100 DAYS OF COMMERCE DIVISION

AUGUST - NOVEMBER 2018









H.E Mr. Imran Khan Prime Minister of Pakistan



Mr. Abdul Razak Dawood Adviser for Commerce, Textile, Industry & Production and Investment



Mohammad Younus Dagha Federal Secretary Commerce



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ABOUT THE COMMERCE DIVISION

The Commerce Division remains dedicated to foster collective economic growth in the country, by harnessing the untapped potential of resources, industries, and individuals for the development and promotion of Pakistan's exports of goods and services and to attract foreign investment and improve business indicators.

ATTACHED ORGANISATIONS

- Trade Development Authority of Pakistan
- Trading Corporation of Pakistan
- State Life Insurance Corporation of Pakistan
- National Insurance Company Limited
- Pakistan Reinsurance Company Limited
- Trade Dispute Resolution Organization
- Expo Center Lahore
- National Tariff Commission
- Directorate General of Trade Organizations
- Pakistan Institute of Trade And Development
- Pakistan Institute of Fashion And Design
- Pakistan Horticulture Development & Export Company
- Intellectual Property Organization of Pakistan
- Pakistan Tobacco Board

MISSION STATEMENT

Contributing to the national economy through trade liberalization and facilitation, improving export competitiveness and reducing cost of doing business. Aim to achieve higher market access for Pakistani products in existing markets as well as new markets with ultimate aim of improving quality of life of the people of Pakistan.

CHARTER OF THE MINISTRY

Commerce Division is assigned the following functions:

- Imports and exports across custom frontiers
- Export promotion
- Commercial intelligence and statistics
- Anti-dumping duties, countervailing duties and safeguard laws
- Inter-Provincial trade
- Domestic Commerce
- Organization and control of Chambers and trade associations
- Law of Insurance and regulation and control of Insurance companies
- Administrative Control of Attached Departments/Organizations
- Selection of Trade Officers for posting in Pakistan's Missions abroad
- Tariff Protection Policy and its implementation
- Intellectual Property Organisation of Pakistan
- Management of EDF and EMDF

COMMERCE DIVISION WINGS

ADMINISTRATION

Administrative, financial and budgetary affairs of Ministry and affiliated organizations, trade offices abroad & administration of Commerce & Trade Group. All matters pertaining to Government owned Insurance Companies.

FOREIGN TRADE I, II, III

Trade diplomacy and market access initiatives.

WTO

Multilateral trade negotiations and compatibility of domestic laws with WTO laws.

TRADE POLICY

Formulation of Trade Policy.

IMPORT / EXPORT

Implementation of Trade Policy.

DEVELOPMENT

- Formulating, processing and monitoring development projects of Ministry and affiliated organizations
- Tabulations of all Trade Statistics and Analysis based thereon.

DOMESTIC COMMERCE

Supply Chain Management/ Inter provincial Trade

TRADE IN SERVICES

Formulating, processing and monitoring policies for trade in services

SERVICES TRADE DEVELOPMENT COUNCIL

To promote trade in services

COMMERCE DIVISION'S VISION AND TARGETS

The Commerce Division's **vision** under the new government, is to:

- i. Make the exports a driver of sustainable economic growth;
- **ii.** Transition from factor-driven to efficiency-driven exports in the short to medium term and innovation driven exports in the long term;
- iii. Improve competitiveness and efficiency of the industry especially export-oriented sector by reducing input costs and increasing productivity; and
- iv. Attract efficiency-seeking investment into export-oriented and import substituting production;
- v. Reduce the relative disincentive for the exporting activities by reducing structural anomalies;
- vi. Improve the trade ecosystem by increasing institutional efficiencies and reducing cost of doing business.

