



YEAR BOOK 2018-19



Government of Pakistan
Ministry of Commerce



**GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE
COMMERCE DIVISION
ISLAMABAD**

INDEX

| S. No. | | Pages |
|--------|--|------------|
| | MESSAGE FROM ADVISOR TO PRIME MINISTER FOR COMMERCE | i |
| | MESSAGE FROM SECRETARY COMMERCE DIVISION | ii |
| | ABBREVIATIONS | iii |
| | (PART-I) | |
| 1. | THE MINISTRY | 1 |
| 2. | ORGANOGRAM | 5 |
| 3. | ADMINISTRATION WING | 9 |
| 4. | EXIM WING | 15 |
| | FOREIGN TRADE | |
| 5. | FOREIGN TRADE-I | 24 |
| 6. | FOREIGN TRADE-II | 26 |
| 7. | FOREIGN TRADE-III | 34 |
| 8. | DEVELOPMENT WING | 41 |
| 9. | TRADE POLICY WING | 43 |
| 10. | WORLD TRADE ORGANIZATION (WTO) WING | 46 |
| 11. | DOMESTIC COMMERCE WING | 52 |
| | (PART-II) | |
| | ATTACHED DEPARTMENTS/SUB-ORDINATE OFFICES/COMPANIES/ CORPORATION UNDER THE CONTROL OF COMMERCE DIVISION | |
| 12. | STATE LIFE INSURANCE CORPORATION OF PAKISTAN (SLIC) | 56 |
| 13. | NATIONAL INSURANCE COMPANY LIMITED (NICL) | 59 |
| 14. | PAKISTAN REINSURANCE COMPANY LIMITED (PRCL) | 60 |
| 15. | DIRECTORATE GENERAL TRADE ORGANIZATION (DGTO) | 64 |
| 16. | NATIONAL TARIFF COMMISSION (NTC) | 66 |
| 17. | PAKISTAN INSTITUTE OF TRADE AND DEVELOPMENT (PITAD) | 68 |
| 18. | PAKISTAN TOBACCO BOARD (PTB) | 70 |
| 19. | PAKISTAN HORTICULTURE DEVELOPMENT & EXPORT COMPANY (PHDEC) | 72 |
| 20. | TRADE DEVELOPMENT AUTHORITY OF PAKISTAN (TDAP) | 75 |
| 21. | TRADING CORPORATION OF PAKISTAN (TCP) | 80 |
| 22. | PAKISTAN INSTITUTE OF FASHION DESIGN (PIFD) | 85 |
| 23. | INTELLECTUAL PROPERTY ORGANIZATION OF PAKISTAN (IPO-PAKISTAN) | 88 |
| 24. | PAKISTAN EXPO CENTRES (PRIVATE) LIMITED | 92 |
| 25. | TRADE DISPUTE RESOLUTION ORGANIZATION | 94 |



MESSAGE FROM
ABDUL RAZAK DAWOOD
ADVISOR TO PRIME MINISTER FOR MINISTRY OF COMMERCE

The Year Book for financial year 2018-19 of the Commerce Division highlights the Division's efforts to facilitate, support and promote trade and commerce of the country.

The Commerce Division 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.

Commerce Division 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 the achievements and activities of Commerce Division and its attached departments for the FY 2018-19. It would be a useful document to the business community and researchers alike.

(Abdul Razak Dawood)
Advisor to the Prime Minister on Ministry of Commerce
Commerce Division



MESSAGE FROM SECRETARY COMMERCE DIVISION

Year book of the Commence Division for the financial year 2018-19 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 Commence Division and its attached Departments/Organizations for the FY 2018-19. 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 Commerce Division.

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.

(Sardar Ahmad Nawaz Sukhera)

Federal Secretary
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 Commerce Division 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 Division 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 Commerce Division 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

