need to transport paper in parallel with the freight, but grants stakeholders the ability to print out e-documents on paper using the same

physical layout if needed. To support a fully paper free freight environment the business, technical, legal and legislative frameworks must be in place for all stakeholders in the supply chain to enable seamlessly exchange of e-documents without the need to transport paper.

The system for implementation of e-freight strategy has to be developed in such a way that the industry and individual stakeholders can interface with the World Customs Organization framework of standards being implemented in each Customs administration to support the single window concept.

The stakeholders implementing e-freight strategy have three steps to deliver paper free for their industry:

1. E-document framework and standard layout and message format definition and adoption;
2. System connectivity and capability to send/receive messages and print e-documents; and
3. Country adoption of e-document framework



In order to support a paper free environment, the industry must in all cases develop robust procedures to supply electronic data to the required level of completeness and accuracy as demanded by customs administrations and other supply chain partners.

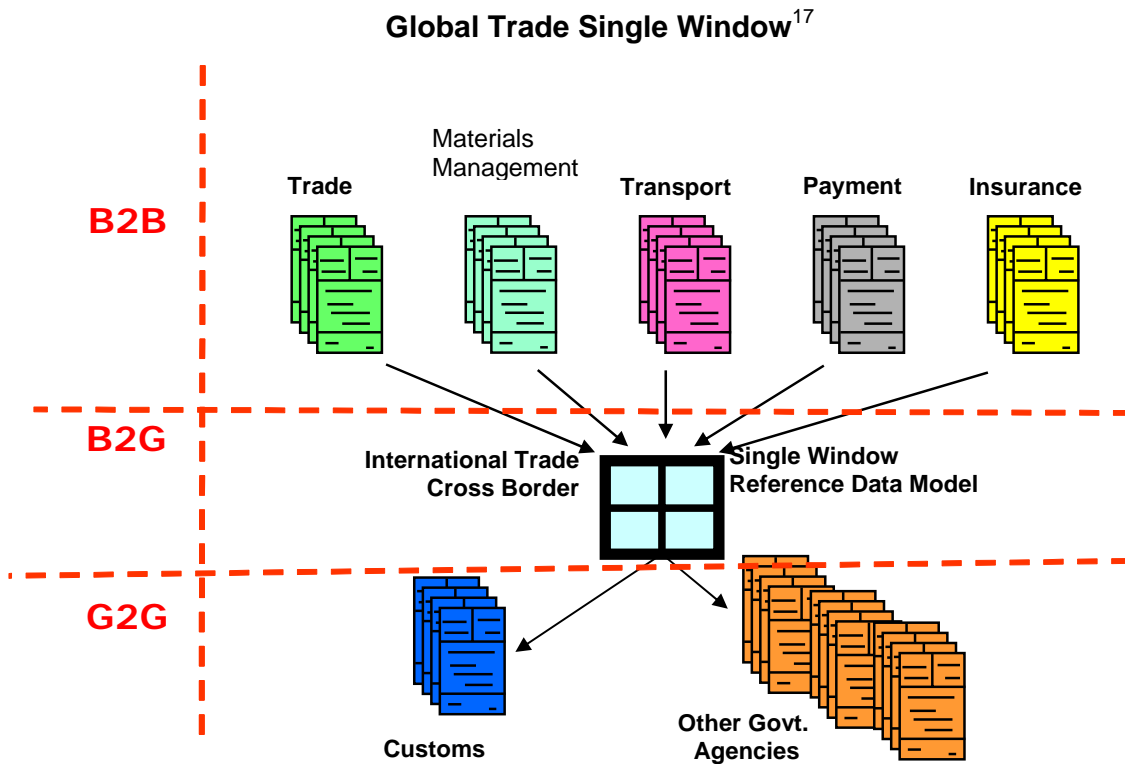
3.9 Single Window

A Single Window is a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements¹. If information is electronic, then individual data elements should only be submitted once. The Single Window is a practical

application of trade facilitation concepts intended to reduce non-tariff trade barriers and deliver immediate benefits to all members of the trading community.

A Single Window facility enhances the availability and handling of information, and simplifies and expedites information flows between trade and government. It also brings about greater harmonization and better sharing of the relevant data across governmental systems, bringing meaningful gains to all parties involved in cross-border trade. It results in improved efficiency and effectiveness of official controls and reduces costs both for Governments and for traders due to better use of resources.

There is no unique model for a Single Window, as operators adopt their systems to specific national/regional conditions and requirements. There are examples of financing provided by the State, by the private sector or with a help of a private-public partnership. In some countries use of Single Window facilities is compulsory, while in others it is voluntary. Services vary and may be provided free of charge or based on various payment schemes. The benefits and revenues generally outweigh the establishment/operational costs¹⁶.



3.10 Time Release Study

TRS is one of WCO's most important trade facilitation instrument, based on similar initiatives in the USA and Japan where it was developed and adopted by the Permanent Technical Committee of the WCO in 1994. It is one of the methods used to review clearance procedures by measuring the average time taken between the arrival of goods and their release. This enables customs to identify problem areas in the clearance process and potential corrective action to increase efficiency.

Modern Customs administrations have recognized that streamlining and simplifying clearance procedures is important in order to meet facilitation expectations of the modern business environment of just in time production. Business benefits a great deal from predictable release of goods.

The WCO's Time Release Study is primarily designed to measure the time required to clear goods for home use. This may strictly be from the time of arrival of goods in the Customs territory until their release to the importer or a third party on behalf, or until the full clearance has been granted by Customs after payment of duties and taxes¹⁸.

3.11 Model Trade Facilitation Measures

The Member countries have forwarded their proposals for negotiating the WTO Trade Facilitation Agreement. WTO has produced Compilation of Members' Proposals relating to WTO Negotiations on Trade Facilitation¹⁹. Based on these proposals and proposed APEC model measures the following list of key model trade facilitation measures has been drawn from the ARTNET Working Paper "A Comparative Analysis of Trade Facilitation in Selected Regional and Bilateral Trade Agreements²⁰".

1) Publish trade regulations

"To publish in at least one of the official WTO languages all relevant laws, regulations, administrative guidelines, rulings and decisions affecting international trade, including custom procedures, fees and charges to cross-border trade, by making this information widely available and easily accessible (where possible on-line) in a non-discriminatory fashion to any interested party at no cost or at a minimal charge commensurate with the cost of the services rendered."

2) Ensure dissemination of information relevant to trade

i) "To notify to other countries and the WTO Secretariat in one of the official WTO languages the introduction of new or the amendment of existing trade regulations that may have a significant impact on trade at the earliest possible stage."

ii) "To allow an adequate time period between the publication and the implementation or entry into force of new or amended regulations, except in cases where advance notice is precluded or not practical due to extraordinary circumstances like imminent threats to national security."

iii) "To establish a national enquiry point responsible for providing all relevant trade-related information or documents to the trading community on a non-discriminatory basis and within an adequate time period"

3) Provide advance rulings in Customs matters

"To issue upon written request by an applicant with justifiable cause (e.g. importer, exporter or producer) and containing all relevant facts and supporting documents a binding advance ruling on the main elements of importation, such as tariff classification, Customs valuation, applicable duties and taxes."

4) Establish a mechanism to review decisions

"To establish non-discriminatory procedures for administrative and legal appeal against Customs and other agency decisions at reasonable cost. The appellant should have the right to be represented at all stages of appeal procedures by an agent or a lawyer and goods subject of an appeal should normally be released provided an adequate guarantee for duty payment, such as a deposit, is provided by the appellant."

