



YEAR BOOK 2017-18



Government of Pakistan
Ministry of Commerce



**GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE & TEXTILE
(COMMERCE DIVISION)
ISLAMABAD**

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MESSAGE FROM
ENGR. KHURRAM DASTGIR KHAN
MINISTER FOR COMMERCE



The Year Book for financial year 2017-18 of the Ministry of Commerce highlights the Ministry's efforts to facilitate, support and promote trade and commerce of the country.

The Ministry of Commerce formulates and implements the national trade policies and contributes to the national economy by safeguarding and promoting Pakistan's trade interests through trade liberalization and facilitation, improving export competitiveness and reducing cost of doing business. It aims 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.

Ministry of Commerce while playing its role in the government machinery to lift the economy of Pakistan has developed Strategic Trade Policy Framework 2015-2018, as a milestone to harmonize regulatory regime and support the private sector.

This document features achievements and activities of Ministry of Commerce and its attached departments for the FY 2017-18. It would be a useful document to the business community and researchers alike.

(Engr. Khurram Dastgir Khan)
Minister for Commerce
Ministry of Commerce

MESSAGE FROM SECRETARY COMMERCE



Year book of the Ministry of Commerce for the financial year 2017-18 has been prepared in pursuance of Rule 25(2) of the Rules of Business 1973. It contains the introduction, history, mission statement, functions and activities of the Ministry of Commerce and its attached Departments/Organizations for the FY 2017-18. The book depicts the broad features of the Trade Policy and its achievements. It also gives an over view of the performance of the state owned insurance entities i.e. State Life Insurance Corporation, National Insurance Corporation of Pakistan and Pakistan Re-Insurance Company Limited and other trade bodies and organizations which come under the purview/control of Ministry of Commerce.

Every effort has been made to make this book useful for researchers, Scholars and general readers. Any suggestion/observation for further improvement would be welcomed.

(Mohammad Younus Dagha)
Federal Secretary
Ministry of Commerce & Textile
(Commerce Division)

ABBREVIATIONS

ACCI	Azerbaijan Chamber of Commerce and Industry
APTA	Asia-Pacific Trade Agreement
ASEAN	Association of Southeast Asian Nations
CEPA	Comprehensive Economic Partnership Agreement
CPFTA	China-Pakistan Free Trade Agreement
DCRDC	Domestic Commerce Reform and Development Committee
DCW	Domestic Commerce Wing
DGTO	Directorate General of Trade Organizations
ECOTA	The Economic Cooperation Organization Trade Agreement
EDB	Engineering Development Board
EPZA	Export Processing Zone Authorities
FPCCI	Federation of Pakistan Chamber of Commerce and Industry
FTA	Free Trade Agreement
HLSCC	High Level Strategic Cooperation Council
HLTO	High Level Trade Official
IAP	Insurance Association of Pakistan
IIEC	Iran International Exhibition Company
JTC	Joint Trade Committee
MoC	Ministry of Commerce
MOU	Memorandum of Understanding
MPCEPA	Malaysia-Pakistan Closer Economic Partnership Agreement
NAMA	Non-Agricultural Market Access
NESPAK	National Engineering Services Pakistan (Pvt.) Ltd.
NICL	National Insurance Company Limited
NPMC	National Price Monitoring Committee
NTC	National Tariff Commission
NTTFC	National Trade and Transport Facilitation Committee
PAC	Public Accounts Committee
PHDEC	Pakistan Horticulture Development & Export Company
PIFD	Pakistan Institute of Fashion & Design
PITAD	Pakistan Institute of Trade and Development
PRCL	Pakistan Reinsurance Company Limited
PSDP	Public Sector Development Program
PTB	Pakistan Tobacco Board
SAFTA	South Asian Free Trade Area
SATIS	SAARC Agreement on Trade in Services
SECP	Securities and Exchange Commission of Pakistan
SLEDB	Sri Lanka Export Development Board
SLIC	State Life Insurance Corporation of Pakistan
SMC	SAFTA Ministerial Council
SSCC	Senate Standing Committee on Commerce
STDC	Services Trade Development Council
STPF	Strategic Trade Policy Framework
TCP	Trading Corporation of Pakistan
TDAP	Trade Development Authority of Pakistan
TDRO	Trade Dispute Resolution Organization
TIS	Trade in Services Wing
TPRM	Trade Policy Review Mechanism
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
WTO	World Trade Organization

1. THE MINISTRY

1.1 Introduction

The Ministry of Commerce formulates and implements the national trade policy and contributes to the national economy by safeguarding and promoting Pakistan's trade interests through trade liberalization and facilitation, improving export competitiveness and reducing cost of doing business. It aims 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.

The Ministry has developed a network of overseas Commercial Sections to facilitate the business community and to improve the prosperity of all Pakistanis in general. The network consists of 55 Commercial Sections in six continents and the officers deployed are highly skilled at their work which includes trade diplomacy, developing and implementing trade policy, negotiating international trade agreements and delivering high quality assistance.

1.2 History

The Ministry of Commerce was established immediately after independence of Pakistan in 1947. Mr. I. I. Chundrigar took oath as Commerce Minister in the first Federal Cabinet on 15th August, 1947. Mr. A.D. Moss was appointed as first Secretary Commerce on 1st September, 1947.

1.3 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.

1.4 Functions

As per Rules of Business, 1973 functions of the Ministry of Commerce are as under:-

1. Imports and exports across custom frontiers including:-
 - i. treaties, agreements, protocols and conventions with other countries and international agencies bearing on trade and commerce;

- ii. promotion of foreign trade including trade offices abroad, trade delegations to and from abroad, overseas trade exhibitions and conferences and committees connected with foreign trade;
 - iii. standards of quality of goods to be imported and exported
 - iv. transit trade and border trade; and
 - v. State trading.
2. Inter-Provincial trade.
 3. Commercial intelligence and statistics.
 4. Organization and control of chambers and associations of commerce and industry.
 5. Tariff (protection) policy and its implementation.
 6. Law of insurance; regulation and control of insurance companies; actuarial work; insurance of war, riot and civil commotion risks and life insurance but excluding health and unemployment insurance for industrial labor and post office insurance.
 7. Export promotion.
 8. Special Selection Board for selection of Commercial Officers for posting in Pakistan Missions abroad.
 9. Anti-dumping duties, countervailing and safeguard laws.
 10. Management of EDF/EMDF with representation of Textile Industry Division on their Boards.

1.5 Policy Objectives

People centric: Poverty alleviation and employment generation through export led growth

1.5.1 Supply side

- Value addition and Higher Unit Value
- Coordination for Improvement of Infrastructure
- Improving competitiveness through reduction in cost of doing business
- Facilitating investment in manufacturing sector

1.5.2 Market Side

- Focus on Export Marketing
- Better Commercial Intelligence
- Trade diplomacy/market access
- Diversification of export products and markets

1.6 Organizational Structure

1.6.1 Main Ministry

- **Wings of Ministry of Commerce**

The Ministry of Commerce consists of the following Wings:

a. Foreign Trade Wings

There are three Foreign Trade Wings in the Ministry:

- i) Foreign Trade-I
- ii) Foreign Trade-II
- iii) Foreign Trade – III

The Foreign Trade Wings are responsible for trade promotion / diplomacy and taking market access initiatives related to their respective regions.

b. World Trade Organization (WTO) Wing

WTO Wing deals with multilateral trade negotiations and synchronization of domestic laws with WTO laws.

c. Trade Policy Wing

Trade Policy Wing has been tasked to formulate the national trade policy and related documents/manuals.

d. Export-Import Wing

EXIM Wing Implements trade policy and deals with issues affecting imports& exports.

e. Domestic Commerce Wing (DCW)

Domestic Commerce Wing was established in this Ministry with a view to examine and propose policy interventions and institutional arrangements within the public and private sectors in pursuance of the Strategic Trade Policy Framework (STPF) 2012-15.

f. Services Trade Development Council (STDC) Wing

The Strategic Trade Policy Framework 2012-15 provides for the creation of Services Trade Development Council in the Ministry of Commerce, with the aim to make the services sector more competitive with a special focus on the development of exports of services from Pakistan.

g. Trade in Services Wing (TIS)

The realization of a need for a policy focus on development of trade in services resulted in creation of a Services Trade Development Council (STDC) and the Trade in Services (TIS) Wing within the Ministry of Commerce under the STPF (2012-15).

h. Development Wing

Development Wing deals with development projects of Ministry and attached organizations. It also tabulates and makes analysis of trade statistics.

i. Administration & Finance, Insurance Wing

Administration Wing deals with the administrative, financial and budgetary affairs of Ministry, its attached organizations, insurance companies and trade offices abroad. It also deals with the administration and career planning of the Commerce and Trade Group officers/officials.

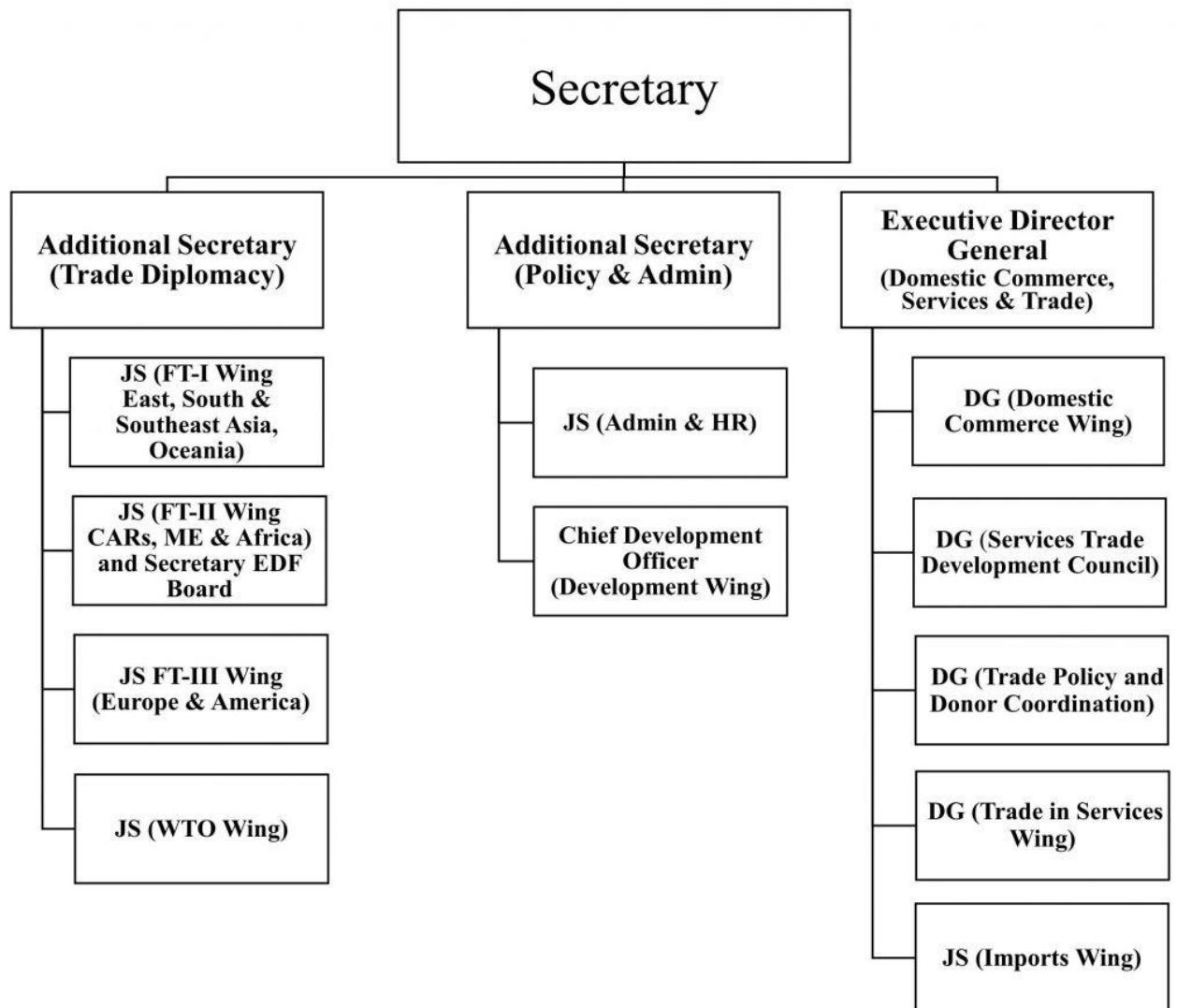
1.6.2 Attached Organizations

The following attached departments/subordinate organizations are operating under the administrative control of the Ministry of Commerce:

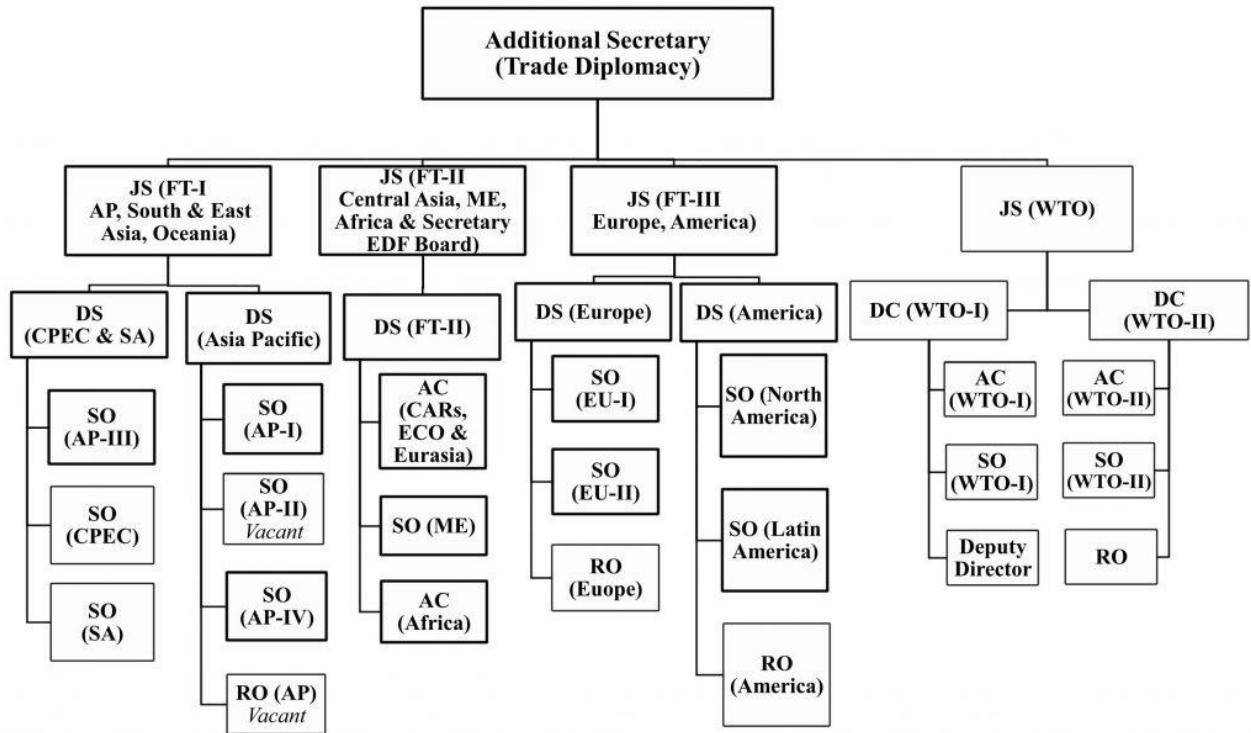
1. Pakistan Tobacco Board (PTB)
2. National Tariff Commission (NTC)
3. Trading Corporation of Pakistan (TCP)
4. Intellectual Property Organization (IPO)
5. Trade Development Authority of Pakistan (TDAP)
6. Pakistan Institute of Trade and Development (PITAD)
7. Directorate General of Trade Organizations (DGTO)
8. Trade Dispute Resolution Organization (TDRO)
9. Pakistan Institute of Fashion & Design (PIFD)
10. Pakistan Horticulture Development & Export Company (PHDEC)
11. Pakistan Expo Centers (Pvt) Ltd, Lahore