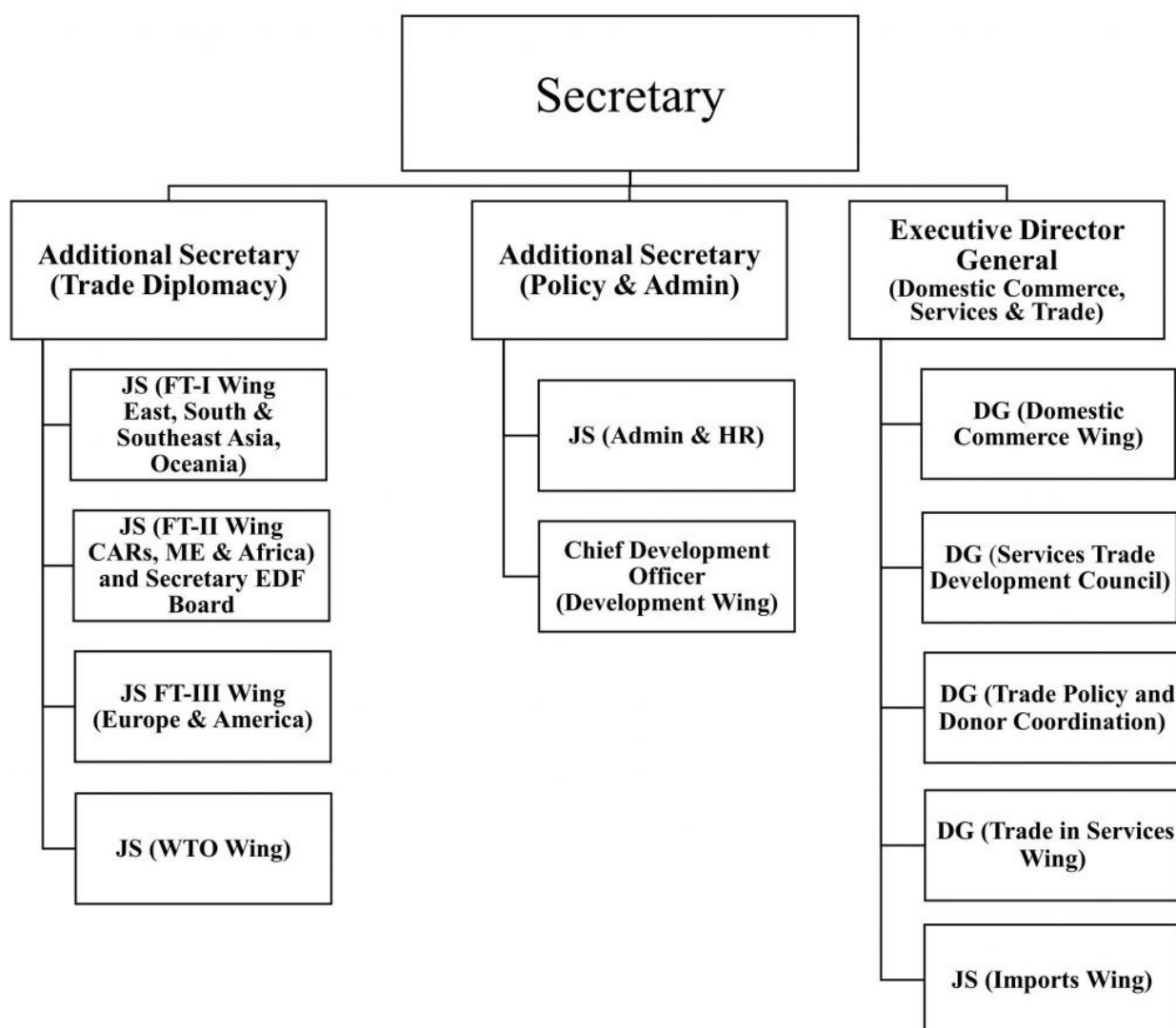
The following attached departments/subordinate organizations are operating under the administrative control of the Ministry of Commerce:

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)

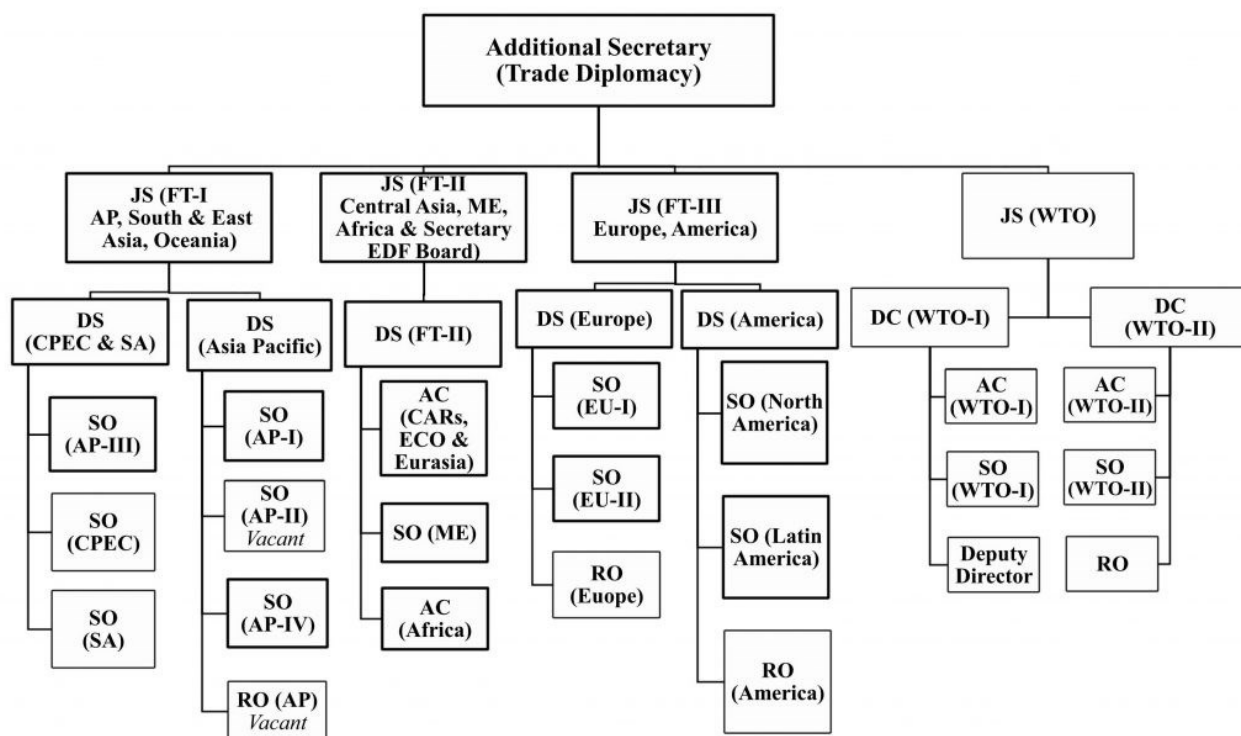
10. Pakistan Horticulture Development & Export Company (PHDEC)
11. Pakistan Expo Centers (Pvt) Ltd, Lahore