Accordingly, the new government, under its reform agenda is setting the following targets for the period 2018-23:

- i. To increase the exports at a minimum compound annual growth rate of 15% annually till FY 2023;
- ii. To improve competitiveness and efficiency of the industry, especially export sector, by restoring average mean tariffs to the levels of FY2011 within the next five years;
- iii. To increase regional integration by increasing the share of regional trade in the total trade from 17 % to 20%.
- iv. To increase share of non-traditional exports from 16% to 30% in 5 years.
- v. To improve the trade and investment ecosystem for improving Pakistan's ranking in the following indicators by 2023:
 - a. Global Competitiveness Index from 107TH to 70TH
 - b. Doing Business Index from 136TH to 80TH
 - c. Enabling Trade Index from 122ND to 60TH

COMMERCE DIVISION'S ACHIEVEMENTS DURING 100 DAYS AND

DURING 100 DAYS AND THE WAY FORWARD

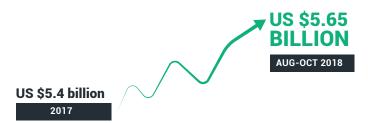
1. ACHIEVEMENTS

1.1 Increase in Exports

Pakistan's exports during the period August-October 2018 stood at US\$ 5.65 billion compared with US\$ 5.4 billion during the corresponding period of 2017. It reflects a 4.4% increase in dollar terms and 25% in rupee terms. In absolute terms the exports earned US\$ 240 million more than the corresponding period of last year.

The positive trend in exports was generated by the policy intervention of the new government:

- (i) rationalization of exchange rate
- (ii) decrease in tariffs of raw materials & intermediate goods
- (iii) supply of gas to the zero rated industry at lower cost,
- (iv) continuation of the export package, and;
- (v) release of sales tax refunds.





1.2 Decline in Trade Deficit

During the first 100 days of the new government, the increase in imports was arrested. There was insignificant increase of 0.1% in imports during Aug-Oct 2018 compared with previous year, mainly due to

- (i) exchange rate rationalization, and
- (ii) increase of regulatory duties on non-essential imports.

Due to the increase in exports & stagnation in imports, **Pakistan's trade balance is improved by 3%** during Aug-October 2018 compared with previous year.

1.3 National Tariff Policy

In order to enable Pakistan's manufacturing industry to compete in international markets, with the goal of boosting exports and creating jobs, Commerce Division has completed work on a National Tariff Policy.

Subject to Cabinet approval, we will formally announce the detailed policy within the coming few weeks.

1.4 Trade Related Investment Promotion Strategy

Commerce Division has developed a draft Trade Related Investment Promotion Strategy (TRIPS) in consultation with the stakeholders. TRIPS aims to channelize investment into export-oriented production and competitive import substitution. The framework seeks the following direction for investment related measures:

- i. Identify the priority sectors for seeking investment in the manufacturing sector;
- ii. Identify the critical enablers for attracting trade related investment.
- Provide the policy measures under the investment enablers in the priority sectors;
- iv. Devise strategy for investment promotion and implementation of the policy.

1.5 Strategic Trade Policy Framework (STPF 2018-23)

Commerce Division has drafted the Strategic Trade Policy Framework (STPF) 2018-23, which defines the policy direction for Pakistan's international trade especially exports for the 5-year tenure of the new government.

The STPF 2018-23 is an overarching policy framework that aims "to make Pakistan a dynamic and efficient domestic market and a globally-competitive export-driven economy".

The critical enablers, apart from tariff rationalization and investment, for exports growth strategy are;

- (i) competitiveness
- (ii) integration into global value chains
- (iii) enhanced market access
- (iv) institutional strengthening, and
- (v) improvement in export eco-system

1.6 Reform of Pakistan's Trade Missions Abroad

The commerce division has 58 trade officers in 42 countries in Pakistan's mission abroad.

The geo-strategic environment has changed considerably and there is a need to attune Pakistan's Trade Offices to deal with present and future challenges.

In view of the above, Commerce Division has prepared a comprehensive proposal for reform of these Trade Offices.

1.7 Implementation of a Performance Based System for Trade Officers

The Commerce Division is constantly endeavoring to improve the performance of its Trade Officers (TOs) posted in Pakistan's Missions abroad.

KPI's have been developed and trade officers monitoring & evaluation committee is constantly supervising their performance.

This is based upon retention of well-performing personnel while recalling the ones found to be "Below Average" performers.

1.8 Development Projects / Expo Centers Quetta and Karachi

Commerce Division has planned to establish Expo Centres in all major cities of the country. Two Expo Centers are already operational, one each at Karachi and Lahore.