- 5) Apply trade regulations consistently and in a non-discriminatory manner, and guarantee due process
- i) *"To develop, implement and enforce a code of conduct for Customs officials and staff based on international best practice"*
 - ii) *"To establish a centralized government body in charge of interpreting and providing training in the application of Customs regulations (e.g. regarding Customs classification and valuation)."*
 - iii) *"To introduce computerized systems to reduce the discretion exercised by Customs officials and staff with respect to basic Customs decisions."*
- 6) Minimize/reduce fees and charges in connection with import or export
- i) *"To consolidate, reduce and minimize the number, diversity and amount of fees and charges in connection with importation and exportation."*
 - ii) *"To ensure that fees and charges are only imposed for services provided in direct connection with the specific importation or exportation in question"*
 - iii) *"To ensure that fees and charges do not exceed the approximate costs of the services provided and are not calculated on an ad valorem basis."*
- 7) Establish a 'Single Window' / one-time submission procedure
- "To establish a 'Single Window' allowing the one-time electronic or paper based submission of import or export data and documentation requirements."*
- 8) Implement pre-arrival examination
- "To introduce procedures for filing and examining documents prior to the arrival of goods, enabling the importers to claim their goods immediately after importation unless the goods are subject to a physical examination⁸⁰ or the submitted documents have to be reviewed."*
- 9) Implement post-clearance audit
- "To introduce procedures that allow customs authorities to first release all or most of the imported goods, and then conduct a thorough review of the documents regarding selected goods."*
- 10) Application of risk management techniques:
- "To conduct examinations and inspections of goods by using established risk assessment and risk management procedures⁸², in particular by classifying importers/exporters into different risk levels based on their compliance record and by simplifying formalities for authorized traders."*
- 11) Elimination of Pre-Shipment Inspection (PSI) and use of Customs Brokers
- i) *"To eliminate any requirement for the mandatory use of pre-shipment inspections."*
 - ii) *"To eliminate any requirement for the mandatory use of customs brokers."*
- 12) Simplify and reduce customs procedures and documentary requirements:
- i) *"To simplify and reduce the incidence and complexity of import and export formalities and data requirement to the necessary minimum to enforce legitimate policy objectives by the using international standards to the extent possible."*
 - ii) *"To try to agree on a minimum number of documents required for import and export."*
- 13) Simplify procedures for goods in transit:
- "To simplify and reduce formalities, documentation requirements, fees and charges⁸⁵ and controls of goods in transit to a minimum necessary to ensure national security and health by applying international standards and by promoting bilateral and regional transit agreements."*

- 14) Use harmonized tariff classification
"To apply objective criteria for tariff classification of good by adopting the WCO Harmonized Commodity Description and Coding System (HS Convention 2002/2007)."
- 15) Align national standards with or adopt international standards:
"To align national standards with or adopt internationally established standards for quality management and product safety to the extent practicable".
- 16) Recognize standards of other countries:
"To recognize based on mutual recognition agreements product standards and/or classifications of other countries"
- 17) Recognize certification and testing facilities of other countries or international organizations:
"To recognize based on mutual recognition agreements the certification bodies and test facilities of other countries and/or international organizations and to recognize goods approved by such bodies as compliant with safety and quality requirements without further testing."
- 18) Prior consultation on new and amended rules
"To provide interested parties including the private sector with an opportunity to comment on prospective new or amended trade-related laws and regulations before implementation or entry into force of the changes."
- 19) Ensure cooperation and effective exchange of information between custom authorities
 i) *"To provide for compatible import/ export data requirement and data processing systems."*
 ii) *"To converge official controls in a 'one-stop shop' to the extent possible for instance by alignment of working hours and the development of common Customs facilities."*
- 20) Improve mobility of Business People
"To enhance the mobility of business people engaged in the conduct of trade by facilitating temporary business entry and establishing streamlined immigration clearance procedures for highly qualified business people."
- 21) Use of automation and automated systems for Customs cargo processing
"To establish a mechanism and as far as possible automated system that facilitates cooperation between Customs authorities by exchanging specific information such as Customs valuation, tariff classification, accurate description, quantity and origin of goods etc. and - where appropriate - supporting documentation such as commercial invoice, packing list, certificate of origin etc."
- 22) Use of electronic communication (e-customs, submission of documents, payment of duties)
"To establish an electronic communication system that allows importers and exporters to submit required data and documentation in standardized form, to pay duties and fees, to communicate with Customs authorities and to receive documents and decisions from Customs authorities."
- 23) Establish international training programs:
 i) *"Training of customs officers (e.g. regarding applying harmonized customs procedures or drafting advance rulings)"*
 ii) *"Exchange of customs staff for training purposes and to gain (international) experience"*

24) Build capacity (CB) by:

- i) *"Training government official in developing and maintaining official websites and databases for national trade regulations."*
- ii) *"Training Customs officials in operating a 'Single Window'."*
- iii) *"Training Customs officials in assessing and managing risks."*
- iv) *"Organizing courses and seminars to train and enable government official to implement trade facilitation measures."*

It is necessary to establish in Pakistan a Capital-based Support Group for Trade Facilitation Negotiations to provide necessary inputs representing the point of view of the stakeholders as agreed by the Government of Pakistan to the Geneva based negotiators. NTTFC will organize such a support group.

4. Trade and Border Security

4.1 IMO ISPS Code

Most of the global trade in goods is transported by ships. To eliminate the threat of terrorism through maritime transport, a diplomatic conference organized by IMO in December 2002 introduced a new comprehensive security regime for international shipping, by adopting a number of amendments to the 1974 Safety of Life at Sea Convention (SOLAS). The new regime entered into force in July 2004 and its implementation is mandatory for all States Party to SOLAS²¹.

Chapters V and XI of the Convention were amended, the latter being renumbered as chapter XI-1. Further, a new chapter XI-2 was added, which sets out the new International Ship and Port Facility Security (ISPS) Code. These amendments aim at enhancing maritime security on board ships and at ship/port interface areas. The ISPS Code is based on the idea that ensuring security of ships and port facilities is a risk management activity and that an assessment of the risks has to be made in each particular case, in order to determine which security measures are appropriate. The Code is therefore providing for a standardized framework for evaluating risk. It contains detailed security-related requirements for governments, ports authorities and shipping companies in a mandatory part (A) and a non-mandatory part (B). Part B contains guidelines on how to meet the mandatory requirements.

The ISPS Code requires all vessels to be fitted with a Ship Security Alert System; Ship Security Assessment to be carried out; Ship Security Plan to be developed, got approved by the flag administration and implemented; ship personnel to be trained; and International Ship Security Certificate issued by the flag administration confirming compliance of Ship Security Plan. The Governments, through the Port Authorities are also required to develop, update and implement a Port Facility Security Plan after carrying out a security assessment by competent persons.