2. ORGANOGRAM

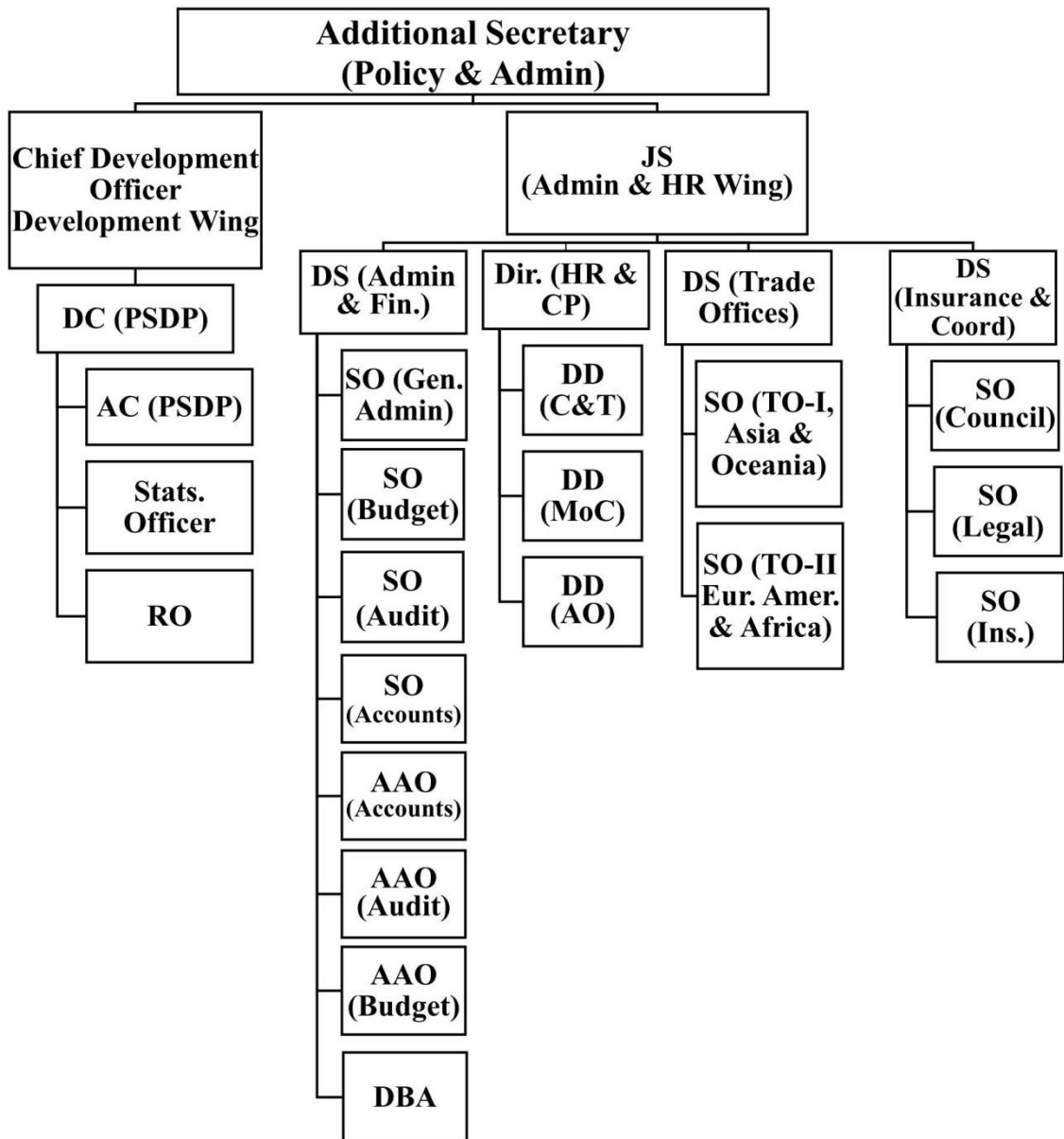
Organogram at Wings Level



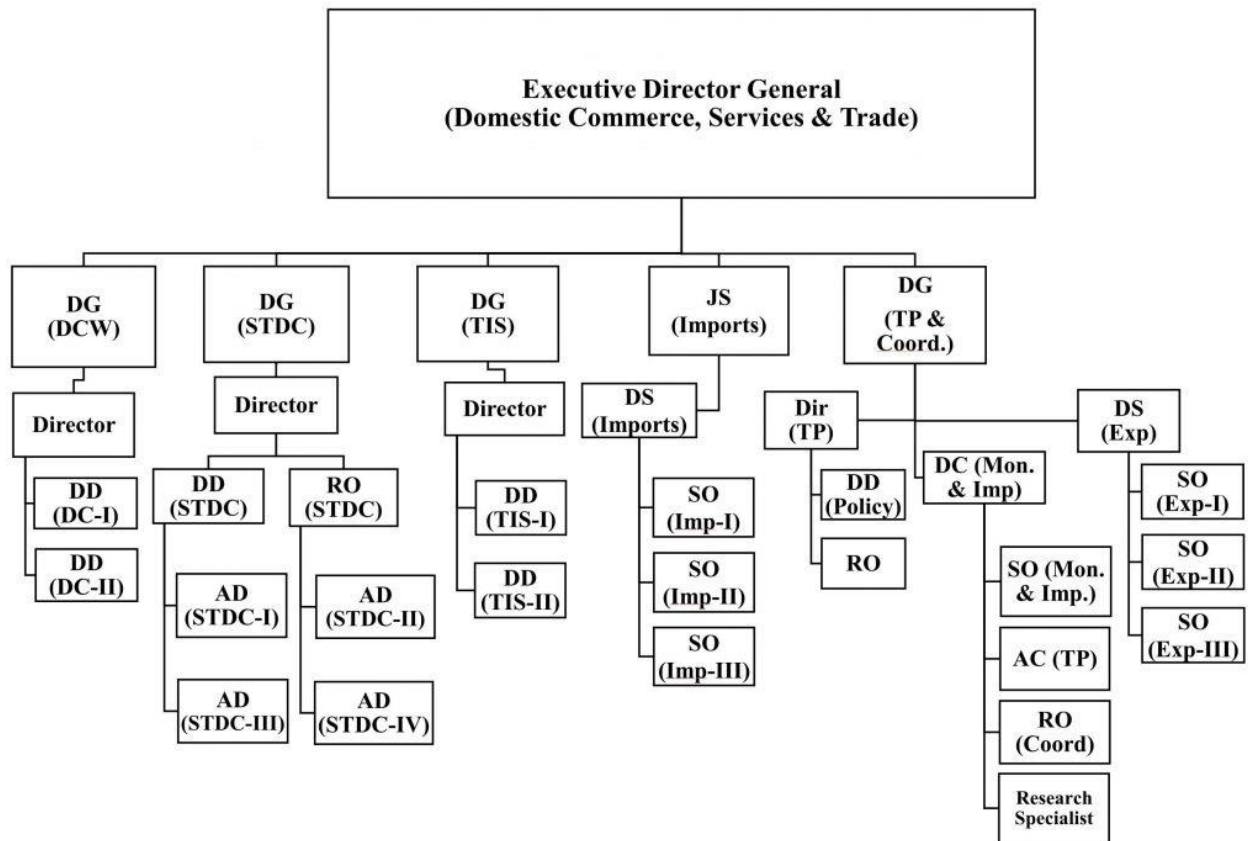
Organogram Trade Diplomacy Wing



Organogram Policy & Administration Wing



Organogram Domestic Commerce, Services & Exim Wing



3. ADMINISTRATION WING

3.1 Overview

The Administration Wing is responsible for overall human resource management and financial administration of main Ministry. Administration Section is responsible to better manage the human resource and capacity building of officers and staff. Posting, transfers, career planning, promotions, pay fixation and other service matters are dealt in HR&CP while general administration, budget, accounts & audit are under Deputy Secretary (Admn).

ACHIEVEMENTS

MOC Section has performed all the assigned tasks efficiently and effectively within the available resources and allocated budget of FY 2017-18. The prevailing rules, regulations and codal formalities, on case to case basis, have been fully observed. The functions of the Ministry were efficaciously performed.

S. NO.	ACTIVITY	CASES SUCCESSFULLY CONCLUDED
1.	Recruitment/ Appointment of Staff	44 Naib Qasids / Regular Farashs were appointed
2.	Recruitment/ Appointment of Consultants/ Research Associates/ Researchers	16 Consultants/ Research Associates / Researchers were appointed under EDF funded project
3.	Promotion cases of Staff	17 Staffs members across different tiers / cadres were promoted
4.	G.P. Fund advance	85 cases were processed and sent to AGPR for payment
5.	House Building Advance	43 cases were processed / sanctioned
6.	Motor Car/Motor cycle Advance	28 cases were processed / sanctioned
7.	Nomination of foreign/domestic training of officers/officials including attaché organizations of Commerce Division.	Total 135 nominations including Officers of Attached Departments, Subordinate Offices were made out of which 20 were domestic trainings.

HUMAN RESOURCE

Sanctioned Strength of Officers of Main Ministry

BS	Sanctioned posts
22	1
21	3
20	11
19	19
17/18	61
Total	95

Sanctioned strength of officials of Main Ministry

BS	Name of post	Sanctioned posts
17/18/19	Private Secretary	06
16	Assistant Private Secretary	40
16	Superintendent	06
16	Translator	01
16	Assistant	73
16	Statistical Assistant	01
14	Stenotypist	55
13	Grading Inspector	02
12	Data Entry Operator	02
11	Marketing Inspector	01
11	Upper Division Clerk	20
09	Lower Division Clerk	34
07	Draftsman	01
04/05	Drivers	17
04	DMO	01
04	Photo Stat Operator	01
04	Dispatch Rider	03
03	Daftry	03
03	Qasid	05
01/02	Naib Qasid	97
01	Regular Fresh	03
	Total	372

CAPACITY BUILDING OF OFFICERS AND STAFF OF MINISTRY

Ministry nominates its officers and staff for capacity building, job oriented and meaningful training from the National and International forums.

Foreign Trainings for officers: -

Invitations are received from different foreign countries like China, Japan, Korea, Malaysia for various Training programmes, Seminars, Workshops, Courses, Master Degree Programmes and long/short term training Programmes. These International Training facilities are offered through Economic Affair Division, Planning & Development Division, World Trade Organization Geneva, and other Governmental and non-governmental organizations.

During 2017-18 Ministry of Commerce sent 135 Officers abroad for different Trainings.

Local Training for Officers & Staff: -

Ministry encourages Training of officers and staff from Local Institutions offering various capacity Building Courses. Accordingly officers/officials are nominated for training courses offered by the following training institutes: -

- Pakistan Institute of Trade & Development (PITAD), Islamabad.
- Secretariat Training Institute, (STI) Islamabad
- National Information Technology Board (NITB) formerly Pakistan Computer Bureau, Islamabad
- Pakistan Manpower Institute, (PMI), Islamabad
- Pakistan Institute of Management, (PIM) Lahore, Karachi, Islamabad
- Pakistan Planning and Management Institute (PPMI), Islamabad
- National School of Public Policy, Lahore.
- National Defence University, Islamabad.

During 2017-18 Ministry of Commerce sent 20 officers/officials for different local Trainings.

4. EXIM WING

4.1. Functions

Exim Wing regulates and monitors the implementation of Import Policy Order (IPO) & Export Policy Order (EPO). The wing is divided into two sub-wings i.e. Imports and Exports. The functions assigned to the Wing are as under:

1.1. Imports

The functions assigned to the Wing on import side are;

- Operational matters of Trading Corporation of Pakistan (TCP).
- Duty free import of cars under the Disabled Persons Scheme.
- Processing of requests for condonation of IPO policy on case to case basis.
- Import of Arms and Ammunition.
- Negative / Restricted List (Appendix-B&C) available in Import Policy Order, 2016 on MOC website.
- Vehicles under Personal Baggage, TR and Gift Scheme, and in used condition.
- Imports from India.

1.2. Exports

The functions assigned to the wing on the export side are:

- Coordination with President and Prime Minister Secretariat
- Coordination with Directorate General Trade Organizations to seek views/comments for President's Secretariat and Prime Minister's Office regarding requests by Chambers/Associations.
- Preparation of draft speeches for President and Prime Minister.
- Providing briefs, guest lists and other information regarding call group to President / Prime Minister in coordination with Chambers / Associations.
- **Airport protocol passes**
 - To recommend request of the exporters for issuance of protocol passes after the examination of the requisite documents and criteria.
 - Sector specific consultations.
 - To provide information & facilitation to Trade Associations, Chambers and Government

Departments on these specific export sectors.

- To provide policy input/views/recommendations for the development of export sectors.
- To liaise and coordinate with sector specific Trade Associations for policy implementation. To address grievances / problems of the relevant Exporters / Associations recommending policy / procedural amendments.
- **Matters pertaining to PIF&D, DGTO, Chamber of Commerce & Industry, Trade Associations, EPZ, PHDEC and PTB.**
 - To coordinate with trade bodies, DGTO, TDAP, PIF&D and Export Processing Zone Authorities.
 - To address grievances/problems of the relevant Organizations and recommending policy/procedural amendments as per the mandate of Ministry of Commerce.
 - To coordinate and facilitate annual meetings and other events on behalf of Ministry of Commerce.
 - Mentoring export promotion initiatives like exhibition/fairs/trade Delegations through TDAP and Trade Missions abroad,
 - Processing the cases regarding relaxation, clarification and authorization of the above commodities.
 - Interpretation and implementation of regulatory matters of Export Policy Order.
 - Dealing with the operational matters of the Pakistan Horticulture Development & Export Company.
 - Preparation of summaries for ECC of the Cabinet regarding export of products on restricted or banned list.
 - Coordination with relevant stakeholders regarding quality certification/ standard and inspection etc.
 - Resolution of issues of Tobacco Board like price fixation & grading of tobacco, cess collection etc.
- **Liaison with EDF Secretariat**
 - To keep a liaison with EDF secretariat and review and seek comments from EDF Secretariat on the proposals received by trade bodies.

4.2. Activities

Besides the disposal of day to day work according to the functions listed above, the following important activities related to improvement of work in Exim Wing were carried out during the current financial year (2017-18):

2.1. Import Wing

i. Arms Import Policy:

In pursuance of the Cabinet's decision, Case No. 158/10/2018 dated 13.03.2018 a revised procedure has been devised for the import of arms and ammunition by the Ministry of Commerce vide S.R.O. 772(I)/2018 dated 14-06-2018. The new procedure is aimed to reduce the procedural requirements in the import of Arms and Ammunition. Hence, this Ministry recommended that the prevailing mechanism of granting import authorizations for import of arms and ammunition reflected at serial no. 65 in Part I of Appendix-B of Import Policy Order 2016 by Commerce Division may be done away with and individuals holding valid arms licence or Arms dealers who have valid arms license from Home Departments of the respective Provinces in case of dealers located in that Province and Ministry of Interior in case of dealers located in Islamabad Capital Territory or Federally Administered Tribal Areas may be allowed to import arms and ammunition. Hence, SRO No. 1112(I)/2014 dated 16th December, 2014 was repealed.

ii. Import-Cum-Re-Export of Arms and Ammunition by the Foreign Hunters

To promote tourism in the country, this Ministry issued 23 authorizations to 90 foreign hunters to import arms and ammunition on Import-cum-Re-Export.

iii. Measures taken to eliminate chances of utilizations of fake/ forged import authorizations.

Authentication of genuineness of Import Authorization issued by this Ministry has been verified to the concerned departments and approximate 45 cases were processed for armed forces officers, 3 cases for the Gazetted Government Officers and 71 of foreign hunters.

iv. Disabled personal Scheme:

The Strategic Trade Policy Framework (STPF 2015-18) generally and Para-16 of the Import Policy Order (2016) specifically provides for import of brand new duty free cars or locally assembled cars of engine capacity not exceeding 1350 CC by the disabled persons for their personal use to

overcome the physical disability. Further, three wheeler motorcycle in new condition are allowed to be imported. No of authorizations issued is 45. Detail is given as under:-

Province wise authorizations issued from 01-07-2017 to 30-06-2018 for disabled personal scheme		
Sl. No.	Name of Province/organization	No. of authorizations issued
1	Punjab	01 (local)
2	Sindh	12
3	KPK	11
4	Quetta	--
5	AJK	5
6	Federal Area	--
7	Army	16
8	Gilgit Baltistan	--
Total		45

v. Operational Matters of TCP

The import wing has also been engaged in coordinating operational matter of the Trading Corporation of Pakistan (TCP). Besides other miscellaneous business relating to TCP, the coordination activities include preparation and submission of Summaries to ECC of the Cabinet, forwarding the cases for allocation of Foreign Exchange from the Finance Division for the import operations of TCP, communicating relevant ECC's decisions regarding import/purchase of various commodities i.e. urea, cotton etc., seeking implementation status reports from TCP on the ECC's decisions and soliciting necessary approvals for their onward submission to the Cabinet Secretariat.

2.2. Export Wing

The Export Wing of the Ministry of Commerce has conducted the following activities during fiscal year 2017-18:

i. Matters of Pakistan Tobacco Board

Minimum Indicative Price (MIP) of Tobacco and Cess Rates were revised after seeking approval of the Cabinet.

ii. Export facilitation:

(a) Sugar

Economic Coordination Committee (ECC) of the Cabinet approved an export of 2 MMT (million metric tonnes) of sugar with freight support of Rs. 10.70 per kg to be shared by Federal

and Provincial Governments on 50:50 basis. It earned reasonable foreign exchange for the National Exchequer.

(b) Urea

The Economic Coordination of the Cabinet extended deadline in urea export from 31-10-2017 to 28-02-2018 and also approved an additional quantity of 35,000 MT of urea to enable total exports of 76,000 MT of urea to Sri Lanka.

iii. Recommendation for Airport Passes

As per policy of Aviation Division, this Ministry recommends names of the leading exporters with export performance US\$ 15.00 million in the preceding year and forward request of Presidents and Vice Presidents of trade associations and chambers. Protocol passes for a total 128 exporters were recommended to Aviation Division.

iv. Coordination with President's Secretariat and Prime Minister's Office

Export Wing of the Ministry liaised with President's Secretariat and Prime Minister's Office and provided requisite documents for the following events organized by Chambers/Associations during the FY 2017-18:-

- Invitation to Honourable President of Pakistan as Chief Guest for inaugural ceremony of 4th ABAD International Expo on 12th August, 2017 at EXPO Centre, Karachi.
- Minister for Commerce & Textile attended as Chief Guest at the Closing Ceremony of the 19th International Poultry Expo on 26th August, 2017.
- Request for meeting by M/s. Litalogy businessman delegation of Karachi with the Honourable President of Pakistan on 24th November, 2017 at Aiwan-e-Sadr, Islamabad.
- Minister for Commerce & Textile grace the ceremony as Chief Guest on 4th Pakistan Mega Leather Show (PMLS) held on 27-29 January, 2018 at Expo Centre, Lahore.
- Rice Exporter Association of Pakistan invited the Honourable President of Pakistan as Chief Guest on REAP 10th Export Trophy Award Ceremony held on 20th April, 2018.
- Faisalabad Chamber of Commerce & Industry invited Honourable President of Pakistan as Chief Guest in Made-in-Faisalabad Expo 2018 held on 24th March, 2018.
- Prime Minister visited Sialkot Chamber of Commerce & Industry on 11th December, 2017.
- Prime Minister meeting with President of Federation of Pakistan Chambers of Commerce & Industry on 15th December, 2017.

- Prime Minister meeting with delegation of Lahore Chamber of Commerce & Industry on 13th May, 2018.

v. Appeals against orders of DGTO

Exim Wing of the Ministry has settled the appeal cases of Trade Bodies against DGTO:

- Order in Original No. 36 passed by the Secretary Commerce on 20th August, 2017 on appeal filed by Gujrat Chamber of Commerce & Industry.
- Order in Original No. 37 passed by the Secretary Commerce on 21st July, 2017 on appeal filed by Mr. Qasim Shahid Dar, Cherry Pharmaceutical International, Lahore.
- Order in Original No. 39 passed by the Secretary Commerce on 3rd October, 2017 on appeal filed by Mardan Chamber of Commerce & Industry.
- Order in Original No. 01/2018 passed by the Secretary Commerce on 14th February, 2018 on appeal filed by Air Cargo Agents Association.
- Order in Original No. 38 passed by the Secretary Commerce on 12th September, 2017 on appeal filed by Gwadar Chamber of Commerce & Industry.
- Secretary Commerce has approved one time condonation of delay of period for renewal of licence on appeal filed by Pakistan Agriculture & Dairy Farmers Association.
- Order in Original No. 03/2018 passed by the Secretary Commerce on 1st June, 2018 on appeal filed by Landhi Association of Trade and Industry, Karachi.
- Order in Original No. 02/2018 passed by the Secretary Commerce on 10th May, 2018 on appeal filed by Pakistan Chemists and Druggist Association, Karachi.
- Order in Original No. 04/2018 passed by the Secretary Commerce on 12th June, 2018 on appeal filed by Non-Profitable Association of Baby Food Manufacturers & Marketers Association.
- Secretary Commerce has approved one time condonation of delay of period for renewal of licence on appeal filed by Halal Product and Services Association of Pakistan.
- Order in Original No. 05/2018 passed by the Secretary Commerce on 13th June, 2018 on appeal filed by Hunza Chamber of Commerce & Industry
- Order in Original No. 06/2018 passed by the Secretary Commerce on 25th June, 2018 on appeal filed by Pakistan Leather Garments Manufacturers Association.
- Secretary Commerce has approved one time condonation of delay of period for renewal of licence on appeal filed by Livestock Exporters Association of Pakistan.

- Order in Original No. 07/2018 passed by the Secretary Commerce on 25th June, 2018 on appeal filed by Pakistan Film Producers Association.

5. FOREIGN TRADE-I

Pakistan-China:

China-Pakistan Free Trade Agreement (CPFTA) on trade in goods was signed on 24th November, 2006 and implemented from 1st July, 2007. FTA on Trade in Services was signed on 21st February, 2009 and is operational from 10th October, 2009. The FTA covers more than 7000 tariff lines at the 8 digit level of HS Code. Both sides are currently negotiating Phase-II of the FTA. Last round (10th round) of negotiation for China-Pakistan Free Trade Agreement (CPFTA) Phase-II was held in Islamabad on 2nd April, 2018.

1st China International Import Expo was held in Shanghai, China, on 5-10th November, 2018. Pakistan was invited as the guest of honor in the Expo. The Pakistan Pavilion at the CIIE 2018 was based on the theme of “Emerging Pakistan. Stalls were set up to attract business in Textiles, Food, Services, Sports and Industries’ sectors. The Expo was attended by prominent world figures like President of Russia, President of China, founder of Microsoft Corporation Mr. Bill gates, and Co-founder and Executive Chairman of Alibaba Group Mr. Jack Ma.