Expo Centre Peshawar building is under construction at present. As a result of continuous persuasion by Commerce Division, the Government of Balochistan has recently leased a 50 acres piece of land situated at Quetta Industrial & Trading Estate, Phase-III Eastern Bypass Quetta, for construction of Expo Centre Quetta for which PC-I is under process.

At Karachi Expo Centre, as the present exhibition space is not sufficient to meet the market demand, Commerce Division plans to completely remodel the entire infrastructure and construct nine new halls, a Convention Centre, multi-story parking and an I.T. tower/office complex.

2. AUSTERITY MEASURES / REALLOCATION OF RESOURCES

2.1 Development Projects

Commerce Division has closed down a PSDP funded project namely "Purchase of Equipment, Curriculum Development and Training of PIFD Lahore" to save the amount which was being paid to project staff as salaries, while no PSDP funds were allocated to the Project by Planning Commission since last year.

MARKET ACCESS INITIATIVES



Belgian companies' visit to Pakistan

November, 2018

Commerce Division arranged visit of a delegation of 20 Companies' from Belgium. The delegation was led by Belgian Trade Promotional Agencies AWEX and FIT. In Karachi, Belgian delegation held meetings with TDAP, Sindh Board of Investment and CM Sindh. The delegation also held various B2B meetings.

In Lahore, the delegation met with Lahore Chamber of Commerce and Industry (LCCI), Punjab Board of Investment and Trade (PBIT), Governor Punjab and also held B2B meeting.

AWEX also signed MOUs with Sindh Board of Investment and Punjab Board of Investment and Trade (PBIT).

Second meeting of Pakistan-Azerbaijan Joint Working Group on Trade Cooperation

October, 2018

The second session of the Joint Working Group on cooperation in the field of trade between Azerbaijan and Pakistan was held in Islamabad on 11th-12th October 2018.

Both Sides agreed to consider having Mutual Recognition Agreement to enhance trade of agricultural commodities, prepare trade promotion plans, enhance customs cooperation, facilitate business visas and also looked into possibilities of having direct flights between the two countries.







Second Meeting Of Pak-Saudi Joint Working Group On Trade & Investment

September, 2018

Pakistan and Saudi Arabia held second meeting of Joint Working Group on Trade and Investment on 5th Sep, 2018.

Mr. Mohammad Younus Dagha, Federal Secretary Commerce, Pakistan and Mr. Abdulrahman Alharbi, Deputy Minister for Foreign Trade, Saudi Arabia co-chaired the session.

The Meeting was attended by Saudi Ministries of Commerce & Investment and Energy, Industry and Mineral Resources. Saudi companies like SABIC (Petrochemical Manufacturing Company) and Maadan (Mining Company) also participated. Pakistan side was represented by officials from Commerce Division, Energy and National Food Security. Both sides agreed to enhance trade and Saudi side expressed interest in investment projects.



17TH CAREC Ministerial Conference

November, 2018

The major outcome of the Conference was to endorse the CAREC Integrated Trade Agenda 2030 (CITA 2030) and Rolling Strategic Action Plan (RSAP 2018-2020) which aims to engage members in regional trade agreements, addressing technical trade barriers, **expanding trade in services and establishing special economic zones**.



The 2ND Meeting of Japan-Pakistan Joint Trade Committee

22nd November, 2018

During the meeting both sides discussed potential for Preferential Trade Agreement (PTA)/Free Trade Agreement. The possibility of Early Harvest Programme to reap the low hanging fruit was also explored. Commerce Division also presented possible alternatives to FTA like market access through the Japanese GSP scheme.

Pak-Qatar Business Forum

12-13 November, 2018

A Pak-Qatar Business Forum was organized at Doha in follow up of Business Conference held in July 2018 at Islamabad, which was attended by a number of Pakistani and Qatari companies dealing in food and construction sectors.





GSP+ MONITORING MISSION'S VISIT TO PAKISTAN

EU is one of the most important trading partners of Pakistan and almost 34% of Pakistan's total exports are destined for EU member states. Due to efforts of Commerce Division, Pakistan is one of the 10 beneficiaries of the EU's GSP+ scheme because of which it has duty free access on 91% of EU's tariff lines. As a result of GSP+, Pakistan's exports have increased by 47.25% to Euro 6.68 billion since 2013.