2. ORGANOGRAM

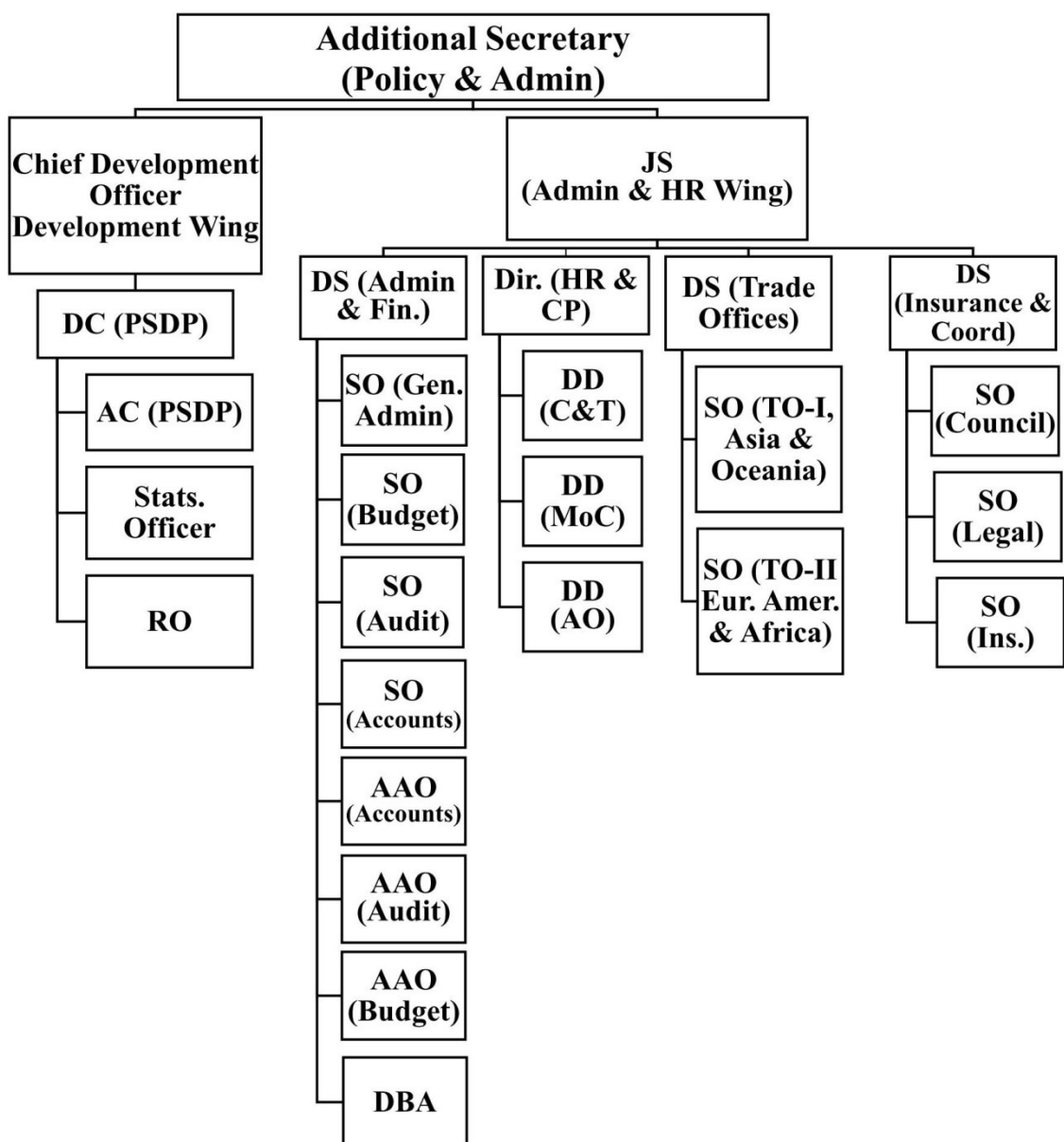
Organogram at Wings Level



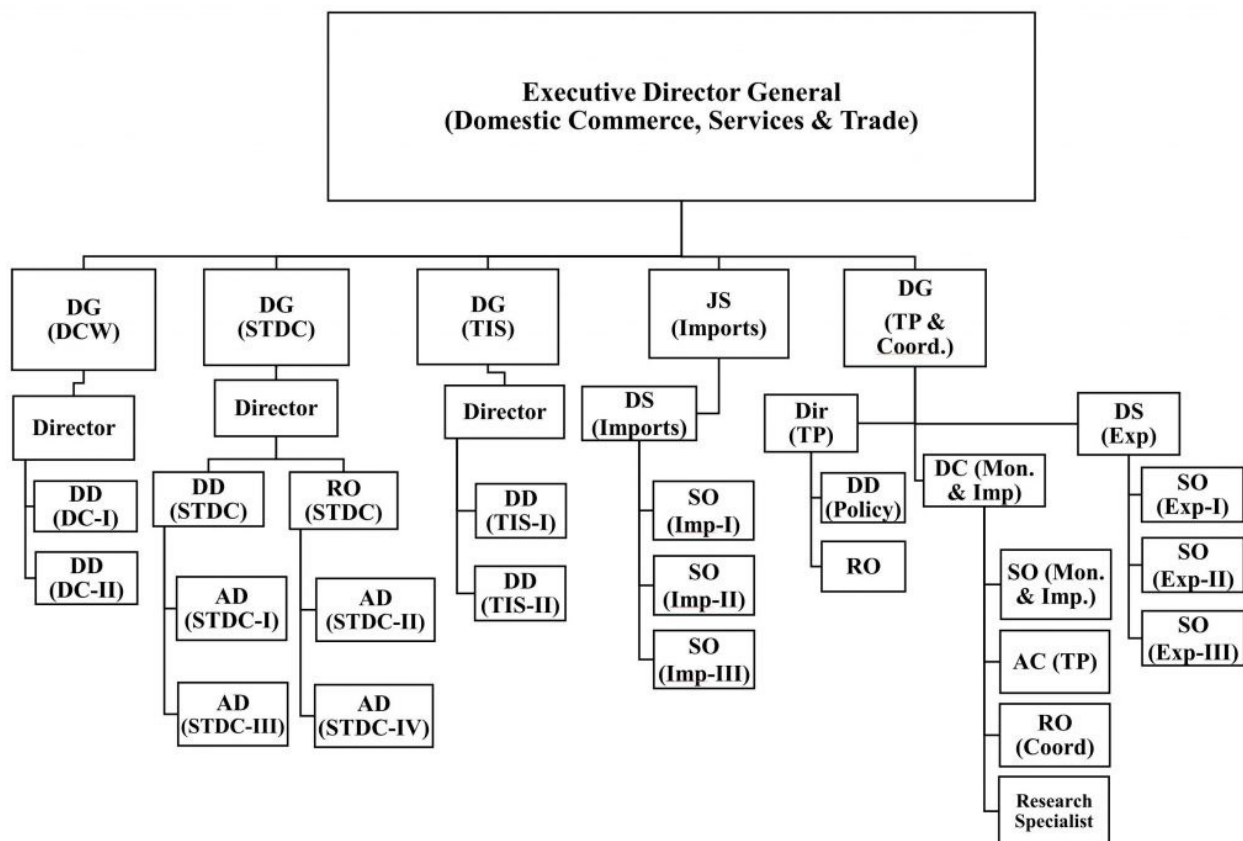
Organogram Trade Diplomacy Wing



Organogram Policy & Administration Wing



Organogram Domestic Commerce, Services & Exim Wing



3. ADMINISTRATION WING

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 2018-19. 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 Ministerial Staff | "Nil" |
| 2. | Recruitment/ Appointment of Consultants/ Research Associates/ Researchers | 18 |
| 3. | Promotion cases of officials BS-01 to BS- 19 | 06 staff members across different tiers/ cadres were promoted. |
| 4. | G.P. Fund advance | 20 cases were processed and sent to AGPR for payment. |
| 5. | House Building Advance | 10 cases were processed/ sanctioned. |
| 6. | Motor Car/Motor cycle Advance | 04 cases were processed/ sanctioned. |
| 7. | Nomination of foreign/ domestic training of officers/officials including attached organizations of Ministry of Commerce. | Total 47 nominations including Officers/ Officials of Ministry of Commerce and its Attached Departments, Subordinate Offices were made out of which 25 were domestic trainings. |

HUMAN RESOURCE

Sanctioned Strength of Officers of Main Ministry

| BS | <u>Sanctioned posts</u> |
|--------------|--------------------------------|
| 22 | 1 |
| 21 | 3 |
| 20 | 11 |
| 19 | 19 |
| 17/18 | 59 |
| Total | 93 |

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 | Dafttry | 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 Financial Year 2018-19 Ministry of Commerce sent 22 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 Financial Year 2018-19 Ministry of Commerce sent 25 officers/ officials for different local Trainings.

The requisite information in respect of **General Section** are as under:-

| S. No. | Description | Numbers | Total |
|--------|---|------------|-------|
| 1. | <u>Meetings handled in Committee Room</u> I. Local II. Foreign | 294 92 | 386 |
| 2. | <u>Re-imbursement of Medical claims</u> I. In Service II. Retired/Pensioners | 58 101 | 159 |
| 3. | <u>Bills Processed</u> I. Telephone II. Internet | 1356 60 | 1416 |