4.2 WCO Guidelines for Advance Cargo Information and SAFE Framework of Standards

9/11 caused the world to refocus on Customs control. For the purposes of supply chain security WCO introduced the Customs Guidelines of Advance Cargo Information which include: the advance electronic transmission of an initial exports goods declaration by the exporter or his agent containing the relevant information for the exporter to the Customs administration at export, in certain cases also to the Customs at import eventually followed by a complementary declaration at an agreed later stage; the advance electronic transmission of an initial declaration by the carrier containing the relevant information to the Customs administration at export and/or import, eventually followed by full cargo declaration at an agreed later stage, if this cargo declaration contains any information not included in the initial declaration; the advance electronic transmission of an initial imports goods declaration by the importer or his agent to the Customs administration at import, if not already provided; and the routine (advance) electronic exchange of Customs data between Customs administrations at export and import to support risk assessment and rapid release.²²

WCO further built upon the work done on the RKC and produced SAFE Framework of Standards which provides guidelines on integrated border management through a single window to coordinate border agencies; all links in the global supply chain through integrated supply chain management; a revised data model that provides harmonized form and content of messages; and unique consignment reference policies, so that a shipment can be identified from origin to destination.

The theory underlying the SAFE Framework is that appropriate, focused and layered trade security measures will actually facilitate the movement of legitimate trade across national boundaries and thereby protect the global economy. The SAFE Framework reflects the realization of the fact that security and facilitation are inextricably intertwined.

The SAFE Framework has four core elements: advanced electronic manifest information; a consistent risk management approach; at the request of the importing nation, the outbound inspection of high-risk cargo at the point of export using non-intrusive detection equipment; and enhanced trade facilitation for legitimate trade that meets certain security standards.

The SAFE Framework is built on two pillars: Customs-to-Customs network arrangements and Customs-to-Business partnerships.

The SAFE Framework is a concept that moves Customs focus from importation to exportation for security purposes. The concept is to identify high-risk shipments early in the global supply chain - at or before exportation - to allow for appropriate and timely control of high-risk cargo prior to its introduction into the global supply chain's more vulnerable transportation network²³.

4.3 US Homeland Security Department Initiatives

Subsequent to 11th September 2001 US Homeland Security Department introduced a number of programs to secure the supply chain of goods entering US through ocean going sea containers²⁴. These are Container Security Initiative (CSI), 24 Hour Rule and Customs Trade Partnership Against Terrorism (C-TPAT).

CSI is based on the premise that security of the world's maritime trading system needs to be enhanced and that it will be more secure if high-risk cargo containers are targeted and screened before they are loaded. The initiative aims at facilitating detection of potential problems at their earliest possible opportunity and is designed to prevent the smuggling of terrorists or terrorist weapons in ocean-going cargo containers. CSI is a four-part program, which involves:

1. Establishing security criteria to identify high-risk containers;
2. Pre-screening those containers identified as high-risk before they arrive at U.S. ports;
3. Using technology to quickly pre-screen high-risk containers, including radiation detectors and large-scale x-ray and gamma ray machines;
4. Developing and using smart and secure containers.

To implement CSI, in particular its second aspect, US Customs have been entering into bilateral agreements or partnerships with foreign governments. The agreements provide

for the deployment at foreign ports of US officers who will have to target and pre-screen U.S. bound cargo containers before they are shipped to the United States. U.S. officers are intended to work with host nation counterparts.

CSI is closely connected with another US Customs Initiative, known as the 24 Hours Rule, which requires detailed manifest information in relation to U.S. bound cargo to be provided 24 hours before loading at the foreign port. It is on the basis of the information provided in the manifest pursuant to this new Rule that U.S. Customs officers posted in CSI host are to identify high-risk containers prior to loading.

C-TPAT is a joint U.S. Customs - Business initiative aimed at building cooperative relationships that strengthen overall supply chain and border security. C-TPAT is a voluntary agreement. By signing the agreement the applicant accepts to work at establishing, improving or amending the security process and procedures along the entire supply chain in accordance with the C-TPAT security recommendations for each specific segment of the supply chain. C-TPAT partners undertake to secure their supply chain, i.e. to ensure integrity of their security practices and to communicate their security guidelines to their business partners and subcontractors within the supply chain to be bound by the terms of C-TPAT. In return U.S. Customs and Border Protection Services undertake to expedite clearance of cargo at the point of arrival in U.S.

5. Trade Facilitation Status in Pakistan

5.1 NTTFC

Trade facilitation activity commenced in Pakistan in August 2001 with establishment of National Trade and Transport Facilitation Committee (NTTFC) and initiation of work on a World Bank funded Trade and Transport Facilitation Project (TTFP) with technical assistance of UNCTAD. NTTFC is chaired by the Secretary, Ministry of Commerce and its membership comprises:

- Ministries relating to trade, transport and finance;
- Public sector organizations dealing with finance, Customs, trade and transport; and
- Private sector trade bodies representing commerce and industry, transport, finance and insurance

It operates on the principle of public/private partnership and its terms of reference are:

1. Continuous review of the trade and transport procedures and systems with a view to update their simplification and harmonization
2. Undertake coordination of efforts of concerned organizations in the field of facilitation of international trade and transport
3. Collect and disseminate information on international trade and transport formalities, procedures, documentation and related matters
4. Pursue the simplification and alignment of trade and transport documents on the basis of the United Nations layout key, including documents designed for use in computer and other automated systems
5. Promote the adoption of the standard trade and transport terminology and international codes for trade and transport legislation

NTTFC has been working in coordination with the concerned ministries and the public/private stakeholders for adoption of various trade and transport facilitation measures. Important tasks performed during the last five years are related to:

- Study of international trade transaction procedures with a view to their simplification;
- Harmonization of important trade and transport documents with international standards;
- Coordination with Pakistan Customs in implementation of Customs Administrative Reforms (CARE);
- Modernization of transport and marine insurance legislation;
- Providing advice on implementation of international conventions;
- Supporting the concerned organizations for implementation of trade and border security measures;
- Study of capacity requirements and policies needed for promotion of refrigerated domestic transport and cold storage of fresh produce;
- Study of sanitary and phytosanitary controls;

- Study of requirements for Pakistan Electronic Trade (PAKET) Network;
- Modernization of freight forwarders by introducing standard trading conditions, minimum standards of professional qualifications and the code of conduct;
- Studies relating to logistics costs and shipping charges;
- Providing training to support trade facilitation.

The existing staff of NTTFC Secretariat has over the years developed adequate liaison with public and private sector stakeholders to move forward the trade facilitation agenda. Now the NTTFC Secretariat needs to expand its role as coordinator of technical assistance. It has to work not only to arrange meetings among stakeholders and prepare technical reports but also to disseminate the findings of earlier efforts. It acts as a gateway for interaction with international organizations to identify international best practices. It also provides coordination among research efforts by various agencies that address improvements in supply chain management. However, much of the future trade facilitation work will be IT oriented. The NTTFC Secretariat needs to be strengthened by addition of an IT specialist to properly coordinate the IT related activities.

5.2 International Trade Transaction Procedures

International trade processes used in Pakistan are still predominantly manual. With introduction of internet the use of email for commercial transactions is on the increase. But in the absence of internationally standardized trade documents which could be authenticated with digital signature and necessary infrastructure for converting paper documents to electronic documents the email messages do not meet the requirements of international e-Commerce. The use of electronic documents based on EDIFACT is limited to only a few large multinational organizations with the necessary EDI facilities.

Customs procedures are the most critical in the international supply chain. Till about 5 years back all the processes had to be carried out manually using paper documents of different types and sizes for various processes. This situation has been greatly improved with introduction of an IT based standardized Goods Declaration that enables electronic submission of the Goods Declaration at all Customs stations in Pakistan, although hard copies of the documents are still required. Introduction of Pakistan Customs Computerized System (PaCCS) under the CARE programme at the 3 container terminals has introduced IT based paper free environment. It is expected that in about another year it will be extended to all Customs stations in Pakistan.