The Commerce Division has made concentrated efforts during the first 100 days of present government to positively engage with EU.

Pakistan's proactive engagement has resulted in both parties showing positive inclination towards increasing cooperation in all areas including trade in goods, services and investment. The GSP+ monitoring mission visited Pakistan from 17th to 26th October, 2018. The Commerce Division liasoned with other stakeholders and briefed the mission on mutual benefits of GSP+ scheme and the significant steps taken by Pakistan in compliance with UN conventions.



PAKISTAN IS ONE OF THE 10 BENEFICIARIES OF EU'S GSP+ SCHEME

EXPORT PROMOTION ACTIVITIES

SAUDI ARABIA







Pakistan Pavilion at FOODEX Saudi Exhibition 2018

12-15 November, 2018

Foodex Saudi Exhibition is the prime event of the region to focus on food sector , Pakistani companies participation was arranged in the event.

UNITED ARAB EMIRATES



Signing ceremony of Participation Contract with Expo 2020 authorities

28 October, 2018

Mr. Abdul Razak Dawood, Advisor to Prime Minister on Commerce, Textile, Industry and Production and Investment visited Abu Dhabi to participate in the signing ceremony of Participation Contract with Expo 2020 Dubai authorities on 28^{TH} October 2018.



GITEX

14th-18th October, 2018.

38th GITEX Technology Week, the annual International trade show was held at Dubai World Trade Center from 14th to 18th October, 2018.

Sponsored by the Trade Development Authority of Pakistan (TDAP) along with the support of Pakistan Software Houses Association (P@SHA), a special pavilion for Pakistan was designed for the teams to showcase their businesses at GITEX.

QATAR

International Products Exhibition and Conference

8-10 October, 2018

International Product Exhibition and Conference (IPEC) was held from 8th to 10th October, 2018 in Doha, Qatar and 35 Pakistani companies' participation was arranged by TDAP under the supervision of the Commerce Division with Emerging Pakistan branding and specially designed stalls. Delegation of Ministry and FPCCI attended IPEC and held meetings with Qatari officials and businessmen.



KAZAKHSTAN



Mango Festival July 2018



Pakistan Winter Exhibition 2018 26-28 October, 2018

FRANCE



TEXWORLD 17-20 September 2018



21-25 October, 2018

SIAL



Expo Protection 6-8 November 2018

UNITED KINGDOM

- Signing of MOU Between FPCCI & British Chamber of Commerce (BCC) and visits of Trade Delegations.
- Facilitated FPCCI in attending the BCC annual flagship "International Trade Summit" in London.



FPCCI Delegation with the HC 18 October, 2018



MOU signing BCC & FPCCI 18 October, 2018

ITALY

- Visit of Pakistani Business Delegation to Italy (03-Sep-2018)
- Establishment of Investment Facilitation Centre in OPF
- Pakistan's participation in EICMA Fair, Milan (6-11 Nov. 2018)
- Pakistan's participation in EIMA Fair, Bologna (7-11 Nov. 2018)









TAJIKISTAN



International Universal Exhibition August 2018



International Entrepreneurship Forum 15 October, 2018

UNITED STATES



Meeting with Brooklyn Chamber of Commerce
September 2018



Signing of MoU & Participation in Business Expo September 2018



National Safety Congress November, 2018

GERMANY







Mango Festival 14 August, 2018







RUSSIA

World Food Moscow 2018

17th September, 2018

Pakistan participated in World Food Moscow 2018 exhibition.



VIETNAM

Healthcare (Pharmedi) Exhibition Vietnam 2018 Ho Chi Minh

19-22 September, 2018

Various Pakistani companies participated in the Pharmedi 2018 Exhibition held in Vietnam.



INDONESIA



Zuria Dor at Jakarta Fashion Week October 21, 2018

AFRICA



Beauty West Africa Exhibition 21st November, 2018



Medic West Africa 10th October, 2018

AUSTRALIA



International Sourcing Expo 2018 20th-22nd November, 2018

NETHERLANDS



World Fashion Convention, Netherlands 2018 09th October, 2018



EMERGING PAKISTAN INITIATIVE

Emerging Pakistan is an initiative taken by the Commerce Division to facilitate exports and promote the goodness and opportunities in Pakistan.