Pakistan Trade and Investment Conference was held in Shanghai, China on 5th November, 2018. The event was attended by 360 Chinese Companies/ representatives, and 400 Pakistani Businessmen.

Pakistan’s export to China has increased from US\$ 1,463 million in FY 2016-17 to US\$ 1,741 million in FY 2017-18.

Pakistan-Sri Lanka:

Pakistan-Sri Lanka FTA became operational from 12th June 2005. The Sixth Secretary Commerce Level Technical Talks between Pakistan and Sri Lanka were held on 6th January, 2016. During this meeting talks were held on broadening the scope of FTA by inclusion of chapters on Services and Investments. Accordingly, Pakistan side presented draft chapters on Services and Investments to Sri Lankan side. Pakistan enjoys trade surplus with Sri Lanka. Pakistan’s export of potatoes to Sri Lanka increased to 99,440 tons in 2018 as opposed to 50,381 tons in 2017 thus fetching revenue of US\$ 17.54 million as opposed to US\$ 9.34 million of the corresponding period of last year.

Exports of Pakistan to Sri Lanka has increased from US\$ 249 million in FY 2016-17 to US\$ 289 million in FY 2017-18.

Pakistan-Malaysia:

The Comprehensive Free Trade Agreement (FTA) for Closer Economic Partnership between Pakistan and Malaysia was signed on 08-11-2007 and became effective from 1st January 2008. Under the Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA), a Joint Committee has been established to review the implementation and operation of this Agreement. The 3rd Session of the Joint Review Committee was held on 27th -28th September, 2016, in Kuala Lumpur. Both sides agreed to carry review of the FTA and explore further areas of trade liberalization.

Pakistan's exports to Malaysia has increased from US\$ 139.7 million in FY 2016-17 to US\$ 145 million in FY 2017-18.

Agreement on South Asian Free Trade Area (SAFTA):

The Agreement on South Asian Free Trade Area (SAFTA) was signed during the 12th SAARC Summit on 6th January, 2004. The first tariff reduction under the Trade Liberalization Programme (TLP) was enforced w.e.f. 1st July 2006. Pakistan hosted Third SAARC – ADB Special Meeting on Regional Economic Integration Phase-II in April, 2017 in Islamabad wherein the implementation status of the previous decisions in identified priority areas for moving towards South Asian Economic Union was discussed.

Pakistan-Indonesia:

The Third Joint Review Committee meeting of Pakistan Indonesia Preferential Trade Agreement review was held on 10th and 11th August 2017 at Jakarta, Indonesia wherein Indonesian side acknowledging the concerns of Pakistan to make PTA a mutually beneficial proposition, agreed to further reduce duty to zero on two textile products included in existing PTA; to favorably consider granting unilateral market access on 20 items of Pakistan's export interest, previously not included in PTA.

A protocol to this effect was signed during the visit of the President of Republic of Indonesia, H.E. Mr. Joko Widodo on 26-27 January, 2018 and the duty free access on these 20 tariff lines is **operational since March 1, 2019**. Indonesia side also agreed to open import of

Kinnow for entire season i.e. Dec to April and to allow import of mangoes from Pakistan. (Pakistan is the only country given such permission after ASEAN).

Pakistan-Thailand:

The Cabinet accorded approval to initiate negotiations on Pak-Thailand FTA (PATHFTA) in its meeting held on 24th August, 2015. The 9th round of Pakistan-Thailand Trade Negotiating Committee (PATHTNC) was held in November, 2017 in Bangkok, Thailand. To date, both sides have almost completed the text of the Agreement, shared their respective initial request lists and tariff reduction modalities. Public consultations for arriving at Pakistan's request list were held by the Ministry of Commerce in October 2016 and 2017. Both sides have shared offer lists of 200 top priority items which are being analyzed.

Pakistan's exports to Thailand has increased from US\$ 137 million in FY 2016-17 to US\$ 185 million in FY 2017-18.

Pakistan-Japan:

The 2nd Meeting of Japan-Pakistan Joint Trade Committee was held in Islamabad, Pakistan, on **22nd November, 2018** while 6th Round of Joint Government Business Dialogue (JGBD) between Pakistan and Japan was held on **10th December, 2018** at Tokyo, Japan. During these meeting potential for Preferential Trade Agreement/Free Trade Agreement between Pakistan and Japan and possibility of Early Harvest Programme and possible Alternatives including market access through GSP were negotiated.

Pakistan-South Korea:

The second meeting of Pakistan-South Korea Joint Trade Committee was held on 25th April, 2017 in Islamabad. Both sides agreed to formally explore the possibility of signing a Free Trade Agreement between Korea and Pakistan. Both sides have completed their respective feasibility studies. The feasibility studies have strongly recommended conclusion of a Free Trade Agreement between the Islamic Republic of Pakistan and the Republic of Korea.

Pakistan – Vietnam:

The fourth Pakistan Indonesia Joint Trade Commission (JTC) was held in Islamabad, on 4th to 5th October 2017. Both sides agreed on exchanging trade delegations and participating in Expos. It was also decided that Pakistan will work on meeting Vietnamese regulatory requirements

to consider exporting meat. The Vietnamese side expressed interest in participating in the energy sector and supplying industrial equipment for the power companies. Pakistan raised the issue of signing a Preferential Trade Agreement to facilitate trade between two countries.

Pakistan-Bangladesh:

Pakistan and Bangladesh share the membership of SAARC, OIC and D-8. These are two major Islamic nations of South Asia, a region which is trying to come closer under the ambit of SAARC Free Trade Agreement (SAFTA). Both the countries have been working closely at international fora for promoting regional integration, trade, security and world peace. The volume of trade between Pakistan and Bangladesh has always remained in favor of Pakistan.

Total trade of Pakistan with Bangladesh increased from US\$ 678 million in 2016-17 to US\$ 805 million in 2017-18.

6. FOREIGN TRADE-II

S#	Points	Reply / Comments
AFRICA		
i.	Regional Coverage (countries)	<p><u>AFRICAN COUNTRIES:</u> Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cabo Verde, Cameroon, Central African Republic (CAR), Chad, Comoros, Democratic Republic of the Congo, Republic of the Congo, Cote d'Ivoire, Djibouti, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, South Sudan, Sudan, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe.</p>
ii.	Targets set out by Ministry of Commerce	<p><u>Targets:</u> Ministry of Commerce prepared a comprehensive policy plan 'Look Africa' to give priority to Africa for enhancement of Pakistan Africa Trade and to increase engagements with African Countries. Main targets set out in the policy are:</p> <ul style="list-style-type: none"> • Enhanced engagement with Africa. • Opening of new commercial sections in Africa and granting accreditation.

		<ul style="list-style-type: none"> • Start negotiations on bilateral/ multilateral trade agreements and establishment of Joint Working Groups (JWGs) on Trade • Africa Cell of TDAP Karachi will provide special subsidy (80-90%) to companies/delegations to encourage their participation in exhibitions in Africa
iii.	Activities and Achievements during 2017-18	<p><u>Activities/Achievements:</u></p> <p>In the light of above stated targets set by Ministry of Commerce regarding Africa, the following activities have been undertaken during the time under consideration:</p> <ol style="list-style-type: none"> 1. Bilateral trade with Africa has stayed around USD 3 Billion for the last many years. It has crossed the mark of USD 3 billion in 2017-18 reaching USD 4.26 billion. 2. 2nd Pak-Tunisia Trade Negotiation Committee meeting was held in February 2018 during which the final draft agreement was finalized and initialed. Pakistan's request list has been shared with Tunisia and their list is awaited. 3. Bilateral Trade Agreements are under negotiation with Nigeria, Ethiopia, and Rwanda. 4. Pak-Kenya Joint Trade Committee (JTC) was established and the composition of the JTC was exchanged. 1st meeting of the JTC was scheduled for 30th-31st March, 2019. 5. Joint Working Groups (JWGs) with Egypt, Ethiopia, Nigeria, South Africa and Rwanda are under negotiation. 6. To enhance engagement with African countries, Trade Officers are better engaging with respective Governments and Business leaders, an active liaison is maintained with African Ambassadors/High Commissioners in Pakistan and regular exchange of felicitations is done. 7. Look Africa Trade Forums were organized in Lahore, Islamabad and Peshawar in 2018 to create awareness in Pakistan Business Community. <p>After the launch of Look Africa Policy Initiative, 12 exhibitions in Egypt, Morocco, South Africa, Nigeria, Kenya, Tanzania and Ethiopia etc. and 1 delegation of Surgical, Pharma and Sports Goods to Algeria and Tunisia have been sponsored by TDAP under the policy in 2018 with special subsidy (80-90%). Resultantly three major trade fairs in Nigeria have been included in TDAP calendar. Single Country</p>

		Exhibitions have been planned in Kenya and Nigeria in the upcoming months as part of Look Africa Policy Initiative.
CENTRAL ASIAN REPUBLICS AND ECO		
	Regional Coverage (countries)	Afghanistan, Iran, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan
	Targets set out by Ministry of Commerce	<p>Targets:</p> <p>To increase engagements with Central Asian Republics and ECO, Ministry of Commerce has set the following main targets:</p> <ul style="list-style-type: none"> • Enhanced engagement with CARs through institutional arrangements and exchange of business delegations. • Resuming negotiations on bilateral/ multilateral trade agreements and establishment of Joint Working Groups (JWGs) on Trade and Investment. • For market penetration and enhancing B2B contacts, Bilateral Trade and Investment Conferences may be held and Trade Fair Participation is being increased in these Markets.
	Activities and Achievements during 2017-18	<p>Activities and Achievements:</p> <ol style="list-style-type: none"> 1. Trade Mission, Kabul organized mini exhibitions i.e. on 14th August 2017, 23rd March 2018 and on 29th June 2018. Displayed wide range of Pakistan's export potential products in the premises of Pakistan Embassy, Kabul; and on each occasion, 400-500 Afghan businessmen, dignitaries and diplomats were invited to these shows. Mission undertook various other activities including arranging of dozens of B2B meetings. 2. Pakistan participated in Astana Expo-2017 from June 10 – September 10, 2017 in the capital of Kazakhstan. Commercial Councilor, Almaty brought 07-member business delegation from Kazakhstan to Expo Pakistan, 2017, arranged by TDAP, who got booked orders of US\$.005 Million. 3. 1st meeting of the Pakistan-Azerbaijan Joint Working Group on Trade was held on July 27, 2017 at Baku, Azerbaijan. 4. 1st meeting of Pakistan-Tajikistan Joint Working Group on Trade, Investment and Communication has been held on 24-25 July, 2017 at Dushanbe, Tajikistan.

		<p>5. Commercial Section at Dushanbe, Tajikistan has been opened for promoting commercial interests of Pakistan in Tajikistan.</p> <p>6. The 5th session of Pakistan-Turkmenistan JWG was held in Ashgabat, Turkmenistan on 17th-18th August, 2017.</p> <p>7. Ministry of Commerce proposed dates of 22-23 or 23-24 April 2019 for hosting 4th meeting of Technical Negotiations Committee on Pakistan – Iran Free Trade Agreement at Islamabad.</p> <p>8. 6th meeting of Pakistan-Iran Joint Border Trade Committee (JBTC) held at Quetta on 15-16 October, 2018 to discuss the issues of banking channel and informal trade.</p> <p>9. Technical Assistance on GSP plus to Officer of Kyrgyz Republic on 15-16th October, 2018</p> <p>10. 2nd JWG meeting held on 11-12 October 2018 at Islamabad, Pakistan side reaffirmed its commitment to provide technical support to Azerbaijan in WTO accession process through Pakistan’s WTO Mission at Geneva.</p> <p>11. Draft Memorandum of understanding on the establishment of Pakistan – Uzbekistan Joint Working Group on Trade and Economic affairs 2019 has been shared with Foreign Office for seeking comments from Uzbek side.</p>
MIDDLE EAST		
	Regional Coverage (countries)	<p>Countries: United Arab Emirates, Saudi Arabia, Qatar, Kuwait, Oman, Iraq, Bahrain/kingdom Of Bahrain, Jordan, Yemen, Lebanon, Syrian Arab Republic, Gaza Strip</p>
	Targets set out by Ministry of Commerce	<p><u>Targets:</u> To increase engagements with Middle Eastern Countries, Ministry of Commerce has set the following main targets:</p> <ul style="list-style-type: none"> • Enhanced engagement with Non- Traditional Middle Eastern Markets through institutional arrangements and exchange of business delegations. • Resuming negotiations on bilateral/ multilateral trade agreements and establishment of Joint Working Groups (JWGs) on Trade and Investment with the major Middle Eastern Countries such as UAE, Qatar, Saudi Arabia, Iraq etc.

		<ul style="list-style-type: none"> • For market penetration and enhancing B2B contacts, Bilateral Trade and Investment Conferences may be held and Trade Fair Participation is being increased in these Markets.
	<p>Activities and Achievements during 2017-18</p>	<p>Activities/Achievements:</p> <ol style="list-style-type: none"> 1. Pakistan and Qatar held their 1st Business Conference in Islamabad on 5th July 2018. The conference was followed by the B2B meetings between Qatari and Pakistani Businessmen from food sector. The delegation of 45 Qatari officials and Businessmen attended the event. The Delegation was lead by H.E. Sheikh Ahmed Bin Jassim Bin Mohammed Al Thani, Minister of Economy and Commerce of the State of Qatar. 2. 2nd meeting was held on September (5th), 2018 at Islamabad to discuss Trade and investment opportunities in both the countries and prospects of export enhancement 3. The 4th Session of Pak- Kuwait JMC was held on 27-28th September 2018 in Islamabad, chaired by Finance Minister, Mr, Asad Umer from Pakistan’s side and Mr. Khalid Nasser Abdullah Al Roudan, Minister for Commerce and Industry of Kuwait. 4. International Product Exhibition and Conference (IPEC) an initiative from H.E Sheikh Abdullah bin Nasser bin Khalifa Al Thani, the Prime Minister of the State of Qatar and involves several ministries and government bodies, including Ministry of Economy and Commerce, Ministry of Foreign Affairs, Ministry of Culture, Ministry of Industry and Energy, Chamber of Commerce, QDB, General Authority of Customs and others. The event was held from 8th to 10th October, 2018 in Doha, Qatar and more than 32 companies participated from Pakistan 5. The Advisor to Prime Minister on Commerce, Textiles, Industries & production and Investment visited Abu Dhabi on 27th October 2018 to witness the signing ceremony of Participation Contract with EXPO 2020 authorities. 6. On 12-13th November 2018, a Qatar-Pakistan Business Forum was arranged with the assistance of Embassy of Pakistan, Doha. 7. Pakistan Trade Delegation comprised of 30 Companies representing these sectors and Trade Bodies represented

		<p>by the Presidents of Karachi, Rawalpindi, Islamabad, Sarhad & Haripur Chambers of Commerce & Industry and Faisalabad Chamber of Commerce & industry <i>visited Saudi Arabia from 12- 15 January 2019.</i></p> <p>8. <i>A week-long promotion of Pakistani Citrus was arranged in the 3rd week of January 2019</i> in the leading hyper- and super-markets of Eastern Province of Saudi Arabia in collaboration with local fruit importer and management of the markets.</p> <p>9. 7th Session of Pak- Oman JMC chaired by the Foreign Minister was held in Muscat on 30th -31st January 2019.</p> <p>10. <i>Pakistan – Saudi Arabia Business Conference held on 18th February 2019, at Islamabad.</i></p>
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7. FOREIGN TRADE-III

The efforts made by Commerce Division during the last Financial Year (2017-2018) for trade promotion in the Europe and Americas Regions are given below:

ENHANCED MARKET ACCESS IN EUROPE

GENERALIZED SYSTEM OF PREFERENCES PLUS (GSP plus)

As a result of concerted efforts of Ministry of Commerce, the European Union (EU) has granted duty free market access to Pakistan under the EU's scheme of "Special Incentive Arrangement for Good Governance and Sustainable Development", popularly known as GSP Plus. GSP Plus status has been awarded to Pakistan by EU in 2013 for the next ten years till 2023. This status was operationalized on 1st January 2014. To maintain GSP Plus Status, Pakistan is required to comply with 27 UN core conventions ratified by Government of Pakistan to enjoy the preferential market access in the markets of European Union. Out of these UN conventions, 7 pertain to human rights, 8 deal with labour and human resource, 8 relate to climate change and biodiversity, and 4 deal with narcotics, drugs, organized crime and corruption.

2.1 PAKISTAN'S EXPORTS TO EU 2013 – 2018

Pakistan's exports to EU member states increased from US\$ 5.81 billion in 2013 to US\$ 8.01 billion in 2018. This represents an increase in exports by 37.71% over five years. However, it means that the compound annual growth of export rate (CAGR) was 6.61% only.

Year	2013	2014	2015	2016	2017	2018
Exports to EU (US\$ billion)	5.81	6.93	6.92	6.79	6.99	8.01

Source: FBR

Hence, as a result of GSP Plus Pakistan's exports to EU registered an increase of US\$ 2.20 billion during the period of 2013-2018 and increased by 37.71%.

Trade with EU	2013 (US \$ billion)	2018 (US \$ billion)	Increase (US \$ billion)	% increase in during period
Exports	5.81	8.01	2.20	37.71%

Source: FBR

2.1.1 IMPACT OF GSP PLUS ON EXPORTS OF TEXTILE PRODUCTS TO THE EU

Pakistan's exports of Textile products to EU increased from US \$ 4,243 million in 2013 to US \$ 6,348.15 million in 2018. This represents an increase of US\$ 2,104.62 million and registered a growth of 49.60%. Sector wise break up is given below:

Sectors	2013 (US\$ million)	2018 (US\$ million)	Impact of GSP Plus (US\$ million)	%change increase/decrease
Carpets and Rugs	30.60	23.54	-7.05	-23.07
Home Textiles	1,381.84	2,106.75	724.91	52.46
Intermediary goods of Textiles and Raw cotton	953.16	1,038.86	85.70	8.99
Textile Garments	1,877.94	3179.00	1,301.06	69.28
Total	4,243.54	6,348.15	2,104.62	49.60

Source: Federal Board of Revenue

2.2 PAKISTAN'S IMPORTS FROM EU

Pakistan's imports from EU member states have increased from US\$ 5.03 billion in 2014 to US\$ 6.50 billion in 2018. This implies that there has been modest compound annual import increase rate of 6.64%.

Year	2014	2015	2016	2017	2018
Value of imports from EU (US \$ billion)	5.03	4.87	5.31	5.60	6.50

Source: Federal Board of Revenue

EUROPEAN FREE TRADE ASSOCIATION (EFTA)

A Joint Declaration for Cooperation has been signed between Pakistan and EFTA Member States (namely, Switzerland, Norway, Liechtenstein, and Iceland) in 2012 in Geneva, Switzerland. The Joint Declaration envisages setting up a Joint Trade Committee to explore the possibility of entering into a Free Trade Agreement with European Free Trade Agreement (EFTA) States, to diversify Pakistan's export destinations. Free market access in EFTA states will provide an opportunity to enhance Pakistan's exports to EFTA States given their cumulative imports of US\$ 360 billion.