| 4. | <u>Bills Processed</u> Repair work of transport P.O.L Charges | 600 12 | 612 |
| 5. | Hiring cases processed | 92 | 92 |
| 6. | Passport cases processed | 40 | 40 |
| 7. | Visa cases processed | 40 | 40 |
| 8. | Tenders processed and finalized (Stationery, Machinery equipment) | 03 | 03 |
| 9. | Processed and execution of machinery and equipment bills | 300 | 300 |

Budget Section:

Finance Division allocated Indicative Budget Ceilings (IBC) of recurrent budget Rs. 4,912 million in respect of Commerce Division under demand No. 19 during the Financial Year 2018-19. Budget Orders/NISs and Fund Centre Forms of the Main Ministry, 7 attached Departments and 55 Trade Missions Abroad were prepared within stipulated period, set by the Finance Division and got endorsed from Deputy Financial Advisor (Commerce). The same were submitted to Finance Division for punching in SAP System.

Distribution of the above ceiling among the spending units of Commerce Division is given below:-

(Rs. in million)

| Sr. No. | FC Code | Name | Budget 2017-18 | Budget 2018-19 |
|---------|---------|--|------------------|------------------|
| 1 | 2 | 3 | 4 | 5 |
| 1 | ID0108 | Main Secretariat (Commerce Division), Islamabad | 491.235 | 500.000 |
| 2 | ID7130 | Pakistan Institute of Trade and Development (PITAD), Islamabad | 42.246 | 57.000 |
| 3 | ID7126 | Directorate General of Trade Organizations (DGTO), Islamabad | 36.842 | 36.000 |
| 4 | ID0107 | National Tariff Commission (NTC), Islamabad | 200.000 | 200.000 |
| 5 | ID0110 | Export Development Fund (EDF), Islamabad | 1,228.088 | 1,185.000 |
| 6 | KA0704 | Trade Development Authority of Pakistan (TDAP), Karachi | 1,131.598 | 1,131.000 |
| 7 | QD0002 | Liaison Office Afghan Transit Trade, Chaman, | 1.326 | 1.350 |
| 8 | ID7133 | Trade Dispute Resolution Organization (TDRO), Islamabad | 39.298 | 35.000 |
| 9 | HQ | Trade Missions abroad | 1,741.720 | 1,766.650 |
| | | GRAND TOTAL | 4,912.353 | 4,912.000 |

Re-appropriation cases in respect of 55 Trade Missions, 7 attached departments and release cases in respect of National Tariff Commission (NTC), Export Development Fund (EDF) and Trade Development Authority of Pakistan (TDAP) were finalized during year 2018-19.