For years, Pakistan has been cast in an image that does little justice to its reality. In truth, backed by a rising economy, vast natural resources, and a young population, Pakistan is a dynamic nation that is brimming with potential. Ever-increasing foreign investments in a variety of sectors affirm this.

Keeping the above principle in mind the Commerce Division has already started the process of amalgamation of the Emerging Pakistan concept in its sphere of activities like international & local trade exhibitions, seminars, business conferences and various other similar forums.

Furthermore, the Ministry has also initiated outreach programmes to further the ownership of 'Emerging Pakistan' brand through continued social media presence, creation of 'Emerging Pakistan' web portal, designation of Brand Ambassadors, 'Emerging Pakistan' themed international exhibitions, etc.



EMERGING PAKISTAN EVENTS

EMERGING PAKISTAN AT CHINA INTERNATIONAL IMPORT EXPO (CIIE) 2018, SHANGHAI

November, 2018

The first ever China International Import Expo was held during the first week of November, 2018 at the National Convention & Exhibition Centre in Shanghai. Under the theme of 'New Era, Shared Future' the Expo aimed at strengthening global economic cooperation and trade.

This event was the first of its kind, a country-level expo based on imports, that included business exhibitions, country pavilions and high-level parallel forums. More than 3,000 foreign companies from 130 countries including the United States of America and Europe were present at the expo.















EMERGING PAKISTAN EVENTS

EMERGING PAKISTAN AT TRADE AND INVESTMENT CONFERENCE 2018. SHANGHAI

5th November, 2018

Prime Minister Imran Khan addressed the Pakistan Trade and Investment Conference held in Shanghai on 5th November 2018.

Prime Minister said that CPEC would improve Pakistan's and China's connections with the Middle East and Central Asian Republics and open fresh investment avenues and new markets.

He said that Pakistan is an attractive place for foreign investors of 35, the country had a rich potential.



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PERFORMANCE OF ATTACHED ORGANISATIONS

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PAKISTAN HORTICULTURE DEVELOPMENT AND EXPORT COMPANY (PHDEC)

Participation in CIIE

Following its annual working plan, PHDEC participated in the CIIE 2018 in Shanghai, China from 5-10 November, 2018. PHDEC facilitated a delegation of 07 leading fruits and vegetable export companies to the event.



NATIONAL INSURANCE COMPANY LIMITED (NICL)

Following are the key achievements made by National Insurance Company Limited (NICL) during the last 100 days:

- 1. Longstanding Regulatory Returns for the years 2010, 2011, 2012, 2013 & 2014 have been finalized, approved and signed.
- 2. NICL is preparing to launch crop insurance and health insurance schemes.
- 3. Successful and orderly transfer of title of Dubai Properties in the name of NICL.

PERFORMANCE OF ATTACHED ORGANISATIONS

PAKISTAN INSTITUTE OF TRADE AND DEVELOPMENT (PITAD)

- 1. Trainings and workshops on Public Procurement Regulatory Authority, HS Code classification and French Language Course.
- 2. Study tours were organized for Specialized Training Program, KP and Punjab.
- 3. Several interactive sessions were held with Dr. Ishrat Hussain (Advisor to the PM on Institutional Reforms & Austerity) and Mr. Romulo Neves (Minister Deputy Head of Mission Brazil Embassy). Probationary officers also had interactive sessions with Islamabad Chamber of Commerce & Industry (ICCI) and Rawalpindi Chamber of Commerce and Industry (RCCI).
- **4**. PITAD embarked on a tree plantation drive too.





PAKISTAN REINSURANCE COMPANY LIMITED

- 1. The company's underwritten gross premium showed an increase of 39% and earned Underwriting Profit of Rs. 308 million
- 2. The company's earned Profit showed an increase of 112% and was awarded contract to procure an ERP System
- 3. The company achieved the Authorization Certificate from Security Exchange Commission of Pakistan to initiate Window Re-takaful Business Operations in the market.

TRADING CORPORATION OF PAKISTAN LIMITED

Overcame shortage of urea, brought more efficiency and transparency in the corporation, signed MoU with Kuwait based companies and initiated a fresh vigorous recovery drive.