PAKISTAN – TURKEY TRADE RELATIONS

During the High Level Strategic Cooperation Council (HLSCC) meeting held in March, 2015 at Islamabad the leadership of Pakistan and Turkey announced to initiate talks on a Free Trade Agreement between the two countries. Both sides agreed to enter into a comprehensive FTA covering goods, services and investment. So far 7 rounds of negotiations have been held and the 7th round of talks on FTA was held in Ankara during the year 2017-18. Secretary Commerce, Pakistan led the 7th round of FTA talks with Turkey. During the 2-day negotiations the focus was on meaningful market access for Pakistan's exports especially in textiles sector. The Turkish side offered reduction of 25% on Custom and Additional Duties, combined, over a period of 3 years. Pakistan expressed reservation on the proposed offer stating that the offer is far less than expected and would not result in a meaningful market access.

PAKISTAN – UK TRADE RELATIONS

A Senior Trade Official Meeting (STOM) was held on 28th-29th June 2018 in London. Pakistan showed its willingness to be a part of some of the clusters including Digital Connectivity, Regulatory connectivity & Business connectivity to keep itself actively engaged with the Trade & Investment Agenda of commonwealth. During the year United Kingdom was the largest destination of Pakistani exports. The volume of trade for the year 2017-2018 between Pakistan and United Kingdom is USD 2487.24 Million, with positive trade balance of 929.36 Million USD in favor of Pakistan. Pakistan's exports to United Kingdom registered a growth of 9% during fiscal year 2017-2018 (1708.30 million USD) over FY 2016-2017 (USD 1562 million).

Americas Region

Ministry of Commerce has been focused on formulation of a comprehensive plan to increase and diversify Pakistan's exports not only to our traditional export destinations but also to emerging and non-traditional markets. In this regard the Ministry has undertaken the following initiatives during 2017-18:

- (i) The U.S. Generalized System of Preferences (GSP), a program designed to promote economic growth in the developing world, provides preferential duty-free treatment for over 3,500 products from 128 designated beneficiary countries and territories. Pakistan is a beneficiary of US GSP Preferential Market Access and Pakistan's exports under GSP registered a growth of 32% in Calendar Year 2017 (US\$ 326 million) over Calendar Year 2016 (US \$ 245 million). On 1st July 2017, the US Government included 134 tariff lines into GSP scheme like travel bags, travel goods related to {HS 42 (two digits)} export interest to Pakistan. Furthermore, Pakistan's GSP coverage has been extended up to 31st December, 2020 by the USA on the basis of our compliance to 15 US-GSP criteria.
- (ii) Latin America is one of the most important non-traditional markets where Pakistan's market share is negligible despite a huge potential for Pakistan's exports to the region in both traditional and non-traditional export sectors. Pakistan is actively pursuing Preferential Market arrangements with non-traditional markets in Latin Americas including Pak-Mercosur PTA and Pak-Chile FTA. Preferential Market Access arrangements with Mercosur (a trade bloc comprising Argentina, Brazil, Paraguay and Uruguay) and Chile will boost our exports and lead to job creation and investment in industrial and agriculture sectors of Pakistan.
- (iii) In line with Government's policy of export market diversification and to incentivize exports to non-traditional markets including Latin Americas, Ministry of Commerce notified Drawback of Local Taxes and Levies Order vide SRO No. 711(I)/2018 dated 8th June, 2018 on top of the incentives available under the Export Enhancement Package announced by the Federal Government in January, 2017. The incentives made available under the SRO and Export Enhancement Package have started yielding positive results in shape of considerable increase in our exports to non-traditional markets especially Latin Americas.

Trade Performance Review:

The overall exports of Pakistan to the American region have increased by 8% from US\$ 4083.75 million in 2016-17 to US\$ 4412.92 million in 2017-18. United States of America (USA) is the single largest destination for Pakistan's exports. The volume of trade for year 2017-18 between Pakistan and United States is US\$ 6,543 million with positive trade balance of US \$ 845.91 million in favor of Pakistan. Pakistan's exports to USA registered a growth of 7% during FY 2017-18 (US\$ 3694.52 million) over FY 2016-17 (US\$ 3452.33 million).

Pakistan's exports to Canada also registered a growth of 13% during FY 2017-18 (US\$ 260.62 million) over FY 2016-17 (US\$ 230.23 million). While Pakistan's exports to Latin Americas (including the Caribbean) registered a growth of 14% during FY 2017-18 (US\$ 457.69 million) over FY 2016-17 (US\$ 401.11 million).

An overview of the bilateral trade figures of Pakistan with USA, Canada and top ten trading partners in the Latin Americas shows a healthy growth trend in our exports to almost all trading partners in the American Region.

(Source FBR)

Sr.	Country	2016-17(US \$ Million)		2017-18(US \$ Million)		Growth Rate	
		Export	Import	Export	Import	Export	Import
1	USA	3452.33	2506.90	3694.52	2848.59	7.02%	13.63%
2	Canada	230.23	731.33	260.62	626.33	13.20%	-14.36%
3	Mexico	94.64	58.05	103.27	89.13	9.12%	53.54%
4	Chile	67.08	19.41	69.07	31.9	2.97%	64.35%
5	Argentina	40.92	253.37	55.98	150.27	36.80%	-40.69%
6	Brazil	43.54	465.58	55.76	679.96	28.07%	46.05%
7	Colombia	35.87	1.44	34.04	12.91	-5.10%	796.53%
8	Peru	26.91	2.7	32.92	3.12	22.33%	15.56%
9	Panama	10.21	1.05	14.23	0.18	39.37%	-82.80%
10	Ecuador	7.74	0.37	11.82	0.80	52.61%	117.97%
11	Paraguay	8.89	6.7	10.83	19.16	21.82%	185.97%
12	Uruguay	8.12	1.2	9.33	1.55	14.90%	29.17%

8. DEVELOPMENT WING

8.1. FUNCTIONS

1.1 Public Sector Development Program (PSDP) Section:

- a) Assistance in preparation and processing of PC-Is for all proposed Public Sector Development Program (PSDP) funded projects of Commerce Division.
- b) Administration and implementation of project activities of PSDP of Commerce Division.
- c) Review of annual Cash/ Work Plans of the PSDP projects of Commerce Division.
- d) Assistance in preparation of PSDP budgetary proposals/ New Item Statements (NIS) for each Fiscal Year.
- e) Coordination with various donor organizations on trade-related issues, projects and studies
- f) Preparation of briefs/working papers for meetings with multilateral agencies like IMF, World Bank and ADB

1.2 Statistics Section:

- a) Maintaining country-wise trade statistics which covers almost 200 countries
- b) Maintaining region-wise trade statistics on monthly and yearly basis.
- c) Preparation of country's trade performance reviews/ reports
- d) Providing trade statistics for preparation of replies to National Assembly/ Senate questions etc.

2. OVERVIEW OF PSDP PROJECTS:

The following three PSDP funded projects of the Commerce Division were under implementation during FY 2017-18:

2.1 Restructuring of Pakistan Institute of Trade and Development (PITAD), Islamabad

Objectives of the project are as under:

- Construction of the building for Pakistan Institute of Trade and Development (PITAD), at Sector H-8/4, Islamabad.

- Procurement of Physical Assets for PITAD to enable it to function as a Policy Institute.
- The restructured PITAD will serve as platform for Trade Policy formulation.
- It will cater for research needs of trade related ministries as well as Pakistan’s industrial sector.
- The Institute will have mutually beneficial linkages with international trade organizations and institutions.
- The Institute will act as a regional Centre of Excellence for training and research in international trade.

The project “Restructuring of Pakistan Institute of Trade and Development (PITAD), Islamabad” was approved by CDWP on 30th April, 2007 with a total cost of Rs.130.000 million. The project was revised and approved by CDWP in May, 2009 at an enhanced cost of Rs. 270.824 million. The 2nd Revised PC-I of the project was approved by CDWP in October 2015 with cost of Rs. 508.436 million with the condition that increase in the project cost i.e. Rs. 237.612 million may be sourced from Export Development Fund (EDF).

The project was financed through PSDP funds upto June, 2016 and from July 2016, the project is being financed through EDF. As far as Physical Progress (Civil Works) is concerned, Residential Building (Hostel) has been completed. Structural work of Main Office building has been completed and finishing activities such as; Networking, Fixing of Aluminum Cladding, Marble Flooring, Plumbing work, Electrical Wiring, Paint Work, Aluminum Doors/Windows, False Ceiling, Steel Structure, Atrium etc, are in progress. 85% of the construction work has been completed till June, 2018. Procurement of physical assets has been almost completed. Despite of efforts made by Project Management to get the work expedited, progress of construction remained very slow. Now the project is likely to be completed by 30th June, 2019.

2.2 Expo Centre, Peshawar

The objective of the project is to provide international standard infrastructure for the promotion of economic activities through trade exhibitions, consumer fairs and conferences.

Peshawar is the Capital of Khyber Pakhtunkhwa province and the administrative centre and economic hub for the Federally Administered Tribal Areas (FATA) of Pakistan. Peshawar's strategic location on the crossroads of Central Asia and South Asia has made it one of the most

culturally vibrant and lively cities in the greater region. Peshawar has evolved into one of Pakistan's most ethnically and linguistically diverse cities. Peshawar is the major educational, political, and business centre of Khyber Pakhtunkhwa and a rapidly growing city, with a population of 3.575 million. Business community of Peshawar has long been demanding an Expo Centre in the city for Business to Business and Business to Community Exhibitions. This demand is also in line with the Trade Policy of the Government in which it is envisaged to provide infrastructure support for the promotion of local and foreign trade.

In January, 2017 Pakistan Expo Centres (Pvt) Limited acquired land measuring 25 acres at Turnab, District Peshawar (along G.T. Road, near Chamkani Motorway Interchange) from Government of Khyber Pakhtunkhwa for this project. Immediately after this acquisition, the development work on the project of Expo Centre Peshawar was started. Against the total approved Cost of Rs.2,500 Million for Expo Centre Peshawar; the company received Rs.600 Million in the FY 2016-17 and got allocation of Rs.600 Million for FY 2017-18. However, out of Rs.600 Million for the FY 2017-18, the amount of Rs.480 Million were released to the company in the last week of June 2018 which affected the physical progress on Expo Centre Peshawar. By the end of FY 2017-18, the project attained overall financial progress of 48% and overall physical progress of 30%. The project is scheduled to be completed by end June, 2020.

9. TRADE POLICY WING

1. Prime Minister's Export Enhancement Package

The Export Enhancement Package of PKR 180 billion was made available for exporting business community for 18 months for the period from 16th January, 2017 to 30th June, 2018. An amount of PKR 107.5 billion was allocated to textiles sector (PKR 87.5 billion for Draw Backs and PKR 20 billion for withdrawal of duties/taxes on import of cotton and machinery); whereas, an amount of PKR 12.5 billion is the annual allocation for Drawbacks on export of non-textiles (other value added sectors).The Package was further revised to facilitate exports of the country vide SRO 1062 (I)/2017 dated 18th October 2017. The Compensatory Duty drawback for exporters resulted in 14% exports growth increase by USD 2.8 billion in FY 2018.

2. Revision of Export Enhancement Package to include non-traditional export sectors

In order to provide long term policy to support and encourage non-traditional exports of the country, the Package was extended for another period of three years vide SRO 711 (I)/2018

dated 8.6.2018, i.e. from 1st July 2018 to 30th June 2021. Under this package, new export sectors such as Transport equipment, Auto parts & accessories, Machinery incl. electrical machinery, Furniture, Stationery, Fruits& Vegetables, Meat and meat preparation including poultry have been included. The Package is operating under the similar conditions of previous Export Package. The support through drawback of local taxes and levies will promote product diversification and enhance competitiveness of the exports.

3. Tariff Rationalization Exercise

Commerce Division has been working with the industry to develop a comprehensive plan to increase their competitiveness. One of the major impediment for export sectors was higher duties on the import of raw materials and intermediate inputs. In this regard, a series of consultative sessions were held to identify sectors and products that require immediate relief in terms of reduction in the import duty in their inputs and raw materials. In the first phase, Custom Duties and Regulatory Duties on 236 Tariff Lines (TLs) of raw materials and intermediate products have been reduced through Finance Bill 2019.

4. Imposition of Regulatory Duties

To curtail the imports of luxury items and non-essential goods, regulatory duties have were imposed on the import of 570 items vide S.R.O. 1265(I)/2018 dated 16th October 2018. The said SRO has superseded S.R.O. 640 (I)/2018, dated the 24th May, 2018.

5. Mechanism for ensuring Quality and Standards for imported goods

To address the issue of low quality imports, the Import Policy Order was amended vide SRO 1067 (I)/2017 dated 20th October 2017, to incorporate safety and health requirements/quality standards, proposed against each tariff line, to ensure that quality and SPS standards are complied with on such imports. Furthermore, the Government restricted the import of food items only through Karachi seaport and Land Border Posts i.e. Sost, Chaman, Torkham, Taftan, Wagha, Peshawar and Quetta vide SRO 706 (I)/2018 dated 6.6.2018. These aforementioned ports have the requisite infrastructure and human resource to provide the facility for the import permit after evaluating the health safety requirements by Department of Plant Protection (DPP).

6. Consultations for Strategic Trade Policy Framework 2018-23.

Commerce Division started consultations for Strategic Trade Policy Framework 2018-23. A rigorous consultative exercise was carried out by reaching out to the industries, chambers and associations 10 cities of Pakistan. Moreover, proposals were also invited from all walks of life. More than 1200 proposals have been received and consolidated to be made part of the upcoming trade policy framework for the next five years.

7. Buying and Sourcing Houses Symposium

The first Buying and Sourcing Houses Symposium was held in Karachi on 28th March 2018. The symposium organized by the Commerce Division and Trade Development Authority of Pakistan was attended by the representatives of buying houses of leading retail chains and international brands based in Pakistan. The recommendations received in the Symposium will also be made part of the upcoming Strategic Trade Policy Framework. The participants shared constructive proposals on how to make Pakistan an attractive destination for sourcing by the international buyers.

8. Consultations for Tariff Rationalization

Commerce Division initiated consultations for Tariff rationalization exercise to be incorporated in the first National Tariff Policy. The objective of the policy is to simplify tariff regime by removing anomalies, reducing high tariffs on raw materials and intermediate inputs and addressing anti-exports bias due to high protection of inefficient industries.

9. Consultations for National Tariff Policy

In pursuance of Rules of Business, 1973, which assigns Tariff (Protection) policy and its implementation to Commerce Division, an exhaustive exercise was undertaken to develop the first ever National Tariff Policy with an aim to make the tariff structure truly reflect trade policy priorities, improve competitiveness through duty-free access to imported inputs, rationalize the tariff structure for enhancing efficiencies and reduce the relative “disincentive” for the exporting activities. The draft Policy is based on the principles of: (a) employing tariffs as an instrument of trade policy rather than revenue, (b) maintaining vertical consistency through cascading tariff structures (increasing tariff with stages of processing of a product), (c) providing ‘strategic protection’ to the domestic industry against the foreign competition during the infancy phase, and (d) promoting competitive import substitution through time-bound protection, which will be

phased out to make the industry eventually competitive for export-oriented production. In this regard, consultative session was organized on 18th April 2018 in Pearl Continental Hotel, Rawalpindi.

10. Amendments in Export and Import Policy Order, 2016

Commerce Division has made amendments in certain provisions of export and import order 2016 to facilitate the exporters and importers. These amendments have been made after rigorous consultations with private and public sector stakeholders and subsequent approval of the Cabinet.

10. WORLD TRADE ORGANIZATION WING

OVERVIEW:

The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct their business.

The WTO is run by its member governments. All major decisions are made by the membership as a whole, either by ministers (who usually meet at least once every two years) or by their ambassadors or delegates (who meet regularly in Geneva).

The WTO Wing in the Ministry of Commerce looks after all the matter relating to WTO.

FUNCTIONS OF WTO WING:

- Liaison with Pakistani Mission to the WTO.
- Trade & Development issues.
- Trade & Investment issues.
- Trade & Environment issues.
- Special & Differential Treatment.
- E-Commerce.
- Trade in Services
- Trade & Transfer of Technology.
- Trade-Related Investment Measures (TRIMs).
- Non-Agricultural Market Access (NAMA).

- Trade Facilitation.
- Rules of Origin.
- Pre-shipment Inspection.
- Customs Valuation.
- Import Licensing Procedures.
- Textile & Clothing issues.
- Trade Policy Review Mechanism (TPRM).
- Agreement on GATS (General Agreement on Trade in Services).
- Notifications to WTO.
- Ministerial Conferences.
- FTAs (Free Trade Agreements).
- EU-TRTA (European Union's – Trade Related Technical Assistance) Programme.
- Agreement on Anti-Dumping.
- Agreement on Subsidies & Countervailing Measures.
- Agreement on Safeguards.
- Government Procurement.
- HRD (Human Resource Development) including technical assistance & capacity building.
- Agreement on Agriculture.
- Trade-Related Aspects of Intellectual Property Rights (TRIPS).
- World Intellectual Property Organization/Intellectual Property Rights (WIPO/IPR) Matters.
- Competition Policy-Related Issues.
- Information Technology Agreement.
- International Organizations as International Chamber of Commerce (ICC), United National Conference on Trade & Development (UNCTAD), Islamic Development Bank (IDB), Association of Southeast Asian Nations (ASEAN), Economic Cooperation Organization (ECO), South Asian Association for Regional Cooperation (SAARC), Economic and Social Commission for Asia and the Pacific (ESCAP) etc.
- G-20, G-33, G-90, Cairns Group etc., in the WTO.
- Technical Barriers to Trade (TBT).
- Sanitary and Phytosanitary (SPS) Measures.
- Accession of new Members to WTO.

- Admn/Coordination/Misc. reference, etc.

ACCESSION TO WTO & PLURILATERAL AGREEMENTS:

Pakistan is a member of WTO since 1995 and has signed no plurilateral agreement since then.

WTO AND PAKISTAN

Pakistan is one of the founding members of the GATT (General Agreement on Tariffs and Trade) and its successor organization i.e. “World Trade Organization” (WTO). WTO provides a platform for member countries to negotiate on trade in goods and services. Besides, the recently evolved functions of WTO include Dispute Settlement and review of Trade Policies of the member countries which ensure transparency and fair play in international trade. At present 162 countries are members of WTO including recently acceded members Afghanistan and Kazakhstan. Under the current structure of WTO, General Council is the apex decision making body supported by various committees and councils, in which members take decisions on the basis of consensus. The WTO Secretariat is headed by the Director General.

Pakistan has been actively participating in multilateral trade negotiations under the WTO framework since its inception in 1995 and is a staunch supporter of multilateralism. Pakistan’s role in protecting the interests of developing and least developed economies and support to the finalization of the Doha Development Agenda has often been appreciated and recognized by the member countries. Recently during the Nairobi Ministerial Conference held in December, 2015 Pakistan joined the club of developing and least developed economies for elimination of export subsidies by developed members on agriculture products.

CURRENT ISSUES:

- E-Commerce:
- Trade Facilitation Agreement (TFA)
- TIR Convention
- Information Technology Agreement (ITA)
- Trade in Services Agreement (TISA)

E-COMMERCE:

Ministry of Commerce also lead the formulation of the National e-Commerce Policy Framework for development of e-Commerce/digital trade in the country cognizant of the global developments in digital trade and e-Commerce. As per directive from the Prime Minister's Office to frame a comprehensive e-Commerce policy after consultation with all stakeholders, Ministry of Commerce constituted a National Advisory Council (NAC) on e-Commerce and e-Commerce Policy Unit (ECPU) comprising all relevant public and private sector stakeholders. Technical work on various aspects of e-Commerce policy was undertaken by smaller Working Groups. Further, Prime Minister directed the creation of a Policy Board headed by the Minister for Finance keeping in view the interdependencies involved in the policy formulation and implementation framework of the e-Commerce policy.