Financial transactions, especially those relating to foreign exchange remittances and negotiation of documents, are still paper based. All the major commercial banks are in the process of installing modern IT systems. However, to facilitate the trade, establishment of an electronic gateway for inter-bank transfer of funds is an essential requirement. Some amendment to the Foreign Exchange Control Act is also required to make the traders directly responsible for repatriation of foreign exchange for the cost of goods exported and eliminate the procedures involved in documentation of Form E. With adoption of modern IT systems it should be possible to track repatriation of foreign exchange without the necessity of submitting various returns.

5.3 Adoption of standardized trade documents based on UNLK

The following standardized trade documents based on UNLK have been introduced:

- Goods Declaration
- Phytosanitary Certificate
- Certificate of Origin
- Commercial Invoice

The Goods Declaration, Phytosanitary Certificate and Certificate of Origin have been adopted by the concerned organizations and are now in regular use. However, the standardized Commercial Invoice has not yet been adopted by the trade and industry. However some measures from Pakistan Customs to induce the trade and industry to start making use of standardized Commercial Invoice and other trade documents seems to be necessary. Some other important trade documents also need to be standardized according to UNLK as this is the first step for moving towards the use of electronic trade documents.

5.4 Adoption of standardized transport documents based on FAL Convention

The following forms have been introduced in accordance with those stipulated in the Convention on Facilitation of international Marine Traffic, 1965 (FAL Convention);

- Ships General Declaration
- Crew List
- Crew's Effects Declaration
- Passenger List
- Ships' Store Declaration

The same forms can be used for submission to all the concerned organizations like Customs, Mercantile Marine Department, Port Immigration Department, Port Health Department and the port authorities. The data is received electronically by Pakistan Customs from the shipping companies or their agents. With establishment of a Single Window linked to all the concerned government departments and public/private sector entities it should become possible for the information submitted to Pakistan Customs becoming available to others without the necessity of submitting the same information to other organizations.

5.5 Pakistan Customs Procedures

Since initiation of Care in 2002 the Customs services in Pakistan are going through a major transformation from a completely paper based environment to web based paper free environment. Electronic filing of the Goods Declaration was introduced in 2003. Now Goods Declaration is being submitted electronically at all Customs stations in Pakistan, except the container terminals where PaCCS has been introduced. To expedite clearance of goods Electronic Assessment System (EASY) for selected traders has been introduced. To ensure uniformity of assessment procedures "One Customs System" has been introduced. To move towards the concept of Single Window PaCCS pilot project was launched at Karachi International Container Terminal (KICT) on 23rd March 2005. Since then it has been extended to Qasim International Container Terminal (QICT) and Pakistan

International Container Terminal (PICT). It is expected that by June 2008 PaCCS will be implemented at all Customs stations in Pakistan.

The information listed below is made available to general public through the Federal Board of Revenue (FBR) website www.cbr.gov.pk :

- Customs Act , 1969 (Amended upto 30th June 2006)
- HS Code Guide for Export
- Customs Notifications / SROs
- Customs General & Standing Orders
- Guide Custom Values for Duty & Taxes For GATT Codes
- Draft Pakistan Customs Tariff Description & Coding Scheme
- Customs Tariff 2006-2007
- Electronic Assessment System (EASY)
- Customs Administrative Reforms (CARE)
- Automated Refund System
- Customs Tariff Codes
- Import General Manifest (IGM)
- One Customs Systems
- Duty and Tax Remission for Export (DTRE)
- HS Codes/Customs Tariff Codes
- Duty Draw Back Rules & Notifications
- Trade Policy (Import & Export Policy 2006-2007)
- Automated Clearance Procedure (ACP)

This meets almost all the requirements of Articles VIII, X relating to publication and availability of information; time period between publication and implementation; advance ruling; appeal procedures; advance lodgment of data; fees and charges connected with importation and exportation; release and clearance of goods; tariff classification etc. This position is better than that prevailing in many Customs administrations in the region.

Government of Pakistan has ratified the Revised Koyoto Convention. Harmonized commodity description and coding system has been introduced.

Issues continue to arise because of inconsistencies or errors in the declarations filed by some traders. There is need for training of the traders and the Customs agents for correct understanding of the HS Code, Customs tariff and valuation procedures to eliminate incorrect declarations.

SAFE Framework of Standards has two pillars: Customs to Customs; and Customs to Business. Although SAFE Framework of Standards is not mandatory, Pakistan Customs

has moved forward and finalized many CMAAs with different countries including China, USA and UAE who are main trading partners, while CMAAs have been finalized as chapters of Free Trade Agreements with Singapore, Malaysia and Indonesia. Besides this in the Customs to Customs pillar, Pakistan Customs has entered into a cooperation strategy with USA Customs/Department of Energy in the shape IC3, which in fact also fulfills the requirement of Customs to Business pillar, as about 23% of Pakistan's exports destined for USA are being facilitated in shape of one stop clearance and enhanced market access in USA.

5.6 Pakistan Customs Computerized System

PaCCS provides a paperless web enabled environment for submitting Goods Declaration and self assessment of the Customs dues²⁵. It is on line with all domestic regulatory authorities and stakeholders. It is an integrated Customs risk management system and operates 24 hours per day seven days a week. PaCCS comprises of four essential components:

1. TARIP (Tariff & Integrated Policy) provides complete picture of regulations for import or export of cargo to & from Pakistan.
2. INTRA (Integrated Regulatory Authorities) is an online nationwide network connecting all stakeholders involved in imports, exports and movement of cargo with PaCCS. These include:
 - Government Ministries & Departments
 - Central Board of Revenue and its wings
 - All Customs Collectorates
 - All Sales Tax Collectorates
 - State and commercial banksAll software for all stakeholders is provided by PaCCS. INTRA provides online registers and accounting
3. ECHO (Enhanced Cargo Handling & Port Optimization) is online connectivity between the carriers, PaCCS and Terminal Operator
4. ACCESS (Automated Customs Clearance System) and covers the following:
 - Advanced Carrier declaration
 - Advanced screening for Risky Cargo
 - Goods declaration with off line support
 - Payment Management System
 - Risk Management System
 - Assessment Management System
 - Clearance Management System
 - Status Reporting System
 - Law Cell
 - Adjudications
 - Auctions
 - Warehousing
 - Licensing
 - Transits and Transshipments

PaCCS has already been implemented at the three container terminals at Karachi port and Port Qasim. On application of PaCCS at all Customs stations in Pakistan the mandatory standards of Revised Kyoto Convention will get adopted nationwide.

5.7 Transit Transport Agreements

Pakistan has entered in the following transit transport agreements to facilitate transit transport to the neighboring countries as well as the Central Asian Republics, a large number of which are landlocked:

- Agreement between Pakistan and Afghanistan on Traffic in Transit, 1965
- Transit Trade Agreement between Iran and Pakistan, 1975
- Traffic in Transit Agreement between China, Kyrgyzstan, Kazakhstan and Pakistan, 1995
- Economic Cooperation Organization (ECO) Transit Transport Framework Agreement (TTFA), 1998

ECO TTFA is the most comprehensive agreement. It has been ratified by most of the member states of ECO, including Pakistan, and has already entered in force. However, it has not yet been implemented. Regional coordination is required to get the agreement implemented. Moreover the other older bilateral and multilateral transport agreements listed above need to be renegotiated in light of the ECO TTFA.