Accounts Section:

| S. No. | Tasks Performed | No. of Cases |
|--------|---|--------------|
| 1. | TA/DA Bills submitted to AGPR for payment: | 137 |
| 2. | Medical Bills submitted to AGPR for payment: | 126 |
| 3. | Hiring Bills submitted to AGPR for payment: | 309 |
| 4. | Cases for Advances (HBA/MCA) submitted to AGPR for payment: | 13 |
| 5. | International Contributions paid to WTO and ICDT: | 02 |
| 6. | Quarterly release of Foreign Exchange budget for Missions abroad: | 04 |
| 7. | Disbursement of salary cheques received from EDF Secretariat to Consultants/ Research Associates/ Researchers on monthly basis: | 16 |
| 8. | Pay fixation of staff upon promotion: | 05 |
| 9. | Cases of G.P. Fund Advances submitted to AGPR: | 34 |

| | | |
|-----|--|-----|
| 10. | Honoraria: | 06 |
| 11. | Late Sitting Charges/ Conveyance Charges: | 35 |
| 12. | Overtime/Night Allowance charges: | 16 |
| 13. | P.M. Package for in service death: | 03 |
| 14. | Encashment: | 19 |
| 15. | Contingent Paid Staff: | 01 |
| 16. | Charge Allowances: | 16 |
| 17. | Special Pay current charges: | 13 |
| 18. | Residential Telephone & Trunk Calls: | 95 |
| 19. | Payment to vendors: | 880 |
| 20. | Started salary to Officer new coming and Transfer from different Ministries/ Division: | 30 |

F&A Section:

The overview, achievements & other miscellaneous work done by F&A Section is as follows:-

Overview:-

F&A Section is responsible for coordinating the Departmental Accounts Committee (DAC) & Public Accounts Committee (PAC) matters for settlement of Audit Reports. This Section is also responsible for conducting of Internal Audit of Main Secretariat and its attached departments. This Section also deals the cases where opinion/clarification required from Finance/Law Division.

Achievements:-

| | | |
|----|--|---|
| 01 | Public Accounts Committee meetings (PAC) | 02 No. of Public Accounts Committee meetings on the accounts of Commerce Division for the years 2012-13 & 2014-15 were held during the year 2018-19 |
| 02 | Departmental Accounts Committee meetings (DAC) | 15 No. of Departmental Accounts Committee meetings on the accounts of Commerce Division for the years 2011-12, 2012-13, 2013-14, 2014-15, 2016-17 & 2018-19 were arranged during the year 2018-19 |
| 03 | Advice/Comments on financial & services matters as and when sought for | Approximately 250 No. of cases received for opinion and fully complied |

Other misc. matters deals during the year 2018-19:-

- i. Correspondence with the Departments for compliance to PAC / DAC directives
- ii. Cases for regularization/clarification from Finance & Law Division
- iii. Circulation of misc. orders/directives of AGPR, Finance Division, AGP's office etc.

Pension Section:

The following cases have been finalized during the financial year 2018-19:-

| Items | Pension cases | Numbers |
|----------------------------|------------------------------|-----------|
| 1) | Superannuation pension cases | 10 |
| 2) | Pre-mature pension cases | 03 |
| 3) | Family pension cases | 07 |
| Total Pension Cases | | 20 |

4. EXIM WING

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:

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 on Website of Ministry of Commerce.
- Vehicles under Personal Baggage, TR and Gift Scheme, and in used condition.
- Imports from India.

Exports

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

- Coordination with President and Prime Minister Secretariat
 - To coordinate 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 trade bodies.

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 (2018-19):

Import Wing

850 cases/proposed routine matter were processed during the year 2018-19, which also include preparation of summaries for the Prime Minister regarding import of donated medicine, machinery for CPEC and special permissions on one time basis in hardship cases to the stakeholders besides submission of answers to the Senate and National Assembly questions.

The following initiatives have taken:

- a) E-Office was implemented in the Section. The files are now processed through e-filing system instead of manual paper files. This initiative has minimized the chances of loss of record, less paper usage/save stationary. Moreover, this has also improved transparency, efficiency and smooth working in the Section.
- b) An initiative was taken to minimize issuance / grant of waivers/exemptions from IPO which were earlier issued frequently. The age condonation of vehicles counted machinery / machinery over and above the prescribed age limit imported under schemes notified vide IPO, 2016 has been stopped completely to ensure strict implementation of IPO.
- c) An across the board approach has been adopted for grant of special permissions/exemptions from IPO leading to fairness and non-discrimination.
- d) At the time of formulation of STPF-2018-23, proposals were conveyed to the Trade Policy Wing from practitioner's viewpoint as Exim Wing regulates/monitors the implementation of Trade Policy. The proposals were aimed at improvement in the policy document resultantly the exceptions/discrimination would reduce along with smooth implementation of IPO for achieving policy objectives and reduction of malpractices in implementation of IPO.