PERFORMANCE OF ATTACHED ORGANISATIONS

TRADE DEVELOPMENT AUTHORITY OF PAKISTAN (TDAP)

The Trade Development Authority of Pakistan has undertaken several activities during the period August – November 2018 to promote exports from Pakistan.

Foreign Trade Delegations to Pakistan

- Visit of Japanese Delegation (UNIQLO)
- Visit of members of the European Parliament
- EU GSP Review Mission Delegation
- Visit of Japanese Delegation (UNIQLO)
- Belgian Trade Delegation to Pakistan
- Trade Delegation from Scotland
- Visit of Russian Delegation

International Exhibitions

AFRICA

- 1. Africa Sourcing & Fashion week, Ethiopia
- 2. Medic East Africa Exhibition & Congress, Nairobi, Kenya (Oct. 2018)
- 3. Medic West Africa, Lagos, Nigeria (Oct, 2018)
- Africa Largest International Apparel, Tex-tile & Footwear Trade Fair, Cape Town, South Africa (November, 2018)

EUROPE

- 1. Africa Sourcing & Fashion week, Ethiopia
- Medic East Africa Exhibition & Congress, Nairobi, Kenya
- 3. Medic West Africa, Lagos, Nigeria
- 4. Africa Largest International Apparel, Tex-tile & Footwear Trade Fair, Cape Town, South Africa

CHINA

- 1. Intertextile Shanghai
- 2. China Dental Show
- 3. All China Leather Exhibition
- 4. Intertextile Shanghai Apparel & Fabrics
- 5. Canton Fair, Phase I
- 6. Canton Fair, Phase-III
- 7. 21ST China Seafood and Fisheries Expo
- 8. Automechanika Shanghai

MIDDLE EAST

- The Global Health Exhibition -Riyadh, Saudi Arabia
- 2. The International Product Exhibition and Conference Doha, Qatar
- 3. GITEX Technology Week and GITEX Future Star Dubai, U.A.E
- 4. Hospitality Qatar Doha, Qatar
- 5. Foodex Exhibition Jeddah, KSA

SOUTH EAST & EAST ASIA

- 1. Fine Food Australia
- 2. International Sourcing Expo
- 3. Pharmedi and Healthcare Vietnam
- 4. Leather-Tech Bangladesh
- 5. Interfood SIAL Jakarta Indonesia
- 6. Asia Fruit Logistica, Hong Kong
- 7. Sialkot Chamber of Commerce & Industry Delegation to South Korea
- 8. Ports Goods Manufacturers' & Exporters' Delegation to Japan
- 9. Cosmoprof Asia 2018, Hong Kong

AMERICA

- 1. Magic, Las Vegas
- Apparel Textile Sourcing Fair, Canada AIM Expo, Las Vegas
- 3. NSC Congress & Expo, Houston

PERFORMANCE OF ATTACHED ORGANISATIONS

NATIONAL TARIFF COMMISSION

Some of the important achievements /activities of National Tariff Commission during August to November, 2018 are enlisted below;

- a. Anti-Dumping Investigations
- **b.** Tariff Protection Study
- c. Refund of Antidumping Duties
- **d.** Seminar on Tariffs and Trade Defense Instruments

IPO-PAKISTAN

Some of the important achievements /activities of IPO-Pakistan during August to November, 2018 are enlisted below;

- **a.** IPO Regional Office, Lahore has seen substantial growth in filing of IP Applications
- b. IPO Pakistan has also ensured effective IPR Enforcement Coordination, updated laws and the e-Office has been implemented.
- c. IPO-Pakistan signed a MoU with Punjab Information Technology Board for collaboration to promote innovation and inventions.

PAKISTAN TOBACCO BOARD

Some of the important achievements /activities of PTB during August to November, 2018 are enlisted below;

- **a.** For the first time the annual COP was conducted in the most inclusive manner.
- **b.** Auction of Tobacco 'cess' collection rights of Punjab Region-II.
- **c.** 200 tobacco leaves, 18 soil & 10 water samples were analyzed in the research stations of PTB.
- **d.** Construction of -2- Tobacco curing barns.
- **e.** Three vehicles were auctioned through a competitive auction process. This resulted in revenue generation of PKR 3,630,000.