5.8 Transport Related International Conventions

Out of the international conventions listed for ratification/accession under the Programme of Action for ECO Decade of Transport and Communications (1998-2007) the following are relevant to Pakistan for facilitating the transit transport:

- Convention on Road Traffic (1968)
- Convention on Road Signs and Signals (1968)
- Customs Convention on the International Transport of Goods under cover of TIR Carnet (1975) (TIR Convention)
- Customs Convention on the Temporary Importation of Commercial Road Vehicles (1956)
- Customs Convention on Containers (1972)
- International Convention on the Harmonization of Frontier Control of Goods (1982)
- Convention on the Contract for International Carriage of Goods by Road (CMR) (1956)
- New York Convention on Transit Trade of Landlocked States of 8 July 1965
- Convention on Civil Liabilities for Damage caused during Carriage of Dangerous Goods by Road, Rail and Inland Navigation Vessels (CRTD) of 10 October 1989
- Agreement on the International Carriage of Perishable Food Stuffs and on the special Equipment to be used for such Carriage (ATP) of 1 September 1970

Out of these, so far Pakistan has acceded to only the Convention on Road Traffic and the Convention on Road Signs and Signals. TIR Convention is being discussed in the Government and it is expected that the decision for its accession will be taken soon. However, so far there is no move for accession to the other conventions. These conventions need to be studied and acceded. In addition to the above the International Convention for the Unification of Certain Rules relating to Bills of Lading of 1924 (The Hague Rules), as amended by the Protocol of 1968 (Visby Rules) and SDR Protocol of 1979 also needs to be acceded to make the proposed Carriage of Goods by Sea Act applicable internationally.

5.9 Transport Legislation

The present legislation of Pakistan relating to transport of goods is outdated and needs to be revised in accordance with the applicable international conventions. There is also no legislation relating to Marine Insurance. Marine Insurance Act of Pakistan also needs to be legislated. The Bills to legislate the following Acts have already been drafted and presented to the Government for enactment:

- Bill to Enact Carriage of Goods by Sea Act, 2006
- Bill to Enact Sea Carriage Shipping Documents Act, 2006
- Bill to Enact Carriage of Goods by Road (Liabilities) Act, 2006
- Carriage by Air Bill, 2005
- Marine Insurance Act, 2005

While the first three Bills have reached the National Assembly for consideration, the Carriage by Air Bill, 2005 and the Marine Insurance Act, 2005 are still being processed in the concerned Ministries to obtain approval of the Cabinet for submission to the National Assembly. Enactment of the proposed legislation needs to be expedited. Moreover, after accession to CMR Convention the legislation for international carriage of goods will also need to be enacted.

5.10 Freight forwarding

Freight forwarding plays important role in international supply chain. The freight forwarding industry in Pakistan is not well organized. To raise the standard of freight forwarding NTTF has introduced the following in accordance with the international practices:

- Standard trading conditions for freight forwarders
- Minimum qualification standards for freight forwarders
- Code of conduct for freight forwarders

Courses for training of trainers for freight forwarders have been conducted by international experts and work is now in hand to develop locally oriented courses that would come up to the international standard of FIATA for internationally recognized qualification certificates to be issued to those who successfully complete these courses.

Suitable arrangements have to be made with the training institutions to conduct these courses once these are developed and approved by FIATA.

There have been complaints against freight forwarders for over-charging, double charging and issuance of in-house bills of lading, which ultimately result in litigation and loss of exports as their foreign exchange is not repatriated. Besides the regulatory framework of freight forwarders there is a need for regulatory mechanism by the Ministry of Commerce.

5.11 Sanitary and Phytosanitary (SPS) Controls

Different type of SPS issues are involved in respect of exports and imports. For exporting the products, exporters have to ensure compliance with SPS standards of the importing countries; while for imports, it becomes the responsibility of the regulatory authorities to ensure that no hazardous goods are imported in the country. Developed countries have introduced regulations that require that not only the food and feed products should be safe to consume, but it should also be possible to trace their origin to the very source of production for taking the necessary protective action.

So far Pakistani growers and processors of agricultural produce have been weak in compliance with international standards and this has resulted in many markets being denied the access for such produce. Over the last few years considerable effort has been made by Pakistan Horticultural Development and Export Board (PHDEB) to create awareness amongst the producers and exporters of agricultural commodities of international standards like Good Agricultural Practices (GAP); Hazard Analysis and Critical Control Points (HACCP); and CODEX Alimentarius. PHDEB has also negotiated agreements with some countries establishing SPS requirements to be met by Pakistani exporters for export of the specified horticultural items to those countries. Fishery remains to be a very vulnerable sector, where frequent bans on imports are imposed by the major trading partners because of SPS requirements not being met. Much more vigorous effort is required for ensuring compliance of SPS standards at farms, agricultural products and food processing plants, fishing boats, fish harbors and fish processing plants.

As far as the imports are concerned, the Government of Pakistan is committed to compliance with the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) and has a program of legislation revision and enhancement of entry access/regulation, infrastructure and capacity building. However, Pakistan does not have clearly defined Federal laws to regulate SPS control over imports. Bio-safety guidelines have been developed. But, there are no provisions for monitoring or regulating maximum residue limits (MRLs) in imported or domestic produce. While Federal agencies are responsible for most elements of import control, the legislation for food safety is under the responsibility of the Provincial Governments²⁶.

Overarching weaknesses relate to operational effectiveness, mechanisms for motivating and rewarding staff and coordination between different regulatory agencies. It has been recommended to:

- Strengthen focus on development and implementation of SPS compliance strategies and tactics, and target resources to areas of highest risk;
- Enhance access to information about import/export regulations and SPS compliance requirements for relevant authorities, industry stakeholders and trading partners; and

- Develop and implement strategies and processes for enhancing and monitoring performance.

A major weakness of the Plant Protection Department and Animal Quarantine Department is that all work is still paper based and manual. These departments need to be IT enabled with modern management information systems and linked with Pakistan Customs to enable speedy verification of SPS status of vulnerable commodities imported in Pakistan.

5.12 UNeDocsPK Project

E-Commerce is now in common use in international trade transactions. However, because of inadequate infrastructure development it has not yet come in common use in Pakistan, especially for international transactions. Many government organizations and most of small and medium enterprises lack IT systems. Only a few government organizations and large business enterprises have modern IT systems for e-Commerce. Commercial transactions in Pakistan are mainly paper based. Even the UNLK based Commercial Invoice introduced by NTTFC has not yet been adopted by most enterprises

To encourage adoption of e-Commerce in international trade NTTFC has approved UNeDocsPK project to develop Pakistan specific customized electronic international trade and transport documents aligned to UNLK and based on UNeDocs methodology for international supply chain being developed by UN/CEFACT.

UNeDocs is an innovative new standard that is being developed specifically for computer systems of organizations involved in the international purchase and supply chain. It uses many of UN/CEFACT's standards, but is primarily aimed at "cross-border" related documents which are exchanged between exporters, importers, freight forwarders, shipping lines, airlines and regulatory authorities, such as Customs. It could, for example, allow an exporter to send Shipping Instructions to any freight forwarder or a freight forwarder to send a Certificate of Shipment to any exporter. UNeDocs brings together the best of all the UN/CEFACT standards with two other very important international standards. The first of these is called the United Nations Trade Data Element Directory (UNTDDED) and is maintained by the International Organization for Standardization as ISO 7372. The other is the WCO Data Model, which is maintained by the World Customs Organization (WCO). What's more, the business information from across a number of documents has been merged together into one common source, known as the UNeDocs Data Model. Almost any document used in the international purchase and supply chain can be derived from the Model's data definitions. This makes it easier for computer systems to accurately process data and reduce costs, such as the need to re-key information. It also makes it much easier for computer systems to exchange the information electronically which, of course, will also cut the costs associated with paper documents. As a result, the UNeDocs Data Model is a standard which can be used to build the information exchange frameworks required for international trade Single Window implementations²⁷.