Work on the following parameters/contours of the proposed e-Commerce Policy Framework has been done:

- a) Availability and Reliability of ICT Platforms
- b) Development of Supportive Financial Services Regulations
- c) Regulatory Framework
- d) Establishment and Regulation of e-Commerce Establishments
- e) Conducive Import/Export Regulations
- f) Taxation Issues
- g) Coordination, Consultation, Cooperation and Oversight:
- h) Multilateral Discipline on e-Commerce

Accordingly, the five Working Groups on Taxation, Regulatory Framework, Logistics, Payment Infrastructure and e-Commerce, WTO & Development, comprising of relevant experts and stakeholders from the public and private sectors, worked on these areas. A National Workshop and numerous meetings of the Working Groups were held in order to deliberate upon all the important issues related to e-Commerce and to suggest recommendations for the resolution of outstanding issues.

TRADE FACILITATION AGREEMENT (TFA)

Trade Facilitation Agreement focuses on addressing inefficiencies in international trade procedures and making them transparent with a view to reduce trade costs. Provisions of the TFA are about reforming bureaucratic processes and procedures, particularly of Customs, coupled with institutional reforms of the public sector dealing with trade. It is in line with the present Government's vision on domestic reforms and facilitating businesses and international trade.

Pakistan ratified the Trade Facilitation Agreement (TFA) in October 2015. The TFA has now come in to force since 22nd February 2017, after two-third members (110) of the WTO ratified the agreement. Commitments under TFA are categorized in three steps:-

- Category-A: already in place/immediately enforceable.
- Category-B to be notified immediately and implemented after a transition period, and;
- Category-C: commitments requiring technical assistance by donors.

Pakistan has already notified its Category A commitments in October 2015 while B & C Commitments has been notified in June 2017.

TIR CONVENTION IMPLEMENTATION

The Convention on International Transport of Goods under cover of TIR Carnets (TIR Convention)" was concluded in 1975. Pakistan acceded to the TIR Convention on 21st July 2015. Presently, TIR is the most broad-based Custom Transit System in existence for goods carried by road which facilitates international movement across the borders of countries that have ratified the TIR Convention, while offering a high level of security.

The key stakeholder, i.e. MoC, FBR and M/o Communications are working together to make TIR System fully functional in Pakistan. A Secretaries level Committee has been formed to oversee the developments in this regard; Guarantee Agreement has been signed between FBR, PNC-ICC and RU After the finalization of Guarantee Agreement, the MOU will be signed and rules will be finalized by FBR. M/O Commerce has notified the National Authority (in term of Article 12 of TIR Conversion, 1975) to authorize vehicles to be used in TIR operations. FBR and MoC will assist M/O Communications in making SOPs for issuing of vehicle fitness certificates. FBR notified Torkham, Chaman, Taftan, Sust, Karachi and Gwadar as Customs Stations for TIR operations M/O

Communications is in the process of reviewing the Transport and Trucking Policy, especially in the context of TIR system. TIR will be implemented soon after completing codal formalities.

INFORMATION TECHNOLOGY AGREEMENT (ITA)

Information Technology Agreement (ITA-I) was concluded at the first WTO Ministerial Conference in Singapore in 1996. It is a plurilateral tariff cutting framework and requires complete elimination of tariffs/duties on the IT products covered in the agreement. The expansion of ITA-I resulted in ITA-II in 2014. ITA-I covers 200 products including CPUs, Mother Boards, Memory Chips, CDs, Printers, Servers, LCDs, Monitors, Storage Devices, TVs, Telephone Sets etc. Presently 82 WTO have signed ITA-I.

ITA-II contains 201 additional IT products. It includes new generation Semi-conductors, GPS, Navigation Systems, High Tech Medical Products such as the Magnetic Resonance Imaging machines, Telecommunication Satellites and Touch screens. 54 WTO member countries have signed ITA-II with an agreement to diminish majority tariffs on concerned products within three years starting from 2016.

Pakistan has been deliberating on joining ITA-I since 1997 but no consensus was developed among the stakeholders. FBR has been opposing Pakistan's signing of ITA due to revenue implications. In this connection, the following Committee headed by Secretary Commerce was constituted by the Prime Minister in October, 2016 to bring all major stakeholders together and establish a consensus on the issue. During the Committee deliberations, all stakeholders except FBR were in favor of signing ITA-I.

Based on the consultations, the Committee (with the exception of FBR) has recommended that Pakistan should sign ITA-I.

TRADE IN SERVICES AGREEMENT (TISA)

The Trade in Services Agreement (TISA) is a multi-party international agreement among 23 countries (United States, EU, Canada, Australia, New Zealand, Switzerland, Liechtenstein, Norway, Iceland, Japan, Korea, Hong Kong, Taiwan, Israel, Chile, Colombia, Mexico, Panama, Peru, Costa Rica, Mauritius, Turkey and Pakistan). TISA was launched in 2012 via a small group of countries called RGFS (Really Good Friends of Services) who wished to liberalize Trade in Services under GATS (General Agreement on Trade in Services). The initial protagonists were the US and the EU who tabled a broad framework of the agreement.

In December 2015, the Prime Minister constituted a core group comprising representatives of the relevant ministries/departments to support Ministry of Commerce technically and attend TISA cluster meetings. Pakistan formally joined TISA in November, 2015 after submitting its initial offer. During the course of negotiations since Pakistan's formal engagement, Pakistan submitted a revised offer in July 2016. Pakistan's both offers were submitted after stakeholder consultations and keeping in view domestic sensitivities and projects.

11. DOMESTIC COMMERCE WING

Details are as under with reference to rule 25 (a), (b) and (c)

- a) DCW is playing facilitative role in various sectors related to Domestic Commerce including Financial, Transportation, Skill Development, Small and Medium Enterprises, and Credit Facilities. It has prepared the first Report on State of Domestic Commerce in Pakistan after engaging relevant stakeholders both from public as well as private sectors. In the report, it has tried to identify obstacles to growth of Domestic Commerce for evidence-based decision making.
- b) DCW has engaged with different stakeholders through Joint Working Groups on Development & Facilitative Framework, Regulatory & Preventative Mechanism, and developed linkages between Federal & Provincial Government. This exercise resulted in the form of a working paper to prepare a comprehensive framework for development and facilitation of Domestic Commerce.
- c) Gems and Gemological institute of Pakistan (GGIP), Peshawar falls under the jurisdiction of DCW which is promoting skill development in Gems sector. Presently, GGIP is running courses of six-month duration exclusively for women in gemstone identification, cutting and polishing as part of Woman Empowerment initiative of Khyber Pakhtunkhwa Government.
- d) Targets set by Domestic Commerce Wing during the financial year are on track as Report on State of Domestic Commerce in Pakistan is ready and working paper for Developmental and Facilitative Framework has been finalized.

12. TRADE IN SERVICES WING

Trade in Services consists of 11 services on which State Bank of Pakistan maintains its data. These services include, Business services, Government goods and services, Telecommunication, Computer and Information Technology services, Transport services, Travel services, Financial services, Construction services, Insurance & Pension services, Personal, Cultural & Recreational services, Maintenance & Repair services and Intellectual Property services.

An overview of Pakistan's recent trade in services figures as given in the table below shows that import of services registered a growth of 11.5 % during FY 2017-18. The import of services increased to US\$ 11,301 million in FY 2017-18 from US\$ 9,894 million in FY 2016-17. While export of services declined to US\$ 5,312 million from US\$ 5,555 million during the same period. Services trade deficit increased by 32% from US \$4,339 Million to US \$ 5,719 Million during FY 2017-18.

(US \$ Million)

Year	Exports	Imports	Trade Balance
2016-17	5,555	9,894	-4,339
2017-18	5,312	11,031	-5,719
2017-18(July-Dec)	2,664	5,409	-2,745
2018-19(July-Dec)	2,600	4,546	-1,946

An analysis of the Category-wise comparative figures of trade in services for FY2016-17 and FY 2017-18 is given below:

Export of Services

(US \$ Million)

Category	2016-17	2017-18	% Change
Business services	1,285	1,359	5.7%
Government goods and services	1,782	1,274	-28.5%
Telecommunications, Computer, and Information Technology services	940	1,065	13.4%
Transport	924	959	3.8%
Travel	322	369	14.7%
Financial services	142	143	0.8%
Construction	72	69	-3.7%
Insurance and Pension services	53	46	-14.4%
Personal, Cultural, and Recreational services	21	12	-40.3%
Charges for the use of Intellectual Property	8	11	42.7%
Maintenance and Repair services	6	5	-15.0%
Total Services	5,555	5,312	-4.4%

Import of Services

(US \$ Million)

Category	2016-17	2017-18	% Change
Transport	3,878	3,971	2.4%
Business services	2,116	2,928	38.4%
Travel	2,000	2,111	5.5%
Government goods and services	663	647	-2.4%
Telecommunications, Computer, and information services	384	479	24.7%
Financial services	294	304	3.5%
Charges for the use of intellectual property	218	229	5.1%
Insurance and Pension services	235	223	-5.3%
Maintenance and repair services	67	83	23.1%
Construction	25	53	116.3%
Personal, cultural, and recreational services	14	4	-74.4%
Total Services	9,894	11,031	11.5%

Source: State Bank of Pakistan

PART-II

**ATTACHED DEPARTMENTS/SUB-ORDINATE OFFICES/
COMPANIES/CORPORATION UNDER THE CONTROL OF
MINISTRY OF COMMERCE & TEXTILE
(COMMERCE DIVISION)**

13. STATE LIFE INSURANCE CORPORATION OF PAKISTAN

SUMMARY OF TOTAL INCOME, LIFE FUND & INVESTMENT PORTFOLIO FOR LAST THREE YEARS

Particulars	2016	2017	2018
	(In Million)	(In Million)	(In Million)
Net Premium (IL)	81,633	90,113	103,221
Net Premium (GL)	6,078	8,611	9,998
Total Premium	87,711	98,724	113,219
International Business	2,110	2,037	1,695
Life Fund	614,177	707,388	873,813
Investment Portfolio	598,271	688,721	853,264

- ***Additional information in respect of comparison of figures for income and expenses for 2018 with 2017 is provided in Annexure – A. The annex contains information regarding life fund, capital expenditure and investment portfolio.***

STATE LIFE INSURANCE CORPORATION OF PAKISTAN
PRINCIPAL OFFICE – KARACHI

Comparison of figures for the year 2017 and 2018

(Rupees in Million)

Details	2017	2018
1 INCOME		
1.1. Premium Income (Net):		
- Individual Life	90,113.0	103,221.0
- Group Life and Health Insurance	8,610.5	9,998.0
- International Business	2,037.2	1,695.0
Sub-Total	100,760.7	114,914.0
1.2. Investment/Real Estate Income		
- Investment Income	69,102.0	69,741.0
- Real Estate Income	463.7	536.0
Sub-Total	69,565.7	70,277.0
TOTAL INCOME	170,326.4	185,191.0

2 OUTGO		
Payment to Policyholders:		
- Individual Life	36,343.0	43,316.0
- Group Life and Health Ins.	8,611.7	9,724.0
Management Expenses	30,930.6	35,396.0
Total Outgo	75,885.3	88,436.0
3 SURPLUS APPROPRIATE TO SHAREHOLDER FUND	1,579.9	1,738.0
4 LIFE FUND		
- Life Fund at beginning of the year	614,176.7	780,213.0
- Additional to the Life Fund for the year	92,861.3	93,600.0
- Life Fund at the year-end	707,388.4	873,813.0
5 Investment Portfolio at the Year End	688,721	853,264
5 Capital Expenditure	424	647

14. NATIONAL INSURANCE COMPANY LIMITED

BRIEF ABOUT NICL:

National Insurance Company Limited was incorporated in Pakistan on 31st March, 2000 as an unquoted public limited company under the Companies Ordinance 1984 through NIC

(Reorganization) Ordinance 2000.

MAJOR OBJECTIVES OF NICL:

- To provide insurance cover to the Government / Semi-Government organizations at economical cost.
- To reduce outflow of Foreign Exchange by reducing dependence on reinsurance abroad.
- To make significant contributions to public exchequer by payment of taxes and dividends.

The Government has appointed a new Board of Directors, comprising of highly successful individuals from different walks of life to make prudent investments in public as well as private sector in order to obtain Maximum Returns Ownership.

Initially it was named as National Insurance Corporation (NIC) formed in the year 1976 through NIC Act-1976.

The National Insurance Company Limited is 100% owned by Government of Pakistan (GOP) and working under the administrative control of Ministry of Commerce (MOC).

The Authorized Capital of Company is Rs.6 Billion and Paid up Capital of Rs.2 Billion divided into 200 Million shares of Rs.10 each.

Being NBFIs, M/s. Securities and Exchange Commission of Pakistan (SECP) is the regulator of NICE.

PRINCIPAL BUSINESS:

The National Insurance Company Limited (NICL) is providing General Insurance coverage (Moveable and Immovable) to the State Owned Assets belonging to Federal and Provisional Governments, Local Authorities and Statutory Corporations in purview of

Section 166 read with Section 156 of the Insurance Ordinance-2000 which states that **"all insurance business relating to any public property or any risk or liability appertaining to any public property, shall be placed with NICTL only"**.

Insurance coverage is being provided in the following areas:

- Fire and Property Damage
- Aviation Hull
- Marine Hull
- Marine Cargo
- Credit Risk and Surety ship
- Motor
- Liability
- Workers' Compensation
- Accident and Health
- Engineering / Mechanical
- Agri Loans (New)

RECORD FINANCIAL PERFORMANCE OF NICTL FOR THE YEAR 2017- 2018:

The financial performance highlights of NICTL during the Financial Year 2018 are as under:

- a) Recorded Yearly Gross Premium Income of Rs.7.1 Billion as against Rs.5.1 Billion for the last year showing an increase of 39%.
- b) The Net Claims incurred during the Financial Year stood at Rs.183 Million as against Rs.535 Million for the last year showing a decrease of 66%.
- c) The Management expenses incurred during the Financial Year stood at Rs.817 Million as against Rs.849 Million for the last year showing a decrease of 04%.
- d) The Investment Income recorded Rs.2,673 Million during the Financial Year as against Rs.1,747 Million for the last year showing an increase of 53%.
- e) The Rental Income recorded Rs.281 Million during the Financial Year as against Rs.210 Million for the last year showing an increase of 34%.
- f) The Pre-Tax Profit recorded Rs.4.6 Billion during the Financial Year as against Rs.3.3 Billion for the last year showing an increase of 39%.

MAJOR ACTIVITIES / PROPOSALS / WAY FORWARD:

NICL had developed a formal "Business strategy Plan" for the forthcoming fiscal year 2019-20 in particular and 2020-21 and 2021-22 in general, with an expected improvement, wherein an aggressive strategy has been worked out to achieve growth by venturing in to new lines of Business like Health Insurance, Crops & Live Stock Insurance, Travel Insurance as well as making inroads in CPEC related projects and its derived insurance business.

The NICL is in the process of creating web based solutions for these new products to be launched along with Social Media Marketing and an "Image Management Campaign" on social and print media. The intent of these plans is to shift from the current captive market into newer active markets and with competitive products at competitive market with better services.

It is pertinent to mention here that for the first time in NICL's history, Pre-risk Inspections are being arranged and carried-out for the large infra-structure projects in order to prudently increase our retention percentages therein, based on their MPL (Maximum Probable Loss) and EML (Estimated Maximum Loss) scenarios. On the one hand, this will enhance more revenues for NICL and on the other, this will also meet one to the major objectives of formation of NIC (L), i.e. "to reduce outflow of foreign exchange by reducing dependence on reinsurance abroad".

ESTABLISHMENT OF BUSINESS DEVELOPMENT UNITS (BDU):

Furthermore, Business Development Units (BDU) have been established in all Zones and targets are being proposed to be set. The intent is to enter into newer realms of both captive and non-captive clientele, even expatriate Pakistani community, with the support of the Ministry of Commerce.

OTHER RELEVANT INFORMATION:

The management is actively considering and studying the legal implications of directly entering into the reinsurance market in competition with the International Reinsurers.

E-filing system in NICL has been initiated along with Digital Dashboard for Administrative Management, Asset Inventory System and a new & interactive website development. The

intent is to improve and enhance the image of NACL not only through the use of modern ICT but also through improved service delivery.

NATIONAL INSURANCE COMPANY LIMITED
ANNUAL PERFORMANCE - 2018
(unaudited) **CONSOLIDATED**

	2017	2018
Gross Premium	5,183,421,131	7,120,650,528
Less: Discount on Direct Business	1,664,685	7,332,376
Adjusted Gross Premium Written	5,185,085,816	7,113,318,152
Less: Reinsurance Premium Ceded	1,905,434,893	3,920,413,552
Net Premium	3,279,650,922	3,192,904,600
Claim Incurred during the year	1,502,932,974	785,520,429
Claim Recoveries against incurred	966,969,576	601,683,553
Less: Net Claims Incurred during the year	535,963,398	183,836,876
Rh I Commission on Ceded	87,651,068	46,710,075
Less : Management Expenses	849,237,752	817,101,026
Underwriting Results	1,982,100,841	2,238,676,773
Investment Income	1,747,015,416	2,673,729,736
Rental Income	210,194,702	281,391,575
Less: Administrative Expenses	566,158,501	544,734,017
Pre-tax Profit	3,373,152,458	4,649,064,066

15. PAKISTAN REINSURANCE COMPANY LIMITED

OVERVIEW

Pakistan Reinsurance Company Limited is a public sector company under the administrative control of the Ministry of Commerce. The company is headed by Chief Executive Officer with nine members Board of Directors. Seven members of this Board are nominated by the Federal Government while others are elected from the business community enjoying excellent business credentials. In addition the management is by a strong team of professionals who handle the business affairs of the company.

Company History.

- PRCL was established in 1952 as Pakistan Insurance Corporation under PIC Act 1952 in order to support local insurance industry. Since then it has managed National Insurance Fund (NW), National Coinsurance Scheme (NCS), War Risk Insurance (WRI) and Export Credit Guarantee Scheme (ECGS) providing help in different forms to the insurance as well as business community.
- In the year 2000, Pakistan Insurance Corporation was converted and incorporated as a public limited company into Pakistan Reinsurance Company Limited.
- The company was formed with a view to take over all assets and liabilities of Pakistan Insurance Corporation. Accordingly, it took over assets and liabilities of PIC on 15th February 2001 in pursuance of Ministry of Commerce SRO No. 98(1)/2000 which was issued under the President Ordinance No. (XXVI) of 2000 on 14th February, 2001.

FUNCTIONS

- Formerly called the Pakistan Insurance Corporation, Pakistan Reinsurance Company Limited, PRCL was established in 1952 as Pakistan Insurance Corporation under PLC Act 1952 in order to support local insurance industry. It is the sole reinsurance organization operating in Pakistan.
- PRCL is public sector company under the administrative control of the Ministry of Commerce. The Company is being headed by a Chairman, supported by a strong team of professionals who manage the business affairs of the Company effectively. The Company

is supervised by the Board of Directors, elected by the shareholders who enjoy excellent repute within the business community.

- PRCL's prime objective is the development of insurance and reinsurance business in Pakistan. The company provides insurance solutions to departments including Aviation, Marine Cargo, Marine Hull, Engineering, Fire and Accident. The company is a national reinsurer playing its role in the economic development of Pakistan. It provides reinsurance protection to the local insurance industry by way of treaty and facultative business as well as managing insurance schemes assigned by the Federal Government of Pakistan.