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 repealed.

Furthermore, NADRA will provide real time access for sharing all the relevant information of individual arms license holders and commercial dealers arms license holders to the Customs authorities through designated focal person. Provincial Home Departments will provide any additional information not available with NADRA to the Customs Authorities.

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. 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

Vide SRO 772(I)/2018 individual license holders or arms dealership license holders were allowed to import arms and ammunition subject to the conditions mentioned therein. Therefore, as of now import of arms and ammunition does not required any import authorization from Commerce Division, Islamabad, after issuance of the above mentioned S.R.O. Before issuance of said SRO, approximate 95 cases were processed for armed forces officers, 31 cases for the Gazetted Government Officers and issued authorizations for import of one Non-Prohibited Weapon.

iv. 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 armed for forces officers, 3 cases for the Gazetted Government Officers and 71 of foreign hunters.

v. 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. 115 authorizations to disable persons to import brand new duty free cars or locally assembled cars of engine capacity not exceeding 1350 CC have been issued on recommendation of concerned Provincial and Federal Governments in 2018-19.

vi. Regulation for Import of Vehicles/Cars

The issuance / grant of waivers/exemptions from IPO were earlier issued frequently. To ensure strict implementation of IPO, the age condonation of cars/vehicles over and above the prescribed age limit imported under schemes notified vide [Appendix-E](#) of IPO stopped completely.

Export Wing

Export Wing of the Ministry of Commerce has conducted the following activities during fiscal year 2018-19:

i. Institutional strengthening

Administrative issues of PHDEC are handled in Attached Organization of this Ministry. However, certain technical aspects are coordinated through this section. Recently, revamping of PHDEC has been completed which include restructuring of its Board of Directors and rightsizing its human resource.

Ministry of Commerce in Coordination with Pakistan Horticulture Development & Export Company (PHDEC) has been passing through restructuring stage till 2017-18. It carried out the following activities during 2018-19:

ii. Establishment of Sargodha Dry Port and Quetta Fruits Packing & Processing Center

Export Wing of the Commerce Division is the focal point for the coordination in the project of Sargodha Dry Port and Quetta Fruits Packing & Processing Centre. Exim Wing coordinated and assisted with the relevant departments such as FBR, SMEDA, PHDEC and Pakistan Railways to materialize the project with the proposal timeline. Since, a Evaluation Committee for Feasibility Study for Dry Port Sargodha has been constituted for bids/deliverables under the assignment.

iii. Matters of Pakistan Tobacco Board

On recommendation of Pakistan Tobacco Board Cess Rates of Tobacco and Minimum Indicative Prices for 2018-19 have been revised and published in Official Gazette of Pakistan after approval of ECC of the Cabinet.

iv. Export facilitation

(a) Sugar

Coordination Committee (ECC) of the Cabinet approved an export of 0.425 MMT (million metric tonnes) of sugar fetching hefty foreign exchange for the National Exchequer. Ministry of Commerce was also tasked by the ECC to keep a close eye on the domestic sugar price in the wake of the sugar export allowed. In line with this, a committee headed by the Commerce Minister met regularly to keep a check on the domestic sugar prices which remained within the required limits set by the ECC.

(b). Urea

On the recommendation of Ministry of Commerce, The Economic Coordination Committee (ECC) of the Cabinet approved an export 0.6 MMT of urea in the financial year 2016-17 which also brought huge foreign exchange for the national kitty. The country first time observed a urea surplus situation and the same was recommended to be exported by the Commerce Division besides keeping the domestic prices well within the agreeable limits for all stakeholders.

(c) *Calcuim Ammonium Nitrate (CAN)*

On the recommendation of Ministry of Commerce, ECC of the Cabinet allowed an export of 0.1 million MT of CAN on 29-08-2016 except to Afghanistan. However, only around 3000 MT of Can could be exported reportedly on account of some technical hiccups between the exporter and its buyers around the world.

(d) Wheat and Wheat Products

ECC of the Cabinet on 20-11-2018 allowed wheat export of 0.5 million tons hold by the public sector. Provincial Governments were directed to bear their incidental charges and other expenses of export of wheat/products, whereas, the Federal Government was provided the financial assistance on 0.1 million tons of PASSCO's export. The export period was allowed uptill 30th April, 2019 and the export process upto 30th June, 2019.

ECC of the Cabinet on 29-01-2019 allowed PASSCO to export 0.5 million tons surplus wheat/wheat products [Flour (Aata), Fine, Suji and Maida. It was further decided that 0.4 MMT would be exported through sea route and 0.1 MMT through land route. ECC further approved methodology dated 20-11-2018 and decided to export through open bidding process.

Considering price hike trend in the local market, on the recommendations of MNFS&R, ECC of the Cabinet on 17-07-2019 imposed an immediate ban on the export of wheat/wheat (Flour). Since then a quantity of 17,655 tons of wheat products have been exported.

v. Trade Promotion & Development Activities

- **Participation in CIIE, China – November 2018**

PHDEC participated in the 1st edition of China International Import Expo along with 07 leading horticulture export companies.

- **Market Exploration and Study Visit, China – November, 2018**

PHDEC arranged the study visit for its stakeholders. The delegates were taken to different horticulture related sites, institutions and companies to have knowledge of China's horticulture industry.

- **Participation in Fruit Logistica 2019 – February 2019**

Ledan 8-member delegation to the exhibition including Horticulture growers, exporters, and processors for market linkages and networking.