Before implementation of the proposed UNeDocsPK project customized international trade documents based on UNLK have to be developed. UNeDocs methodology could then be applied to develop the standardized paper documents into the electronic version i.e. UNeDocsPK. Practical use of these requires development of an electronic trading platform for documents exchange and extensive training of the personnel in trade and

industry to become capable of making use of the standardized electronic trade documents. Arrangements also need to be made with the business management and IT educational institutions to teach UNEDocs methodology as a part of their curriculum.

5.13 Single Window

To initiate establishment of a Single Window, which would link all the relevant government organizations, port community, traders, transporters, financial institutions, insurance companies etc. with the Customs system, a preliminary study to determine the requirements for establishing a Pakistan Electronic Trade (PAKET) Network was carried out²⁸. Initial report of the study was not found to be sufficiently comprehensive and a follow up review was conducted by the World Bank in consultation with FBR to work out a mechanism for establishment of a Single Window that would meet all the trading requirements. FBR invited Expressions of Interest for establishing a Pakistan Customs Community based Computerized System (PACCS). Out of the offers received the qualified parties have been short listed and the Request for Proposal obtained. The proposal is to build an automated nation-wide commercial community single window system to:

- a. Integrate all the stakeholders engaged in international trade (and its domestic linkages); and
- b. Provide one stop shop for commercial, industrial and other transactional needs of the stakeholders.

The stakeholders include importers/exporters, government regulatory authorities, duty/tax collection authorities, logistic service providers, agents/brokers, sea/land/air carriers, terminal operators, banks and financial institutions, etc.

This initiative will be implemented through a public-private partnership (PPP) on Built Operate and Transfer (BOT) basis involving multi million dollar investment. The Public Private Partnership formed as result of above association between Government of Pakistan and the finally qualifying firm / company / consortia / joint-venture will provide services in the following areas:

- Business Process Re-engineering (BPR) for various sectors/ segments in consultation/association with the relevant stakeholders in order to integrate the diverse requirements in a single automated community environment.
- Design, develop, procure, implement, maintain and upgrade hardware, software, networking, infrastructure etc. suitable for a nation wide commercial community system on mutually agreed standards and for a mutually agreed time period.
- Any other activity identified for the effective creation, implementation, and maintenance and up gradation of the commercial community system.

The offers are now being evaluated for award of the contract.

5.14 Performance Indicators and Bench Marking

At present World Bank is conducting a Time Release Study (TRS) for cargo clearance time at border stations to bench mark the performance for comparison with other countries as well as for establishing the improvements that are achieved by implementation of the trade facilitation measures. This will require that the TRS is repeated at regular intervals for comparative evaluation.

The Logistics Cost Study carried out in 2006 found that the major logistics challenges in Pakistan today are related to domestic transport, IT development and implementation of contemporary “in-house logistics”. The key parameters in contemporary logistics – low lead-time, frequent and smaller deliveries, reliability in delivery times and quality – need to be introduced and focused at in Pakistani companies, the total quality and supply chain has to be bound together to avoid shortcomings at one end resulting in un-competitiveness at the client end²⁹.

To benchmark the performance of exporters in respect of logistics costs for comparison with performance of the competing countries he has recommended the following key performance indicators to be introduced.

Logistics Index

This is a logistics benchmark tool for assessing the overall logistics performance and competitiveness. The Logistics Index refers to the chain of logistical events that begins at the warehouse of finished goods and ends with the actual delivery to a customer. The index measures the ability of a country or company to fulfill customer needs and expectations, in particular with regard to securing timely and efficient execution of customer orders in line with prior agreements.

The main elements of the index are:

- a) Lead Time;
- b) Warehousing and distribution costs; and
- c) Safety stock levels.

Landed Cost Index

The landed cost index compares a number of elements of the shipping activities to assess the adequacy of pricing in relation to other ports in the region.

The components of the index are:

- a) Port handling fees;
- b) Import fees;
- c) Delay Costs; and
- d) Capital Costs.

Export Distribution Index

The Export Distribution Index compares the Pakistani situation as to access to capacity (incl. of airfreight) with the situation in countries with whom Pakistan is competing.

It includes the following elements:

- a) Access to capacity/frequency;
- b) Transport costs;
- c) Lead time;

Import Distribution Index

This index enables to make an assessment of the import situation as compared to that in competing countries. The index covers the general cost level and lead-time for import as well as the impact of lead-time from point of origin on the inventory (safety stock) level.

The index contains the following elements:

- a) Transport costs;
- b) Lead Time; and
- c) Inventory.

Studies to establish the proposed indexes to benchmark the performance indicators need to be carried out, and repeated at regular intervals to evaluate the improvement in performance.

5.15 Training for Human Resource Development

Over many decades development of human resource in all sectors of economy in public as well as private sector has been grossly neglected, and this is now proving a major restraint in moving ahead at the required pace to catch up with the modern international practices to compete in the international market. A major effort is required to sufficiently train the personnel working in all sectors of international supply chain.

The Directorate of Training, FCBR is responsible for training of the Customs officials. It also conducts occasional courses for training of the Customs agents to orient them to the new procedures and systems introduced by Pakistan Customs. Implementation of RKC and PaCCS is bringing about a major change in the operating systems of Customs. Although the work on upgradation of the Directorate of Training is in hand, the facilities available in terms of the training staff and computer systems are not adequate to provide the training of the required standard to the Customs officials and the Customs agents. The Directorate needs to be upgraded to an institute of international standard. Professionally competent training faculty working on long term tenure basis needs to be developed to provide training to all Customs as well as private sector personnel working at all Customs stations of the country.

Freight forwarders play a very important role in providing the logistics for the international trade. However, majority of the personnel working in the freight forwarding industry are not properly qualified and trained to perform their functions efficiently. To raise the professional standard of the freight forwarding industry the minimum qualification requirements for freight forwarders have already been developed. Courses for training of freight forwarders are also being conducted at some of the local private transport institutions. However, the training is based on an old course developed by UNESCAP in early nineties. Recently Pakistan International Freight Forwarders Association (PIFFA) has conducted Training for Freight Forwarding Trainers Workshop with technical support of FIATA, Geneva. The course content to suit the present day requirements of the freight forwarding industry in Pakistan is being developed. Proper arrangements will need to be made for the training to be conducted by professionally competent institutions.

International trade is now being carried out electronically making use of standardized trade documents. Standardized trade documents are not yet in vogue in Pakistan. Development of UNeDocsPK has been planned. However, for these to be used by the trade and industry extensive training of personnel, especially in small and medium enterprises, will be required. It will therefore be necessary to work out arrangements with the business management and IT institutions of repute to include UNeDocsPK in the curriculum of their regular business management and IT courses and also to conduct special courses for those already working in the industry.