PRCL's Role in Economic Development

- PRCL plays a significant role in economic development of Pakistan by providing reinsurance capacity to the local insurance industry. Risk sharing and risk transfer mechanism provides confidence amongst the insurers. The effect trickles down to industry and commerce and business activities takes place with "Peace of Mind" that in case of any fortuitous event there will be a cushion to fall back on fostering economic growth.
- A local reinsurance support is also beneficial to the economy as local players can retain larger shares within the country plugging the outflow of valuable foreign reserves.

In fulfilling this mission, PRCL is committed to:-

- Providing its clients, and particularly insurance companies in Pakistan, with comprehensive insurance, reinsurance, financial and business services of the highest quality and value.
- Maintaining financial strength and stability through prudent business decisions and sound operations based on state of the art information technology.
- Taking a long-term view of business relationships.
- Practicing the highest standards of integrity and professionalism.
- Investing continuously in knowledge required to support business decisions and long-term business strategy formulation.
- Achieving consistent, long-term financial growth and profitability for its shareholders.

- Attracting retaining and developing capable and dedicated employees who in turn contribute to the growth of the company and share its success.

Strategy

To remain best provider of reinsurance and risk management services to the insurance industry, to have good business relationship with the insurance industry and to remain professionals who can be of assistance to the industry at all levels.

OBJECTIVE:

PRCL's prime objective is the development of insurance and reinsurance business in Pakistan. The company provides insurance solutions to departments including Aviation, Marine Cargo, Marine Huss, Engineering, Fire and Accident. The company is a national reinsurer playing its role in the economic development of Pakistan. It provides reinsurance protection to the local insurance industry by way of treaty and facultative business as well as managing insurance schemes assigned by the Federal Government of Pakistan. To provide best services to the local insurance industry in order to check outflow of foreign exchange, to the maximum possible extent.

Activities in the year 2016-2017

PRCL has continuously been trying through strategic and concentrated efforts to avoid outflow of foreign exchange from the country and improve the performance of insurance sector in Pakistan. The Company's business strategy would continue to focus on providing prompt service to insurance companies with reference to facultative offers.

PRCL Business:

- PRCL operates in the following departments to conduct its business:
- Fire
- Marine
- Engineering
- Accident
- Aviation
- Treaty & Business Development department.

The Silent features of the business operations during the year, 2016 are as under:-

Dec. 31, 2016	Dec. 31, 2017	Rupees in Million	
Gross Premium	8,807		8,036
Net Premium	5802		5,098
Net Commission	(1,264)		(1,142)
Net Claims	(3,336)		(3,740)
Management expenses	(657)		(744)
Underwriting Profit	545		(528)
Investment Income	961	-	3,326
Rental & other income	142		188
Exchange (Loss)/Gain	(I)		103
Gen. & Admn. Expenses	(54)		(60)
Other charges	166		(56)
Profit before tax	1,427		2,973
Taxation	(453)		(754)
Profit after tax	974		2,219

PAKISTAN REINSURANCE COMPANY LIMITED.
TABULATED STATISTICS OF PRT BUSINESS DURING THE YEAR 2012 TO 2017 MAY

Rupees in Million.

Particulars	2012 (Restated)	2013	2014	2015	2016	2017
Premium (Gross)	8153	8659	8661	8135	8807	8,036
Underwriting Profit	1012	956	1040	1343	545	(528)
Profit Before Taxation	1537	1706	1565	1772	1,427	2,973
Investment, Securities	6434	6513	6650	6318	6,625	6,093
Investment Income	918	1101	1079	935	961	3,326
Yield % on Investment	14.27%	16.90%	16.23%	14.79%	14.50%	54.59
Reserves & Underwriting Provision	7157	8225	9820	11161	13437	14,021
Breakup value per share	21.87	21.90	23.29	23.12	24.67	26.01
Earning per share	3.68	4.40	4.15	4.59	3.25	7.40
Return on Equity%	16.82%	20.10%	17.80%	19.83%	13.15%	28.44

16. Directorate General of Trade Organizations (DGTO)

Directorate General of Trade Organizations, an attached department of Ministry of Commerce was established through an Ordinance promulgated in 30th July, 2007 and entrusted with the task of regulating trade organizations in the country. The Ordinance was subsequently enacted into Trade Organizations Act, 2013 on 22nd February, 2013 following which Trade Organizations Rules, 2013 were notified by the Ministry of Commerce vide SRO. No. 267(1)/2013 dated 26th March, 2013.

2. The Trade Organizations law aims to ensure appropriate representation of all genders and business sectors at all level in trade organizations and that they play significant role in developing policy framework for improving business environment and economic growth. In order to materialize the objectives, the law defines the purposed, role, responsibilities and operational framework including code of corporate government for trade organizations. Licenses to trade organizations are granted for a period of five years, subject to the terms and conditions specified in the law for registration as a limited company with the Security & Exchange Commission of Pakistan (SECP). In pursuance of new Law, following licenses were granted during the period from 01-07-2017 to 30-06-2018.

A. LICENCES RENEWED DURING 2017-18.

Status of renewal of licenses of Trade Organizations during 01-07-2017 to 30-06-2018.

Sr.	Type of Trade Organization	Approved	Rejected	Under Process
1	Chamber of Commerce & Industry	2	-	5
2	Women Chambers of Commerce & Industry	-	-	1
3	Chambers of Small Traders and Small Industry	-	-	-
4	Associations	9	-	20
5	Associations of Small Traders	-	-	4
6	Town Associations	3	-	1
Total Trade Organizations		14	-	31

B. NEW LICENCES GRANTED DURING 2017-18.

Status of licenses granted to new Trade Organizations during 01-07-2017 to 30-06-2018.

Sr.	Type of Trade Organization	Approved	Rejected	Under Process
1	Chamber of Commerce & Industry	1	2	13
2	Women Chambers of Commerce & Industry	1	3	2
3	Chambers of Small Traders and Small Industry	-	1	4
4	Associations	2	10	46
5	Associations of Small Traders	-	-	4
6	Town Associations	-	-	1
Total Trade Organizations		4	16	70

1.3. In accordance with Trade Organizations Act, 2013 and Trade Organizations Rules, 2013, registered trade organizations are required to hold elections on annual basis. During conduct of election, Regulator of Trade Organizations acts as final forum of appeal in disputes relating to eligibility of members, voters, nomination for Executive Committee members and Office Bearers.

2. Furthermore, post-election complaints relating to irregularities and violation of relevant rules are also adjudicated by the Regulator of Trade Organizations. Members of trade organizations have a right of appeal against the decisions made by the Regulator of Trade Organizations. Such appeals are to be filed before the Federal Government i.e Secretary Commerce and respective High Courts.

17. NATIONAL TARIFF COMMISSION.

National Tariff Commission (NTC) is a quasi-judicial body under the administrative control of Ministry of Commerce, Government of Pakistan created under NTC Act 2015. Earlier NTC was working under the NTC Act 1990. The primary objective of the Commission is to ensure competitiveness of the domestic industry by addressing the issues related to tariff and trade

measures, discouraging unfair trade practices like antidumping, subsidized imports besides taking appropriate measures against surge in imports of any specific product inflicting injury on the like product of domestic industry. The Commission also advises the government on issues related to Tariff and Trade Policy, International Trade, Free Trade Agreement, Preferential Trade Agreement, Promotion of Exports and also assists the government in Dispute Settlement Body of the World Trade Organization (WTO). The following legal instruments have been provided for the performance of functions:

- (i) National Tariff Commission Act, 2015
- (ii) The Antidumping Duties Act, 2015
- (iii) Countervailing Duties Act, 2015
- (iv) Safeguard Measures Ordinance 2002

Following are the requisite information for the Year Book 2017-2018 in respect of National Tariff Commission, Islamabad.

A. Tariff Protection cases:

The reports of following 05 tariff protection/assistance cases were forwarded to Ministry of Commerce for their consideration:

1. Tariff protection to the domestic industry manufacturing Ball Pen.
2. Tariff protection to the domestic industry manufacturing Gel Pen.
3. Tariff protection to the domestic industry manufacturing Plaster of Paris Bandages.
4. Removal of Tariff/Fiscal Anomaly for the domestic industry manufacturing Stationery Items.
5. Removal of Tariff/Fiscal Anomaly in the Tariff Structure of the domestic industry manufacturing Acrylic Tow, Acrylic Tops and Acrylic yarn.

B. Antidumping Cases: (Finalized)

The following **08** Anti-dumping Investigations were finalized:

1. Anti-dumping Investigation and levy of definitive anti-dumping duties on Dumped Imports of Color Coated Steel Coils / Sheets Originating in and/or Exported from the People's Republic of China & Republic of South Africa.

2. Anti-dumping Investigation and levy of definitive anti-dumping duties on dumped imports of polyvinyl chloride resin into Pakistan originating in and / or exporting from China, Chinese Taipei, South Korea, and Thailand.
3. Antidumping Investigation against alleged Dumped Imports of Phthalic Anhydride into Pakistan Originating in and/ or Exported from the Russian Federation.
4. Anti-dumping Investigation and levy of definitive anti-dumping duties on Dumped Imports of Bleached Board/ Folding Box Board with White Back into Pakistan Originating in and/or Exported from China.
5. Anti-dumping Investigation and Levy of Definitive Antidumping Duties on Dumped Imports of Polyester Filament Yarn into Pakistan Originating in and/or Exported from the Peoples' Republic of China and Malaysia.
6. Anti-dumping Investigation Against Alleged Dumped Imports of Sulphonic Acid into Pakistan Originating in and/or Exported from the Peoples' Republic of China, and Malaysia.
7. Anti-dumping Investigation Against Alleged Dumped Imports of Polyester Filament Yarn into Pakistan Originating in and/or Exported from the Peoples' Republic of China and Malaysia.
8. Anti-dumping Investigation Against Alleged Dumped Imports of Deformed Concrete Reinforcing Steel Bars into Pakistan Originating in and/or Exported from the Peoples' Republic of China.

C. Antidumping Cases: (Initiated)

1. Anti-dumping Investigation Against Alleged Dumped Imports of Lead Pencils into Pakistan Originating in and/or Exported from the Peoples' Republic of China.

D. Countervailing Investigation

1. Subsidized Imports of Fine Cotton Yarn into Pakistan Originating in and/or Exported from the Peoples' Republic of India.

E. Assistance to the Domestic Industry:

1. Anti-subsidy and Anti-dumping Investigation on Pakistan's Exporters of PET Bottles Grade Resin by the Government of Canada.

2. US Anti-dumping Duty Investigation on Imports of PET Resin.

F. Budget Proposals:

NTC has also prepared **128** (Number of Tariff Lines) Budget Proposals on the request of various industries/associations and forwarded it to Ministry of Commerce and Federal Board of Revenue for the Budget 2018-19. In Budget 2018-19, the proposals for change in tariffs for 80 tariff lines were accepted and 12 partially accepted.

18. PAKISTAN INSTITUTE OF TRADE AND DEVELOPMENT

Pakistan Institute of Trade and Development (PITAD), an attached department of Ministry of Commerce is mandated to conduct a nine month long Specialized Training Program for the newly inducted officers of Commerce and Trade Group of the Federal Government as well as capacity building trainings for the officers of Commerce & Trade Group.

I. Details of activities carried achievements during 2017-2018:

- i. During 2017-2018, two specialized training programme (24th and 25th Specialized Training Programs) were conducted for the newly inducted officers of Commerce and Trade group.
- ii. A training on PPRA rules was arranged for C&T officers of 24th STP in September, 2017.
- iii. Seminar on ECO-Regional Trade and Genders Trade Policy were organized in 2017 and 2018 in which 5 ECO countries delegates participated.
- iv. PITAD has hosted first roundtable on WTO's information Technology Agreement (ITA-I) – opportunities for Pakistan.
- v. Pre-Departure written tests for the employees of Ministry of Commerce were conducted for their selection as trade officials to be posted abroad in 2017 and as well as 2018.
- vi. A short term capacity building training was arranged for the officers of National Tariff Commission of Pakistan (NTC), Islamabad.
- vii. PITAD arranged three months foreign language courses (French/Chinese) within its precinct for the probationary officers of Commerce & Trade Group.
- viii. Training of the probationers in WTI, Berne funded by USAID on International Trade Dynamics was arranged in January, 2018.

- ix. Interactive sessions with the trade missions of various trade partners posted in Pakistan were organized to provide probationary officers an opportunity to have an understanding of bilateral trade relationship & economic cooperation.
- x. PITAD was nominated as economic think tank by Ministry of Commerce to be included in SCO Economic Think Tank (ETTA) and has also represented Pakistan in SCO forum.

19. PAKISTAN TOBACCO BOARD

Overview

Pakistan Tobacco Board is a statutory body set up in 1968 through an Ordinance (Ordinance No.1 of 1968) by the Federal Government mainly to promote tobacco cultivation on scientific lines to meet domestic and export demand. The Board is a regulatory-cum-research body and is not engaged in any commercial or trading business.

Export of Tobacco and Tobacco Products

Pakistan's tobacco is at present being exported to a number of countries such as UAE, Germany, Malaysia, Canada, Belgium, Indonesia, Paraguay, Korea, Switzerland, etc. Figures of tobacco exports/imports are given below:

A. EXPORT OF TOBACCO AND TOBACCO PRODUCTS

(i) EXPORTS

Year	Quantity Exported			Values Realized			Total Value (M.US\$)
	Tobacco (M.Kg)	Cigarettes (M.Pieces)	Cigars (M.Pieces)	Tobacco (M.Rs)	Cigarettes (M.Rs.)	Cigars (M.Rs)	
2016-17	3.80	42.75	4.38	14.815	0.85	4.38	15.753
2017-18	7.29	2.7	5.96	25.539	0.05	0.15	25.735

Source: Federal Bureau of Statistics, Government of Pakistan

ii) **IMPORTS**

Q (T) = Million Kg
 Q (Cig. & Cigar) = Million Nos
 V = Million Rs

YEAR	Tobacco		Cigar		Cigarettes		Total Value of Imports
	Q	V	Q	V	Q	V	
2016-17	1.75	1335.92	1.61	2.42	52.68	120.20	1458.54
2017-18	1.52	1256.68	2.11	3.51	10.05	17.55	1277.74

Source:-Federal Bureau of Statistics, Government of Pakistan

ACTIVITIES DURING THE YEAR 2017-18

Sr.	PERIOD		ACTIVITIES
1	January	February	a. Field days/workshops, Preparation of Annual Technical Report, meeting with fertilizer and pesticide companies, Collection of Research Papers for Pak Tobacco b. Cess collection rights of Baluchistan province were awarded.
2	March	April	a. Demonstration plots/nurseries at farmer's field regarding land preparation, ridge making & transplantation. b. Compilation of Statistical data for publication purposes.
3	May	June	a. Topping/ De-suckering, Data collection, Repair of Barns for Curing, Preparation/Publication of Pak Tobacco. b. Stock verification of Tobacco Companies. c. Distribution of Spilled over Leaf (SOL) fund among the affected 329 tobacco growers at various Districts of Khyber Pakhtun Khwa.
4	June	August	a. Picking/Harvesting, Curing, Sample Collection for analysis b. Cess collection rights of KP were awarded
5	July	September	a. Grading, Bailing, Marketing, Cost of Production Survey. b. Monitoring the marketing of tobacco in various tobacco growing areas to check marketing malpractices and ensuring that the growers get prices not below weighted Average Price of the previous year. c. Compilation and summarization of Daily Purchase Reports during marketing season.

6	October	November	<p>a. Leaf and Soil analysis for recommendations, Preparation of Research & Development Plans (Research Trials), meeting of Research Co-Ordination Committee to approve the plan.</p> <p>b. Conduction of the Cost of Production (COP) survey in tobacco growing areas of Pakistan.</p> <p>c. Calculation of important values like Weighted Average Price(WAPs) for 2017-18 tobacco crop.</p>
7	November	December	<p>a. Preparation of Seed beds, Layout of nursery trials, Sowing of tobacco seeds for nursery preparation</p> <p>b. Cess collection rights of Punjab region I and Punjab region II were awarded</p>

ACHIEVEMENTS

- 11 Radio talks were conducted in 2017-18 to disseminate information on Tobacco nursery preparation, safeguard against diseases and insects of tobacco crop and adoption of best practices in tobacco cultivation.
- 8 students of BSc (Hons.) and MSc. (Hons) from University of Agriculture Peshawar & Abdul Wali Khan University, Mardan conducted their research at Tobacco Research Station Mardan.
- 340 Tobacco Curing Barns of Tobacco growers were modified at Charsadda, Mardan, Sawabi, Buner, Mansehra and Attock to reduce cost of production of tobacco.
- Sinking of Tube well along with Solar system at Tobacco Model Farm, Buner.
- Survey of Cost of Production of Tobacco was conducted all over the country.
- Minimum Indicative Prices of Tobacco for 2018 crop were fixed.
- Analysis of experimental data of Khyber Pakhtunkhwa (KP) and Punjab was conducted to interpret its results.
- Technical assistance was provided regarding statistical methods to the Board's Technical staff.
- Amendments in Rules-12 and Schedule-I of PTB Service Rules, 1985 were forwarded to Federal Government, which are under process.
- Recruitment of 15 BPS-17 Officer and 34 BPS (1-4) staff was carried out, as per recruitment policy issued by Establishment Division Islamabad.

- Punjab province was divided into three regions for the purpose of auction of tobacco cess collection rights after approval in 148th meeting of Board of Directors in October, 2017. The three regions are as follows:
 - Punjab Region-I (Jampur/DG Khan, Bahawalpur/Bahawalnagar and Mailsi/Vehari)
 - Punjab Region-II (Sahiwal/Pakpattan, Toba Tek Singh, Faisalabad/Shekhupura/Nankana Sahib and Lahore/Kasur)
 - Hazro Area (Attock) Earlier cess contracts for Punjab province were auctioned individually for each area.
- Medical policy of PTB was amended in December, 2017.
- The financial system of accounting was updated. The purpose is to provide accounting management, analysis and accuracy in the financial matters of PTB.

20. Pakistan Horticulture Development & Export Company

Overview

Pakistan Horticulture Development and Export Board was established in 2002 under the administrative control of Ministry of Commerce as a sector-specific business support organization. In July 2009, it was transformed into a Company registered under Section 42 of Companies Ordinance 1979. It is the federal entity entrusted to facilitate improvement of horticulture supply chain with the ultimate objective to enhance sector's exports.

Main Objective

To work for production, development and export of horticulture products - fruits, vegetables, flowers and herbs.

Major Functions

- To encourage, facilitate and pass training to the growers "to grow for export"
- Improvement of supply chain system including establishment of modern infrastructure
- Capacity building of stakeholders in value chain of horticulture products
- Facilitating adoption of international standards and certifications for compliance with import requirements of the importing countries.