- **End of Season Seminar on Citrus –March 2019**

Conducted the seminar in order to have the stock taking of the citrus situation in Sargodha and Bhalwal and gather information from stakeholders for interventions by PHDEC.

- **Seminar on Dates Export – May 2019**

PHDEC arranged the seminar to have views of the stakeholders for market and product diversification in the wake of importing 200% duty on export of dried dates by India.

- **Follow Up Meetings on Dates Export – May 2019**

PHDEC arranged the consultative session on dates export in the light of seminar and facilitated the exporters in re-export of dried dates from Attari back to Pakistan.

- **Consultative Session on Mango Export – May 2019**

To have an overview of the current mango season, PHDEC arranged the consultative session and stakeholders were taken on board for any short medium and long term intervention by PHDEC

vi. 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 78 exporters were recommended to Aviation Division.

vii. 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 2018-19:-

- Rawalpindi Chamber of Commerce & Industry has invited the Secretary Commerce as Chief Guest on 1st International Gems & Jewelry Expo, 2018 in the Serena Hotel, Islamabad on 15th September, 2018.
- Honorable President of Pakistan meeting with Mr. Hussain Dawood Chairman, Dawood Hercules Corporation and Engro Corporation on 2nd November, 2018.
- Honorable President of Pakistan meeting with Mr. Arshad Aslam Patron in Chief Pakistan Automobile Spare Parts Importers & dealers Association (PASPIDA) Central/Sindh Circle on 6th December, 2018 at Aiwan Sadr, Islamabad.
- Honorable President of Pakistan to preside over REAPs 11th Export Trophy Awards Ceremony as Chief Guest on 28th December, 2018 at Sindh Governor House, Karachi.
- Rawalpindi Chamber of Commerce & Industry has requested to the Honourable President of

Pakistan for a courtesy call in the first week of January, 2019.

- Islamabad Chamber of Commerce & Industry has invited the Honourable President of Pakistan to visit their office on 13th February, 2019 to address local business community and representative of various local market associations.
- Lahore Chamber of Commerce & Industry has invited the Honourable President of Pakistan to grace the “Ambassador Dinner 2019” as Chief Guest on 4th March, 2019 in Islamabad.
- Request for meeting with the Honourable President of Pakistan by M/s. Shereen Arshad Khan, Vice President of Pakistan Chamber of Commerce & Industry (FPCCI) Regional Office Lahore on 26th April, 2019.
- Faisalabad Chamber of Commerce & Industry invited Honourable President of Pakistan as Chief Guest FCCI Business Excellence Awards Ceremony in Faisalabad to be held on 25th April, 2019.
- Honorable President of Pakistan meeting with the delegation of FPCCI Regional Office, Lahore on 13th May, 2019 at Aiwan-e-Sadr, Islamabad

viii. Appeals against orders of DGTO

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

- Secretary Commerce has approved one time condonation of delay of period for renewal of licence on appeal filed by Pashin Chamber of Commerce & Industry.
- Order in Original No. 18/2018 passed by the Secretary Commerce on 24th September, 2018 on appeal filed by Small Tours & Travel Agents Association, Karachi.
- Order in Original No. 11/2018 passed by the Secretary Commerce on 1st August, 2018 on appeal filed by Pakistan Computer Association.
- Secretary Commerce has approved one time condonation of delay of period for renewal of licence on appeal filed by Faisalabad Chamber of Small Traders & Small Industries.
- Secretary Commerce has approved one time condonation of delay of period for renewal of licence on appeal filed by All Pakistan Solvent Extractors Association, Multan
- Order In Original No. 02/2019 passed by the Secretary Commerce on 21st January, 2019 on appeal filed by Nagar Chamber of Commerce & Industry.
- Order in Original No. 17/2018 passed by the Secretary Commerce on 24th September, 2018 on appeal filed by Pakistan Cable & Conductors Manufacturers Associations, Lahore.
- Order in Original No. 15/2018 passed by the Secretary Commerce on 10th August, 2018 on appeal filed by All Pakistan Oil Mills Association, Multan.
- Secretary Commerce has approved one time condonation of delay of period for renewal of licence on

appeal filed by Women Chamber of Commerce & Industry, Bahawalpur.

- Order in Original No. 21/2018 passed by the Secretary Commerce on 21st December, 2018 on appeal filed by All Pakistan Oil Mills Association, Multan.
- Secretary Commerce has approved one time condonation of delay of period for renewal of licence on appeal filed by Women Chamber of Commerce & Industry, Peshawar.
- Order in Original No. 01/2019 passed by the Secretary Commerce on 03rd January, 2019 on appeal filed by Pakistan Ship Breakers Association, Karachi.
- Secretary Commerce has approved one time condonation of delay of period for renewal of licence on appeal filed by Women Chamber of Commerce & Industry, Mardan
- Order in Original No. 08/2018 passed by the Secretary Commerce on 04th July, 2018 on appeal filed by Shaheed Benazirabad Chamber of Commerce & Industry.
- Secretary Commerce has approved one time condonation of delay of period for renewal of licence on appeal filed by Quetta Chamber of Small Traders & Small Industries.
- Order in Original No. 13/2018 passed by the Secretary Commerce on 02nd August, 2018 on appeal filed by All Pakistan Aluminium Utensils Manufacturers Association, Gujranwala.
- Order in Original No. 10/2018 passed by the Secretary Commerce on 26th July, 2018 on appeal filed by Health Care Devices Association of Pakistan, Karachi.
- Order in Original No. 12/2018 passed by the Secretary Commerce on 01st August, 2018 on appeal filed by Association of Small Hajj Organizers of Pakistan, Karachi.