6. National Trade Facilitation Strategy

6.1 Vision

Although a number of trade facilitation initiatives have already been taken, much work still remains to be done to streamline the international supply chain, eliminate the bottle necks that add to the cost of doing business and harmonize the procedures and systems with the best international practices. The National Trade Facilitation Strategy is adopted with the *vision to make the systems and procedures for transacting business in Pakistan at par with the best in the world to promote sustainable development and economic prosperity.*

It is realized that this will require full collaboration of all the stakeholders involved in each segment of the supply chain and it is expected that such collaboration would be forthcoming to make Pakistan an economically leading country.

6.2 NTTFC

NTTFC will serve as the focal point for implementing the NTFS. While the implementation of any of the measures would remain the responsibility of the concerned Ministries, public sector organizations and the private sector; the committee will facilitate the dialogue and provide the technical support for proposed innovations. It will not only arrange meetings among stakeholders and prepare technical reports but also act as a gateway for interaction with international organizations concerned with trade facilitation to identify international best practices. It will act as research coordinator for various agencies that address improvements in supply chain management, arrange workshops and seminars, and provide both electronic and hard copy information. NTTFC will also organize a capital-based support group for WTO trade facilitation negotiations.

To enable NTTFC Secretariat manage these functions adequate funds in the form of annual grant from EDF shall be provided to meet the operating expenses. The Secretariat will also be strengthened by employing a full time IT specialist.

6.3 Pakistan Customs

Pakistan Customs will keep itself abreast with the developments in WCO to ensure that all the procedures and systems adopted by Pakistan Customs are in accordance with the treaty obligations and latest recommendations of WCO. Pakistan Customs Act will be suitably revised as and when it becomes necessary to meet the requirements of the latest international standards.

PaCCS will be further improved to become capable of processing Customs transactions for all types of commodities and rolled out to all Customs stations in Pakistan.

Pakistan Customs Community based Computerized System (PACCS) will be developed and introduced to serve the requirements of all trade and transport transactions as Single Window for the integrated supply chain. All stakeholders such as traders, importers, exporters, freight forwarders, Customs agents, transport operators, port authorities, terminal operators, container depots, warehouses, ministries, government departments, banks, insurance companies etc.

Pakistan Customs may adopt WCO SAFE Framework of Standards as part of its trade facilitation initiatives towards Customs-to-Customs network arrangement and Customs-to-Business partnerships.

FBR will implement the international border security measures in a manner that these facilitate the international trade.

The FBR Directorate of Training will be upgraded to make it an institution of international standard. Necessary training will be provided to all Customs staff and Customs agents to become fully competent for correctly handling the latest procedures and systems.

6.4 SPS Controls

The legislation relating to SPS controls will be reviewed and revised, where necessary, to ensure compliance with the WTO Agreement on the Application of Sanitary and Phytosanitary Measures. The regulations for entry access will be suitably enhanced and a modern infrastructure developed to build the capacity for enforcement of the regulations.

Necessary infrastructure will be put in place to ensure compliance of SPS standards at farms, agricultural products and food processing plants, fishing boats, fish harbors and fish processing plants and suitable processes introduced to ensure monitoring of performance.

Suitable training programs will be executed to create awareness among the farmers, agricultural products handlers, food processing plants and fishing community of the international SPS standards, traceability requirements of various countries and importance of compliance with them.

The Plant Protection Department and Animal Quarantine Department will be IT enabled with modern management information systems and IT systems of these departments linked with PACCS to enable speedy verification of SPS status of vulnerable commodities imported in Pakistan and also to become capable of communicating electronically through the single window system.

6.5 Adoption of Electronic Trade Documents

Important trade documents will be standardized based on UNLK. The trade and industry, especially small and medium enterprises, will be encouraged to make use of these for all international trade transactions. Necessary guidelines will also be produced.

UNeDocs methodology for international supply chain will be adopted to produce Pakistan specific electronic documents for international trade UNeDocsPK and an electronic trading platform developed to convert paper based standard documents into electronic documents and vice versa.

To promote use of electronic documents arrangements will be made with the leading business management and IT educational institutions to introduce the use of UNeDocsPK in the curriculum of their regular courses and also to conduct training courses for the personnel working in the trade and industry.

6.6 Transit Transport

To facilitate trade to the landlocked member countries of ECO the Government of Pakistan will collaborate with other member countries of ECO to achieve early implementation of ECO TTFA.

The following bilateral and multilateral transit transport agreements will be reviewed and revised, where necessary, to improve their implementation:

- Agreement between Pakistan and Afghanistan on Traffic in Transit, 1965
- Transit Trade Agreement between Iran and Pakistan, 1975
- Traffic in Transit Agreement between China, Kyrgyzstan, Kazakhstan and Pakistan, 1995
- Economic Cooperation Organization (ECO) Transit Transport Framework Agreement (TTFA), 1998

The following international conventions listed for ratification/accession under the Programme of Action for ECO Decade of Transport and Communications (1998-2007) may be reviewed and acceded subject to study and potential advantages:

- Customs Convention on the International Transport of Goods under cover of TIR Carnet (1975) (TIR Convention)
- Customs Convention on the Temporary Importation of Commercial Road Vehicles (1956)
- Customs Convention on Containers (1972)
- International Convention on the Harmonization of Frontier Control of Goods (1982)
- Convention on the Contract for International Carriage of Goods by Road (CMR) (1956)
- New York Convention on Transit Trade of Landlocked States of 8 July 1965
- Convention on Civil Liabilities for Damage caused during Carriage of Dangerous Goods by Road, Rail and Inland Navigation Vessels (CRTD) of 10 October 1989
- Agreement on the International Carriage of Perishable Food Stuffs and on the Special Equipment to be used for such Carriage (ATP) of 1 September 1970

6.7 Transport Legislation

Processing of the following transport legislation will be expedited for enactment:

- Bill to Enact Carriage of Goods by Sea Act, 2006
- Bill to Enact Sea Carriage Shipping Documents Act, 2006
- Bill to Enact Carriage of Goods by Road (Liabilities) Act, 2006
- Carriage by Air Bill, 2005
- Marine Insurance Act, 2005

The International Convention for the Unification of Certain Rules relating to Bills of Lading of 1924 (The Hague Rules), as amended by the Protocol of 1968 (Visby Rules) and SDR Protocol of 1979 will be acceded to make the proposed Carriage of Goods by Sea Act applicable internationally.

On accession to the CMR Convention listed in the section on transit transport legislation for international carriage of goods by road will be enacted to enforce the convention in Pakistan.

6.8 Freight Forwarding

To upgrade the qualification standards of freight forwarders arrangements will be made by PIFFA with suitable institutions to conduct FIATA approved courses for training of freight forwarders.

Besides a regulatory framework of freight forwarders, a suitable regulatory mechanism will be developed.

6.9 Performance Indicators and Bench Marking

The following studies will be carried out systematically to establish the performance indicators and the bench marks for comparison:

- International Trade Transaction Procedures to identify the bottlenecks and the required improvements;
- Time Release Study for establishing the cargo clearance time at border crossings;
- Logistics Index for assessing the overall logistics performance and competitiveness;
- Landed Cost Index to assess the adequacy of pricing in relation to other ports in the region;
- Export Distribution Index to compare the situation in Pakistan as to access to capacity with the situation in countries with whom Pakistan is competing; and
- Import Distribution Index to make an assessment of the import situation as compared to that in competing countries.