- Information dissemination on international compliances on food quality and safety
- Promoting/facilitating investment in horticulture processing, infrastructure and other areas.
- To promote export of horticulture products by:
 - Setting up market intelligence services
 - Establishing linkages with international marketing companies
 - Organizing exporter's delegations and their participation in International Exhibitions relating to horticultural products
 - Promotional activities for Pakistani horticultural products

Performance/Activities during 2017-18

The Company has been passing through restructuring stage. During the year 2017-18, it carried out the following activities:

Administrative

a) Shifting of Office to Islamabad

As a part of restructuring exercise, as envisaged by the Board/the sponsoring Ministry, the Office of the Company was shifted from Lahore to Islamabad and a newly hired premises were made operational within a short time.

b) Disposal of Outdated/Un-usable Assets

- i) The Company has a number of cars, some of which were transferred from the time bound projects, where it was involved as implementing partner. Many of these vehicles were lying idle either due to heavy repairs required as well shrinkage of the Company's activities. Therefore, as per decision of the Board of Directors and subsequent approval from Secretary Commerce, six vehicles were auctioned through a well-organized/ transparent process.
- ii) The entire furniture, fixtures and equipment except a few items, which were old, outdated, un-usable in reference to the new office premises, were auctioned through proper procedure.

c) Development of Human Resource Manual

The Company has been functioning since its inception without formal Service Rules. With the effort of the management and the Board, the Human Resource Manual has been developed which was finally approved by the Board in its meeting held on July 02, 2018

d) Obtaining of Non-Profit Organization status for the Company

During the year, Company got the status of “Not for Profit Organization” from Income Tax authorities

e) Enrichment of Endowment Fund with Rs. 500 million

To meet its financial requirements, an Endowment Fund was created by the Company, with Endowment Fund Rules, approval by the Board. Initially, the Government contributed Rs. 500 million, while another Rs. 500 million was released in 2018, thus bringing to Rs. 1 billion.

Trade Promotion Activities

a. Facilitation in Mango Consignment to Pakistan Embassy Rome Italy (July 2017)

At the directions of CEO PHDEC, the Company facilitated M/s Union Fruits for dispatching its consignment to Pakistan Embassy Rome, Italy by providing necessary documentation and facilitating the dispatch of consignment at Allama Iqbal International Airport.

b. Mango Festival in Beijing China August 2017

On the occasion of Independence Day of Pakistan, PHDEC arranged the Mango Festival in Beijing China with the support of mango exporters from Pakistan. A two member delegation of mango exporters visited Beijing, China for the event. The show proved a huge success with exporters getting orders for mango export.

c. Facilitation in Mango Consignment to Beijing by Punjab Government

In August 2017, the Punjab government sent a mango consignment to Beijing. PHDEC facilitated the exporters in dispatching the subject consignment from Karachi.

d. Facilitation in Mango Consignment to Kazakhstan

PHDEC actively helped exporters for dispatching a consignment to Kazakhstan by mango exporters.

Other Activities

a) In-house facilitation/information dissemination

PHDEC has been actively involved in facilitating the exporters and stakeholders for information dissemination on various requirements of the importing countries.

b) Coordination with Government departments, Donor funded projects and others working in Horticulture Sector

The organization, as its policy, prefers to work with other organizations engaged in development activities in horticulture. For this, during the year, it remained in close contact with relevant public and private sector institutions/agencies.

c) Facilitation and dissemination of information to the walk-in visitors

PHDEC facilitated the walk-in visitors seeking information regarding production, processing, packaging, export and cold chain systems pertaining to horticulture sub-sector

Future Outlook:

During the recent years, the performance of the Pakistan Horticulture Development and Export Company (PHDEC) has fallen short of expectations due to multiple administrative and financial issues. As part of the development process of Strategic Trade Policy Framework 2015-18, Ministry of Commerce conducted a performance review of PHDEC and it was decided to completely restructure the Company. The performance review had revealed that one the most important causes of the Company's lackluster performance was the lack of financial sustainability and provision of inadequate financial resources to the Company and appointment of then CEO on political considerations.

The Company has been provided Rs. 500 million by the Government for PHDEC Endowment Fund in June 30, 2018. The appointment of a permanent CEO, however, is still under process.

The Company has prepared a development plan for the year 2018-19, according to which it will focus its activities on five major products – Kinnow, Mango, Dates, Potato and Onion. The Board of Directors of the Company, in its meeting held on July 02, 2018, approved development plan, budget for development and operational requirements, along-with its organizational set-up

for next 2-3 years. The Company is in the process for phase-wise strengthening of human resource. It has also started activities as per approved plan.

21. TRADE DEVELOPMENT AUTHORITY OF PAKISTAN

After facing challenges on the export front for the last few years, Pakistan has shown robust recovery in exports during 2017-18. Exports have registered a broad-based growth of 13% in the last fiscal year. Above revival in the export performance of Pakistan, roughly coincides with growth in the world economy after prolonged recession. Exports of Agro Food increased by 32%, Textile & its products registered an increase of 8.7% in 2017-18. Mineral and Metal sector showed positive growth of 81% and Engineering sector export increased by 10% over the same period in the year under reference.

TDAP, the main government agency responsible for promotion of exports has also initiated and implemented a number of programs for promoting Pakistan's exports details of which are given in following Paras:

Exhibitions & Delegations

- TDAP's has served as a platform for Pakistan's representation in around 170 international trade exhibitions across the world and 30 plus trade delegations to and from Pakistan.

Regions	2016-17	(July 2017-Dec 2018)
Asia	16	24
Middle East	18	20
China	21	32
Europe	40	38
Americas	24	36
Africa	16	20
Total	135	170

Trade Delegations sent abroad 2017-18

Regions	2017-18
Asia	06
China	03
Europe	05
Americas	02
Africa	02
Total	18

Summary -Trade Delegations to Pakistan

Regions	2017-18
Asia	07
China	01
Europe	06
Americas	Nil
Africa	01
Total	15

Thailand –Single Country Exhibition

- First Single Country exhibitions was organized in Thailand (July, 2018)

Local Exhibitions:

- On the domestic front, the TDAP’s annual trade fairs like “Expo Pakistan” continue to be the biggest platforms of their kind for the promotion of Pakistani businesses, especially women entrepreneurs. EXPO 2017 (09-12 November, 2017) organized by TDAP was a flagship trade event where selected buyers from around the world visited Pakistan and met their business partners in the country to see for themselves the whole range of products made in Pakistan for meeting their procurement needs. TDAP organized 10th edition of Expo Pakistan at the Karachi Expo Center (9th -12th November 2017). The event visited by **775 foreign buyers/ importers** from 70 countries and 352 leading companies exhibited different export sectors of the country.

National Exporters Training Program:

- In order to create a pool of trained exporters, who are well versed into the art of exports, TDAP is launching a new program this year called “National Exporters Training Program” (NETP) in 2018 for Pakistani exporters to increase exports from Pakistan. The NETP will target both existing and potential exporters. It will aim at strengthening and developing individual entrepreneurs and small and medium-sized companies by providing them a broad yet comprehensive knowledge and skills base necessary to export and work in a variety of industry sectors and functional areas of international trade.

International Collaboration:

- The TDAP has also been acting as a bridge in development of linkages between international organizations, overseas chambers and trade bodies, foreign trade promotional organizations, etc. and respective counterpart institutions in Pakistan. Such

events have contributed to development of our institutions and exporters, in particular SMEs and enhancement of their knowledge about the dynamics of international markets and prevailing best practices in different fields.

PRGMEA TRADE DELEGATION TO NETHERLANDS

- 06 members PRGMEA Delegation visited Netherlands from 6-12 October 2018) to attend 34th World Fashion Convention in Maastircht and besides the Convention arranged their meetings with CBI, House of Denim (Jeans School), Amsterdam Fashion Institute (AMFI) etc.

MOU BETWEEN TDAP & ICE / ITA

- TDAP signed Memorandum of Understanding (MoU) with ICE/ITA (Italian Trade Agency of the Italian Republic) dated 04-December-2018 in order to enhance economic and trade cooperation in different sectors

Seminar & Conference

- The TDAP has been organizing conferences, workshops, seminars, and training & capacity building for the benefit of exporters to support development of products for the overseas markets, strengthening of supply chains, promote value addition, bring about enhancements in product quality, support product promotion in international markets, and improve overall capacity of Pakistani exporters. The TDAP has been organizing such events on its own as well as in collaboration with international agencies such as CBI of Netherlands, UNIDO, ITC, USAID, World Bank, WTO, etc. Besides this, the TDAP has also organized large number of seminars on women entrepreneurship development and specific events for women entrepreneurs.

S.No.	Events/Seminars	Dates
1	Export procedures documentation in collaboration with women chamber	January, 2018
2	Dates Show in Gwadar	29 th July 2017
3	Dates Show in Karachi	27 th August, 2017
4	Dates Show in Islamabad	September, 2017
5	Seminar on Handicrafts in Hyderabad	13 th September, 2017
6	Seminar on export potential of fresh Water Fish in Sukkur	24 th November, 2017

Help Desk

- Trade Development Authority has set up a vibrant Help Desk which provides information and assistance for finding new and established exporters on trade leads and marketing assistance.

Women Entrepreneurs

- 15% quota for women entrepreneurs and new exporters in exhibitions and delegations.
- 50% subsidy on the normal stall charges
- WEs are beneficiary of all the programs being under taken by TDAP.
 - There is Women Trade Entrepreneur fair at Peshawar 05-07 August, 2018
 - Consultative Sessions on Trade Delegations
 - WEXNET for women Entrepreneurs (21-23 March, 2017)
 - The Blue Fair –Multan (05 – 07 April, 2018)

22. TRADING CORPORATION OF PAKISTAN (PVT) LIMITED

i. BUSINESS ACTIVITIES:

During the year 2017-18, TCP received an amount of Rs.5,000.000 million (as subsidy) through M/s. Utility Stores Corporation towards sale proceeds of sugar.

During the year 2017-18, TCP received an amount of Rs.2,412.641 million from M/s. NFML towards Sale proceeds of Urea.

During the year 2017-18, TCP issued Delivery Order in favour of M/s. L.S. Traders for Sale of 150 MT Sweeping Urea against an amount of Rs.2,411,105/-.

During the year 2017-18, TCP issued 13 Delivery Orders in favour of three (3) parties for Sale of unused Jute/P.P. Bags against an amount of Rs.27,582,787/-.

During the year 2017-18, TCP issued several reminder letters to M/s. USC, NFML, Provincial Governments and other Government entities for recovery of outstanding amount on account of sale of Sugar, Urea and Wheat.

A meeting of Chairman TCP with the Chief Secretary, Government of Sindh, was held on 16-01-2018, to settle the outstanding against supply of Wheat to Government of Sindh by TCP. In

the said meeting, Food Department, Government of Sindh, agreed to release the Principal amount i.e. Rs.1,963.147 million (excluding mark-up & Storage Charges) to TCP shortly. The minutes of the meeting were received in TCP on 05-03-2018. However, as per TCP's point of view some amendments in the minutes were proposed. The amended minutes have not been received so far despite of TCP's several reminders.

Two (2) meetings between TCP and NFML have been held on 09-04-2018 & 15-05-2018 to settle the issue of long outstanding dues of TCP amounting to Rs.10,342.889 million against supply of Urea to M/s. NFML.

During the hearing of an older case of the year 1974, The Honorable Supreme Court of Pakistan Islamabad vide his judgment dated 13-06-2017, ordered Trading Corporation of Pakistan (TCP) to import 17 MT imported butter ghee and handover the same to the applicant M/s. Nasir Ali & Company, Multan. In compliance of the orders of the Honorable Court, TCP booked an order with M/s. Royal VIV Buisman Netherlands sole manufacturer of pure Butter Ghee (Cow brand) for supply of 17 MT Pure Butter Ghee (Cow Brand) in 1.6 KG tin packing for a price of **Euro 9,530 PMT C&F Karachi**. Detail of all the expenses occurred against import of 17 MT Pure Butter Ghee (Cow Brand) is as under:-

Sr.	Charges on Account of	Amount (Rs.)
1	Cost of Pure Butter Ghee (17 MT Net)	Rs.19,089,448.21
2	Pre-shipment Inspection Charges	Rs.267,120.00
3	Transportation Charges from Karachi to Multan	Rs.190,800.00
4	Insurance, Customs Duty, Taxes, Port Handling charges etc.	Rs.15,504,267.00
5	Tender publication charges (International newspapers)	Rs.1,484,657.00
6	Tender publication charges (Local newspapers)	Rs.175,762.00
7	Tender's Corrigendum charges (Local newspapers)	Rs.70,305.00
Total		Rs.36,782,359.21

ii. DIVIDEND PAYMENT:

During the year 2017-18, as per instruction of Ministry of Commerce & Textile, TCP has paid Rs. 200 Million as dividend to the Government of Pakistan.

iii. OTHER SAVING / INCOME AS RESULT OF PRUDENT FINANCIAL MANAGEMENT:

Sr. No.	Description of Saving /Income	Amount (Rs. In Million)
1.	Commission income	NIL

2.	Income on Investment (PKR + US\$)	1,107.079
3.	Other	429.090
Total		1,536.169

iv. SAVING MADE UNDER VARIOUS HEADS OF ADMINISTRATIVE EXPENSES:

Head of Account	Expenses for the year 2016-17	Expenses for the year 2017-18	Difference (decrease)	Percentage (decrease)
Repair Office Equipment	Rs. 629,581	Rs. 520,422	Rs. 109,159	17.33%
Purchase of Office Equipment	Rs. 455,782	Rs. 83,166	Rs. 372,616	81.75%
Canteen Expenses	Rs. 31,486	Rs. 20,000	Rs. 11,486	36.47%
Stationary expenses	Rs. 1,234,423	Rs. 900,000	Rs. 334,423	27.09%
Energy expenses	Rs. 2,853,688	Rs. 2,752,701	Rs. 100,987	3.53%
Motor running expenses	Rs.10,993,123	Rs. 9,521,562	Rs. 1,411,561	12.84%
Medical expenses	Rs. 109,687,707.12	Rs. 82,473,770.20	Rs. 27,213,936.92	24.81%

v. STEPS TAKEN FOR EFFECTIVE PURSUING OF LEGAL CASES:

Reduced the litigation in the Courts of Law by way of examining and vetting the Terms & Conditions of Tender Notices / documents and various Tenancy Agreements by the Legal Advisor of TCP.

Minimized the expenses on account of "Legal Charges" by awarding the Court Cases to the panel advocates at minimum professional fee instead of the hiring of services of advocates at higher fee.

Constant monitoring of the Court cases pending in various Courts and follow up the cases vigorously has yielded favorable results.

vi. STEPS TAKEN FOR BETTERMENT OF GODOWNS / WAREHOUSE OPERATIONS:

- Security Systems in the Godowns has been strengthened and TCP's Pipri, Korangi and Landhi Godowns equipped with Security Cameras which are operational round the clock. Further reforms in Godowns are in pipeline.
- Title of Korangi Godown (Plot No.9-13) has been transferred into the name of TCP.

- Transparency has been ensured in the process of renting out of Godown, whereas, TCP earned an amount of **Rs. 338.797 Million** on account of rentals from its Godowns during the year 2017-18.

vii. ENTERPRISE RESOURCE PLANNING:

The Enterprise Resource Planning (ERP) has been implemented. It will allow TCP to use a system of integrated applications to manage its business efficiently.

viii. ISSUANCE OF AUTHENTICITY CERTIFICATES FOR EXPORT OF RICE:

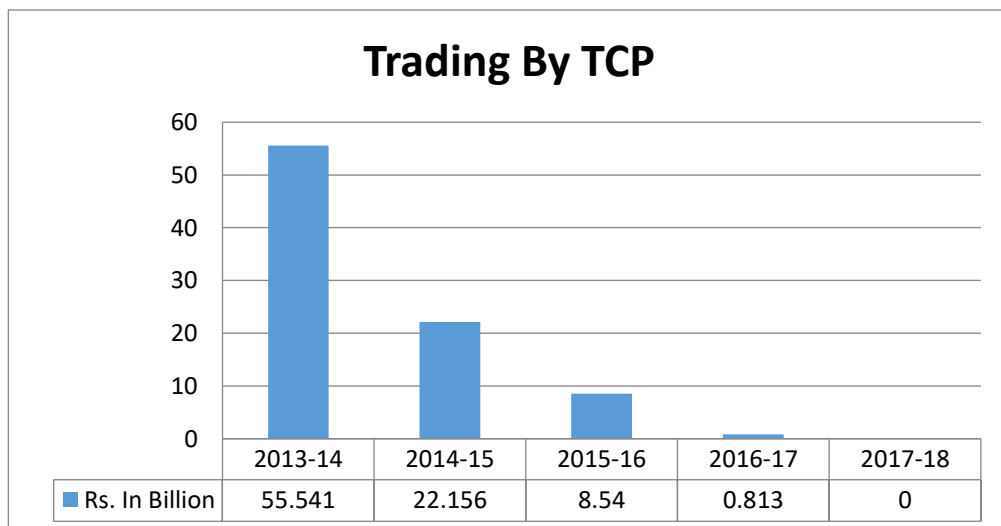
During the financial year 2017-18, TCP issued 807 (Eight Hundred Seven only) Authenticity Certificates for export of **209,260.34 MT** Brown Rice, Sella and White Basmati Rice valuing **US\$.200,351,932.27** exported to European Union Member Countries and earned an amount **Rs. 23,132,000** in terms of inspection fee.

ix. SALE OF LINT COTTON:

NIL

x. FUTURE ENDEAVOR:

Trading Corporation of Pakistan (TCP) is the principal trading arm of the Government of Pakistan and executes operations on the directives of the Federal Government. TCP undertakes import of essential commodities to help ensure their availability to the common man at affordable prices. It intervenes in the market in the larger public interest to ensure fair price to growers, as well as to preempt hoarding and profiteering.



TCP discontinued procurement of sugar from local market since 2014. Similarly business relating to import of urea through international tender and SABIC was considerably reduced as local production improved due to supply of gas to local manufacturers during 2015-16. However, during 2016-17 huge decline occurred in trading due to less procurement of commodities were made.

xi. DIVIDEND:

A final cash dividend of Rs. 200 million has been recommended by the Board. Balance of General Reserve as on 30th June 2017 Rs.7,500 million Transfer from General Reserves to un-appropriated profit Rs. Nil million Position of General Reserves as on 30th June 2018 Rs.7,500 million

xii. AUDITORS:

The retiring Auditors M/S Baker Tilly Mehmood Idrees Qamar, Chartered Accountants have provided consent to the office of External Auditors at an increase of Rs. 150,000/- which is 8.7% higher i.e. Rs. 1,875,000/- (2018-19) as compared to Rs. 1,725,000/- (2017-18).

It is pertinent to highlight here that TCP is a self-sustained organization. TCP's administrative cost is met out from its own sources. Since its incorporation from 1967, TCP has never obtained any grant/support from the Federal Budget to meet its administrative/operational expenditure.

23. PAKISTAN INSTITUTE OF FASHION AND DESIGN

PIFD offers a balanced course of study leading to Bachelors degree, divided into four schools:

1. School of Fashion Design
B.Des Fashion Design
2. School of Fashion Marketing and Promotion
BS Fashion Marketing and Merchandising
3. School of Textile Design
B.Des Textile Design
4. School of Accessories and Products
B.Des Jewellery Design and Gemological Sciences
B.Des Furniture Design and Manufacture

B.Des Leather Accessories and Footwear

B.Des Ceramics and Glass Design

PIFD also offers a two years evening program leading to Masters degree in Art and Design Education.

Vision:

- PIFD aims to be a specialist design institute, catering to the demands of the industry.
- Its goal is to provide a comprehensive design education which focuses on the relationship between the designed product and the consumer.
- It aims to be the platform from which individuals can pursue challenging career options in the field of design.

Mission:

We strive to produce a new generation of designers, entrepreneurs and highly skilled professionals who are equipped with a well-rounded education, technical expertise and marketing acumen. PIFD graduates are groomed and empowered to excel within the local framework and compete in any market across the globe.