6.10 Human Resource Development

Training of human resource has been identified as a major area of weakness in implementing IT oriented international trade transactions. To improve proficiency of the human resource:

- Pakistan Customs will adopt necessary measures for training of all Customs staff, Customs agents and the traders in modern Customs systems and procedures;
- Business management and IT educational institutions will be encouraged to make courses on use of electronic trade documents part of their curriculum and also to conduct courses for the personnel employed in trade and industry;

- SMEDA will organize suitable training courses on electronic trade documents for the personnel employed in small and medium enterprises;
- Trade and industry will be encouraged to get their personnel trained by the institutions offering suitable courses;
- PIFFA will organize training courses for freight forwarders with suitable training institutions and make it mandatory for the freight forwarders to get their personnel properly trained;
- MINFAL, PHDEB, Marine Fisheries Department and TDAP will conduct suitable training programs to create awareness of SPS requirements among all stakeholders;
- Civil Aviation Authority (CAA) will arrange suitable training programs to ensure that all organizations working in the aviation industry become capable of transacting their freight related business electronically; and
- NTTFC will play the role of facilitators for the suitable training facilities to be arranged.

7. Trade Facilitation Action Plan

7.1 NTTFC

Ministry of Commerce to strengthen NTTFC Secretariat by employing a full time IT specialist and ensuring annual grant from EDF to meet operating expenses of the Secretariat.

By December 2008

NTTFC Secretariat to develop linkages and liaise with international trade facilitation bodies and the national and regional trade and transport facilitation bodies to identify the best international practices for implementation in Pakistan.

Ongoing

NTTFC will organize a capital-based support group to provide inputs of Pakistan to Geneva based negotiators for WTO trade facilitation agreement.

Ongoing

NTTFC Secretariat to coordinate with all stakeholders to achieve implementation of NTFS.

Ongoing

7.2 Pakistan Customs

Roll out PACCS to all Customs stations in Pakistan

By June 2009

Implement border security measures at all border crossings.

By December 2009

Upgrade FBR Directorate of Training to international standards by providing modern facilities; IT systems; training equipment and materials; and properly trained, experienced and qualified staff on permanent basis..

By June 2010

Train all Customs staff and Customs agents in computerized systems and procedures.

On-going

7.3 SPS Controls

MINFAL to review legislation relating to SPS controls and suitably enhance the regulations for entry access.

By December 2008

MINFAL, PHDEB and Marine Fisheries Department to put necessary infrastructure in place to ensure complete compliance of SPS standards.

By June 2009

MINFAL, PHDEB, Marine Fisheries Department and TDAP to conduct suitable training programs to create awareness of SPS requirements among all stakeholders.

On-going

The Department of Plant Protection and Animal Quarantine Department to become fully IT enabled.

By December 2008

7.4 Adoption of Electronic Trade Documents

NTTFC to introduce standardized trade documents based on UNLK

By June 2009

NTTFC to adopt UNeDocs methodology for international supply chain to produce Pakistan specific electronic documents for international trade UNeDocsPK

By December 2009

NTTFC to get regular training courses in the use of UNeDocsPK introduced in the business management and IT institutions. SMEDA to arrange training courses for small and medium enterprises

By December 2009

7.5 Transit Transport

Government of Pakistan to collaborate with other member countries of ECO to achieve early implementation of ECO TTFA

By December 2008

Government of Pakistan i.e. Ministry of Commerce, Ministry of Communications and the Federal Board of Revenue to review and renegotiate bilateral and multilateral transit transport agreements to improve their implementation

By June 2008

Government of Pakistan i.e. Ministry of Commerce, Ministry of Communications and the Federal Board of Revenue to review international conventions listed for ratification/accession under the Programme of Action for ECO Decade of Transport and Communications (1998-2007) and accede to those considered beneficial

By June 2009

7.6 Transport Legislation

Government of Pakistan to expedite enactment of transport legislation at present under consideration of the Government

By June 2008

Government of Pakistan to accede to the Hague-Visby Rules to enable international application of the proposed Carriage of Goods by Sea Act.

By December 2008

Government of Pakistan to enact legislation for international carriage of goods by road after acceding to CMR Convention

By June 2009

7.7 Freight Forwarding

PIFFA to make arrangements with suitable institutions to conduct FIATA approved courses for training of freight forwarders on regular basis.

By December 2007

Besides a regulatory framework of freight forwarders, a suitable regulatory mechanism will be developed.

By June 2008

7.8 Performance Indicators and Bench Marking

NTTFC to conduct the following studies to establish the performance indicators and bench marks for comparison.

Logistics Index

By December 2008

Landed Cost Index

By June 2009

Export Distribution Index

By December 2009

Import Distribution Index

By June 2010

Time Release Study

By December 2010

International Trade Transaction Procedures

By June 2011

7.9 Human resource development

Pakistan Customs to train all Customs staff and Customs agents in computerized systems and procedures.

On-going

SMEDA to arrange training courses for small and medium enterprises in use of electronic trade documents to make them IT enabled for e-Commerce.

On-going

PIFFA to arrange holding of regular FIATA approved courses for training of freight forwarders.

By December 2007

MINFAL, PHDEB and TDAP to conduct suitable training programs to create awareness of SPS requirements among all stakeholders.

On-going

CAA to organize training courses for the organizations in aviation industry to conduct their freight related business electronically.

On-going

NTTFC to conduct awareness workshops and support the concerned organizations in their training programs

On-going

¹ UN/ECE Trade Facilitation – The Challenge for Growth and Development

² State Bank of Pakistan Annual Report 2007

³ World Economic Forum Report 2007

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⁵ UN/CEFACT TBG2-2006-33-1-UNEDocsBRS_09Mar07

⁶ UNESCAP Trade Facilitation Framework – a Guiding Tool, 2004

⁷ OECD (2005)

⁸ ARTNET A Comparative Analysis of Trade Facilitation in Selected Regional and Bilateral Trade Agreements

⁹ Trade facilitation in Global Trade Environment, Tom Butterly, Trade Facilitation, UNECE

¹⁰ www.apec.org/apec/ministerial_statements/sectoral_ministerial/trade/2001_trade/annex_b.html

¹¹ APEC Guideline to Revised Koyoto Convention

¹² http://www.unece.org/cefact/trafix/bdy_recs.htm

¹³ TBG-2006-33-1-UNEDocs BRS

¹⁴ <http://www.unescap.org/tid/publication/t&ipub2327.pdf>

¹⁵ www.ecosecretariat.org

¹⁶ http://www.unece.org/cefact/single_window/welcome.htm

¹⁷ TBG2-2007-13-6-UNEDocsPresentationFeb2007

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¹⁹ WTO Secretariat TN/TF/W/43/Rev.6 dated 8 May 2006

²⁰ <http://www.unescap.org/tid/artnet/pub/wp1706.pdf>

²¹ http://www.imo.org/safety/mainframe.asp?topic_id=59

²² WCO Customs Guidelines on Advance Cargo Information.

²³ Speech of Michael Schmidt, WCO Director Compliance and Facilitation at UN Security Council on 23 February 2007

²⁴ <http://www.cbp.gov/>

²⁵ Azhar Majeed Khalid pp presentation “Welcome to Pakistan Customs Computerized System (PACCS)”

²⁶ Strengthening Sanitary and Phytosanitary (SPS) Controls over Imports by G. I. Johnson and A. U. Malik

²⁷ www.sitpro.org.uk and www.unedocsuk.co.uk

²⁸ Requirements, Analysis and Proposed Specifications for Pakistan Electronic Trade (PAKET) Network by Sidat Hyder Morshed Associates (Pvt) Ltd

²⁹ Pakistan Logistics Cost Study June 2006 by Logistics Consulting Group, Denmark