Academic Activities

Training at Ecole de la Chamber Syndicale de la Couture, Paris

Eighteen students of 3rd year from the Department of Fashion Design were selected on CGPA basis to attend two weeks training at Ecole de La Chamber Syndicale de la Couture Paris from 23rd June 2018 to 9th July 2018. Ms. Sarah Javaid and Ms. Hareema Ahmed accompanied the students.

International Graduate Fashion Spectacle, Srilanka (IGFS)

Final year Students of Fashion Design Department from Pakistan Institute of Fashion and Design, presented their collections in International Graduate Fashion Spectacle 2018 Colombo in collaboration with Embassy of France and Mod' Art International. The event was held from 5th to 11th July 2018.

IGFS selected three final year Fashion Design students, Ms. Sumbal Rehman, Ms. Rabia Tahir and Ms. Mariam Mujahid from Session 2014-18, to represent Pakistan in the show.

Study Trip of Textiles Department to Accademia Del Lusso, Milan, Italy

A Study trip for Textile design 3rd year students was arranged in collaboration with Accademia Del Lusso, Milan, Italy from 9th till 20th July 2018. Fashion and Textiles Graphic Communication was offered as summer course for two weeks there. The course was intended to provide basic knowledge and techniques of processes involved in Fashion Graphic and Textiles Communication with special focus in textiles. A group of fifteen students attended this program and were accompanied by one faculty member from Textiles Department. The workshop was planned by the institute ADLM.

Austin Fashion week, Fashion X Dallas, Fashion X Houston

Fashion X organized fashion weeks in three U.S cities (Austin, Dallas and Houston) from 6th to 13th October, 2018. With the sponsorship of U.S State Department, one final year student of Department of Fashion Design was selected by the jury. Ms Maryam Khizar was selected to present her thesis collection at the event. All the expenses related to the show, and boarding and lodging was sponsored by the event organizers.

Schmuck and Munich Jewelry Week, Munich, Germany, 2018

The Department of Jewellery Design and Gemological Sciences of PIFD has always been striving for training of its faculty members and students at both national and International level. In continuation of this ongoing efforts and to remain an active participant in latest developments associated with contemporary jewelry around the world, One Faculty member along with 8 students visited Schmuck and Munich Jewelry Week 2018.

Visit to Uganda Summer School

Ten students and three faculty members visited Uganda where they took part in summer school of Social Innovation Academy (SINA). The students were paired with local entrepreneurs to come up with design solutions while the teachers designed and conducted design thinking related workshops.

One day workshop brand /product positioning

Professor Dr. Ehsan-ul-Haque, Dean Sulman Dauad School of Business - LUMS Lahore delivered a lecture to the Fashion Marketing and Merchandise students of Semester IV Session 2016-2020 about Brand and Product Positioning in Marketing and Merchandising course.

Industrial Visit

The 11th batch (Session: 2015-2019) of Fashion Marketing and Merchandising went on an industrial visit to a textile- manufacturing unit “Navetech Apparel” for their course “Production Planning and Control”. The experience was impeccable for the students as they got to observe and learn a lot through their visit as the same process was taught to them in their course of Production Planning and Control.

Visit to Walled City Lahore

Fashion Marketing and Merchandising department had arranged an educational trip on February 21, 2018 for 3rd year students of Fashion Marketing and Merchandising department to visit “**Walled City Lahore**” for the course Visual Merchandising and Space Management.

Basketry workshop

A Basketry workshop for 2nd year students of Textile Design Department was organized in the course title: Weave design studio, to help them in their course from 15th and 16th September, 2018 to introduce students with the indigenous crafts and help them in their course.

Rafi Peer Puppet Museum Visit

A study tour to Rafi Peer Puppet Museum was arranged for Foundation Year Students from 27th to 30th November, 2018.

Study Trip to Shahi Hammam and Wazir Khan Mosque

A study visit to Shahi Hammam and Masjid Wazir Khan was arranged for students of Foundation *Year Studies from 13th to 19th November, 2018.*

National Dress Design Award

Two Textile Department students namely Ms Khadija Khalil and Ms Hina Muzaffar Shah have received an award for their graduation project, at Pakistan's first National Dress Design Awards, conducted and hosted by LUMS. Khadija Khalil, graduated in May 2018 and Ms Hina Muzaffar Shah, graduated in Nov 2017 were awarded out of the five total awards.

Year Review

2.2.1 January

- A Video Conference session was held with nine other universities chaired by Ms. Dure-

e-Shahwar, Director Capacity Building and Alumni affairs, HEC Pakistan on 8th January 2018. All the universities were guided to bring entrepreneurial changes. SSBC-PIFD events and achievements were shared by SSBC team members.

- On 16th January 2018, H.E. Mr. Aftab Ahmad Khokar, Ambassador of Pakistan to Lebanon visited PIFD.
- Department of Leather Accessories and Footwear of Pakistan Institute of Fashion and Design participated in the 4th Annual Pakistan Mega Leather Show held at Lahore International Expo Centre from 26th-28th January, 2018. Department of Leather Accessories and Footwear, PIFD had designed Trend Gallery in this event based on current market trends, which was highly appreciated by the national and foreign viewers.

February

- Mr. Martin Kobler, German Ambassador visited PIFD on 28th February and highly appreciated the skills and crafts taught to the student body.
- In February 2018, PIFD participated in 5th DAWN Education Expo 2018, in Karachi, Lahore and Islamabad.
- On 23rd February 2018, A Welcome/ Farewell party was arranged for PIFD students.
- On 5th March 2018, a panel discussion was held for students and faculty on "Women Harassment", at PIFD. The panel included eminent feminists like Ms. Sarah Suhail, Ms. Bushra Khaliq, and legal consultants. The panel discussion was meant to aware the faculty and students regarding sexual and work place harassment and proper channel to report it. The panel discussion was held in collaboration with "Women in Struggle for Empowerment (WISE)".

2.2.2 March

- On 6th March 2018, Austrian Ambassador H.E. Dr. Brigitta Blaha and Austrian artist Prof. Ms. Brigitte Podgorschek from Vienna University of Applied Art visited PIFD.
- The event TEDX PIFD was organized by the faculty and student body of Fashion Marketing and Merchandising Department on 15th March, 2018. TEDX PIFD was a wonderful learning experience for the students in term of execution an event and hearing the experts from the Fashion Industry talked about their ideas, mile stones and experiences. The speakers

at the event were Mr. Hassan Sheheryar Yasin, Mr. Hashim Ali, Ms. Salina Rashid, Ms. Zoone Hassan and Air Commodore Kaiser Tufail.

- On 16th March 2018, French Ambassador H.E. Mr. Marc Barety and Mr. Andre de Bussy, counsellor for cooperation and cultural affairs visited PIFD.
- An Italian delegation visited PIFD on 22nd March 2018, and appreciated student work and efforts of faculty.
- On 23rd March 2018, two PIFD students won positions for Painting Competition at Earth Hour, conducted and hosted by Qarshi University.
- On 29th March 2018, Sports Day was arranged for the PIFD students, faculty and staff.
- Foreign Consultant Mr. Andrew Shenton from UK visited PIFD from 1st April to 10th May 2018 for supervising thesis work, product displays and final juries of Furniture Design and Manufacture Department.

April

- The Naqsh Art Society at Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (GIKI) has been working for the promotion of art since the past decade. PIFD won seven awards in different competitions, during the activities held at GIKI from 6th April to 8th April 2018.
- A candle vigil was held at PIFD to show solidarity with Kashmir. Collective prayer was meant for the well-being of Muslim Ummah.

August

- Pakistan Institute of Fashion and Design celebrated 71st Independence Day with national sense of patriotism. The ceremony comprised hoisting of national flag, national anthem and guard of honor. The Vice chancellor, the registrar and the faculty of all the departments and staff members participated in the ceremony with zeal and stand prayed for prosperity of the nation.
- Orientation Day 2018-19 was held on 27th August 2018, for the Foundation Year new batch.

September

- Declamation Contest, Patriotic Song Competition and Poster Competition was held at PIFD on Defense Day on 6th September 2018.
- On 13th September 2018, Laptop Distribution Ceremony Phase-IV was held at PIFD. On this occasion, Vice Chancellor and Registrar of PIFD were chief guest.
- On 19th September 2018, Delegation of European Conservative and Reformists Group Parliamentarian visited PIFD and were impressed by the quality of work produced.

October

- In October Colour Week was celebrated at PIFD in which students, staff and faculty celebrated vibrant colours.
- From 8th October-24th October 2018, seminar on health, safety and personal conduct were held by medical officer to raise awareness amongst students, technical staff and faculty regarding healthy dietary habits and safety measures related to their work environment, personal hygiene and grooming etc.
- On 11th October 2018, a Charity drive for Pink Ribbon organization was executed in PIFD Lahore.
- Higher Education Commission launched Prime Minister's Clean Green Pakistan Program. In sequence of this, Green Pakistan Event was organized in PIFD on 19th October 2018, in which plants were planted in PIFD Campus.
- Pakistan Institute of Fashion and Design (PIFD) Library organized two days Book Fair from 30th October–31st October 2018, to inculcate reading culture among students and to retain interest of faculty in reading.

November

- On 3rd November 2018, a Breast cancer awareness session was held at PIFD by the CEO of the Pink Ribbon Organization.
- Mr. James, technical expert in weaving (Jacquard) visited PIFD on 24th November 2018, for review of his last year' straining on Jacquard Machine.

- Naat Competition and Milad-un-Nabiat PIFD was celebrated on 12th Rabiul Awal 2018.

December

- On 14th December 2018, Qawali Night was arranged for the students.
- Furniture Design and Manufacture Department participated in 10th Interior Pakistan held on 16th December – 18th December 2018. Pakistan Furniture Council (PFC) managed to organize 10th interior Pakistan, held at Expo Centre Lahore. Mr. Chaudry Sarwar, the present governor of Punjab, inaugurated the event. PIFD was the only educational institute that participated in this event along with designer, manufacturer and retailer of furniture on a single platform that PFC provided that PFC provided us.

24. Intellectual Property Organization of Pakistan

During the year 2017-18, IPO-Pakistan continued its earlier initiatives of improving organizational performance besides undertaking new tasks. These included; drafting of organization's service and financial rules, automation of system and procedures to enhance service delivery, one window operation by bringing IP registries and offices under one roof, organizing awareness activities throughout the country, submission of drafts of upgraded national IP laws and preparing for accession to Madrid Protocol and Patent Cooperation Treaty.

A brief description of major activities undertaken during 2017-18 is as follows:

1. **Establishment of IPO Regional Office at Peshawar:** IPO Regional office at Peshawar was established in May 2018 with the purpose of providing convenient access to the KP-based stakeholders for registration of applications for issuance of trademarks, copyrights, patents and designs. Opening of another IPO Regional Office is under consideration for establishment in Quetta.
2. **Automation:**
 - i. **Development of New Web Portal:** A new web portal of IPO-Pakistan has been completed which will provide e-filing of all types of IP applications & online Search facility in IP Gazettes/Journals etc. It is more interactive and provides maximum information to the stakeholders. The new website was formally launched in March 2019.

- ii. **Implementation of E-Office:** Internal Correspondence (IC) module has been successfully implemented at IPO HQs Islamabad and Regional office Lahore. IC module has been implemented and become functional at Karachi based Registries.
 - iii. **Deployment of Latest Version of IPAS:** New version (3.1.1d) of Industrial Property Administration System (IPAS) with Electronic Document Management System (EDMS) has been installed in IP Registries. A new software (Copyright Automation System - CAS) for copy right registration has also been deployed.
 - iv. **Personal Search Facility:** Personal search facility for trademarks has been offered at Application Receiving Desk at IPO Head Office, Islamabad also. This facility was earlier available at Karachi registries and Regional Office, Lahore.
 - v. **Establishment of IT Directorate:** A separate IT Directorate has been established in order to improve IT environment and automation of the processes. It has successfully managed the issues of backlog and pendency. Current data is being digitized regularly. It has further improved service delivery of the organization.
3. **Framing of Organizational Rules:** Organizational rules have been drafted and submitted to the Establishment and Finance Divisions through the Ministry of Commerce & Textile for approval. Following rules will be implemented after approval:
- i. Service Rules
 - ii. Financial Rules
 - iii. Investment Rules
4. **Revision of IP Laws:** IP related domestic laws are in the process of revision with the need to bring these in conformity with the international IP laws and obligations. Following laws are being revised and are expected to be approved and functional during 2019:
- i. Trademarks Ordinance
 - ii. Copyright Ordinance
 - iii. Patent Ordinance
 - iv. Industrial Design Law

5. **Formulation of GI Law:** The Geographical Indications (GI) Law was finalized after consultation with public and private sector stakeholders. The final draft has been submitted to the Ministry of Commerce & Textile for seeking approval of the Cabinet. It is expected that the GI Law will be enacted and implemented during 2019.
6. **International Treaties:** IPO-Pakistan is trying to be a part of the following international treaties:
 - i. **Madrid Protocol:** IPO Pakistan intended to accede to the Madrid Protocol by June 2019. This would facilitate international registration of trademarks through a single process. IPO-Pakistan has completed all formalities including national and international consultations with the stakeholders.
 - ii. **Patent Cooperation Treaty (PCT):** PCT provides a unified procedure for filing patent applications to protect inventions in each of its contracting states. IPO-Pakistan is working on Pakistan becoming a signatory to this treaty by the year 2020.
7. **IP Registration and Management:** During 2017-18 Trade Mark Registry received a total of 37,874 Trademark applications and granted 25,498 registrations of trademarks. In doing so, IPO-Pakistan has successfully brought down the examination related backlog from seven months to one month. Patent Office received 904 applications and issued acceptance of 346 Patents. A total of 588 applications for registration of Industrial Design were received and 399 registrations were granted. Copyright office received 5,991 applications and granted 1,985 registrations.
8. **Establishment of Technology Innovation Support Centers (TISC):** IPO-Pakistan has established twenty-seven TISC centers in the leading universities, R&D institutions and Chambers of Commerce in Pakistan during the first phase of the initiative. Another twenty-two TISCs have been identified and will be included in the TISC network. These would provide a unique network for the promotion of IPR in the country. These centers provide access to more than 9 million patent related data and information.
9. **Strengthening of Institutional Linkages:** To promote innovation and creativity in the country and to boost growth of knowledge-based economy, integrated efforts of all organs of State is a must. In this regard, IPO Pakistan took initiatives to strengthen institutional linkages. It has signed MOUs with academia, R&D Centers and Public Sector organizations.

Some of the partner institutions include Higher Education Commission, Punjab Information and Technology Board (PITB), Federal Board of Revenue and twenty-three leading universities of Pakistan. MOUs with Securities and Exchange Commission of Pakistan, Election Commission of Pakistan, National Information Technology Board, Lahore University of Management Sciences and twenty leading universities of the country are in the process of negotiation and execution.

10. **IPR Enforcement:** Meetings of newly established IPR Enforcement Coordination Committees were held in Quetta, Peshawar, Sialkot, Faisalabad, Multan, Sukhar and Gilgit. For the first time, Provincial Food and Health Departments besides local Chambers of Commerce and Industries were given membership of these committees besides membership to the law enforcement agencies.
11. **Public Awareness Activities by IPO-Pakistan:** A media strategy has been devised to create awareness about Intellectual Property Rights. Social media such as twitter & Face book have been mobilized for awareness of masses about IP related developments and issues. IPO –Pakistan organized eighty outreach activities including; seminars, workshops, conferences and training sessions in collaboration with universities, training institutes, trade bodies and public organization.
12. **Preparation of Manuals/Guidelines:** Manuals for IPR Enforcement actions against Piracy and Counterfeiting for field officers of FIA, Police and Pakistan Customs have been developed and uploaded on IPO Website. (www.ipo.gov.pk).

25. **PAKISTAN EXPO CENTRES (PRIVATE) LIMITED**

Pakistan Expo Centres (Private) Limited formerly Expo Lahore (Private) Limited was registered on July 19, 2004 with the objective to provide international standard exhibition and convention centres along with allied facilities in major cities of Pakistan to promote various sectors of economy through trade exhibitions, consumer fairs and conferences.

A. Operational Activities:

Regarding the Operational Activities of the Company, please note that during the financial year 2017-18; 65 Events have been held at Expo Centre Lahore which includes 45 Exhibitions and 20 other Corporate Events. In the last eight years; 375 Events have been held at Expo Centre

Lahore which includes 216 Exhibitions and 159 other Corporate Events. The events at Expo Centre Lahore include B to B and B to C exhibitions of the following major sectors of economy:

- Textile Machinery
- Plastic, Printing and Packaging Machinery
- Energy, Gas and Oil Equipment
- Heating, Ventilation & Air Conditioning Equipment
- Auto & Auto Parts
- Defense Productions
- Poultry & Dairy
- Agriculture & Livestock
- Science & Technology
- Carpet & Home Textile
- Footwear and Leather
- Health & Pharma
- Home Appliances & Electronic Equipment
- Lifestyle and Fashion Design
- Knitwear, Garments & Home Textile
- Cottage and Handicraft Industry
- Furniture & Interiors
- Education & Books
- Tourism & Hospitality
- Construction
- Property

As a result of such exhibitions, the participant organizations are getting growth in their businesses. In addition to the direct benefits to the exhibitors, the events are also helpful in promoting support industry like hotels, tourism, transport, food, printing and other related services, which are also generating employment.

B. Development Works:

Regarding Development works of Expo Center Lahore; it is matter of great satisfaction that the remaining works of Hall # 3 of Expo Centre Lahore have been completed in the FY 2017-18 and it is fully operational since March 2018. With the addition of this hall; the Company will be able to hold more large scale events and provide more space for the exhibitions. Due to the addition of Hall # 3, the revenue of the company will also increase in future and we can also see its impact in the current year revenue of the Company. Now, the remaining works of hall # 4 needs to be completed on priority so that demand of exhibitions could be met in a timely manner. The remaining up-gradation works of exhibition halls includes glazing, flooring for industrial goods,

HVAC works, furniture, furnishing, and other related works. These works are already approved but could not be accomplished due to imposition of unexpected duties and taxes at the time of import of pre-engineered steel buildings. The delay in funding has affected the cost of remaining works adversely due to which company may need additional funds of Rs. 300 Million to complete these remaining works.

Due to better than expected success, the surface parking is now insufficient. So multi-level parking building is required to cater for the enhanced exhibition needs. Likewise, due to increased activities; security, screening & fencing requirements within the Expo Centre are also needed to control the flow of multiple events happening at the same time.

We expect that addition of infrastructure will definitely enhance its operational revenue which is required for its continued growth.

About the development of Expo Centre in Peshawar; it is a matter of satisfaction that the physical activity on the project of Expo Centre Peshawar is in progress and in terms of percentage the physical progress is around 40%. As per the approved work plan and cash plan of the project; Consultants for the project has been engaged, design has been completed and fabrication of Pre-Engineered Steel Structure Buildings of both the exhibition halls of Expo Centre Peshawar is complete and delivered on site. Against the approved Cost of Rs.2,500 Million for Expo Centre Peshawar; the company received Rs.600 Million in the FY 2016-17 and got allocation of Rs.600 Million for FY 2017-18. However, out of Rs.600 Million for the FY 2017-18, the amount of Rs.480 Million were released to the company in the last week of June 2018 which affected the physical progress on Expo Centre Peshawar.

The sustainable growth of Pakistan Expo Centres Private Limited is the result of commitment of its employees and support from all the stakeholders.