5. FOREIGN TRADE-I

• Conclusion of China Pakistan Free Trade Agreement (CPFTA) Phase-II

CPFTA, Phase-II was concluded on 9th April, 2019 after 11 rounds of rigorous negotiations. A protocol to this effect was signed by both sides during the visit of Prime Minister of Pakistan to China on 28th April 2019. Under the CPFTA, Pakistan will have duty-free access on \$1.6 trillion Chinese market.

China will immediately eliminate duties on Pakistan's 313 high priority items covering over \$64 billion of Chinese global imports. Products included in 313 tariff lines are: textile & clothing, sea food, leather and its apparel, prepared food, chemicals, plastics, motorcycles, tractors, auto parts, machinery, home appliances, jewelry, footwear, meat, milk & cream, dry fruits.

Pakistan has secured adequate protection for the domestic industry by placing 1760 tariff lines under the Sensitive list (Protected). In addition, robust safeguard mechanism, balance of

payments clause and enablement of electronic data exchange have been incorporated in the FTA to protect the domestic industry and ensure transparency.

During the visit of Prime Minister to China in November, 2018, Chinese side agreed to US\$1 billion buying from Pakistan to help improve the latter's Balance of Payments situation.

- **Unilateral Concession on 20 Tariff Lines under Indonesia-Pakistan (IP) PTA**

Preferential Trade Agreement (PTA) between Pakistan and Indonesia was signed on February 3rd, 2012 and became operational on September 1st, 2013. Subsequently the trade deficit widened and Indonesia gained more than US\$1 billion increase in exports to Pakistan. The Ministry of Commerce engaged with Indonesia to review the PTA to make equally favorable for Pakistan. As a result of strenuous negotiations, Indonesia finally agreed to grant unilateral concessions on 20 tariff lines of Pakistan's export interest. These tariff lines cover US\$ 4.2 billion worth of Pakistan's global exports and US\$600 worth of Indonesia global imports. Concessions on these tariff lines have come into effect from March 1st, 2019.

- **Market Access initiatives with Thailand, Japan and South Korea:**

In order to gain market access and integrate with East Asian economies, Ministry of Commerce has engaged with these countries to pursue FTAs under the bilateral Joint Trade Committees (JTCs). In these countries Pakistani exports face competitive disadvantage due to preferential treatment granted to Pakistan's competitors under their respective FTAs/GSP schemes.

For conclusion of Pak-Thailand FTA, so far 9 Rounds of negotiations have been held and consensus has been reached on most of the issues including text of the agreement, tariff reduction modalities, electronic exchange of data, SPS/TBT issues etc. The major stumbling block has been the negotiations on market access where both sides are working on narrowing their differences.

For Pak-South Korea FTA, a joint feasibility study was completed in 2016, affirming the gains from concluding bilateral FTA. Adviser to PM on Commerce along with Secretary Commerce visited South Korea from 31stJuly-3rdAugust, 2019 and held a meaningful dialogue with the South Korean counterpart. Both sides expressed their mutual resolve to expedite the FTA at the earliest.

Similarly, efforts to initiate talks on Pak-Japan FTA are also underway, under the Joint Trade Committee and Joint High-Level Economic Partnership Forum. The Ministry of Commerce has made a strong case for FTA, citing ineffectiveness of the current GSP scheme, and shared a list of items facing discriminatory tariffs. The Joint Feasibility Study for the FTA is expected to start soon.

- **Events Organized / Participated**

Pakistan was accorded the status of “Guest of Honor” during 1st China International Import Expo (CIIE), held on 5th-10th November 2018 at Shanghai, China. A delegation of 90 leading businessmen representing all sectors was also firmed up by Trade Development Authority of Pakistan (TDAP) for participation in the event. President Xi Jinping also visited Pakistani pavilion titled 'Emerging Pakistan' at the China International Import Expo (CIIE) where he was welcomed by Prime Minister Imran Khan. Ministry of Commerce also organized a Trade & Investment Conference on the sidelines of CIIE on 5th November, 2018.

Pakistan has successfully organized “Pakistan Trade & Investment Forum” on 28th April 2019 during Prime Minister’s visit to China. The aim of the conference was to highlight the business and investment opportunities in Pakistan that will sprout as a result of conclusion of CPFTA Phase II.

Pakistan was also part of Li & Fung Vendor Summit held on 17th-18th June, 2019 at Shanghai, China. To implement the Ministry of Commerce’s outreach strategy of enhancing and diversifying exports, the summit presented an excellent opportunity to develop and promote our exports by exploring the avenues of joint ventures, increasing B2B network and integrating in to global market through supply chains. A high-power delegation comprising of government officials and leading Pakistani companies from different sectors participated in the event.

6. FOREIGN TRADE-II

I. Coverage and Goals

Foreign Trade II wing deals with Central Asian Republics and ECO, Africa and Middle east regions. The main goals or targets set to be achieved in these regions are as follows:-

- i. Enhanced engagement with CARs, Middle East and Africa through institutional arrangements and exchange of business delegations.
- ii. Resuming negotiations on bilateral/ multilateral trade agreements and establishment of Joint Working Groups (JWGs) on Trade and Investment.
- iii. Opening of new commercial sections in Africa & Middle East and upgrading of trade missions in ME
- iv. 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.

II. Central Asian Republics and ECO,

i. Coverage:

Afghanistan, Iran, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Bilateral trade relations with these countries are as follows:-

ii. Bilateral Trade:

The Bilateral Trade statistics with respect to the countries falling under ECO&CARs are given as under:

| S.No. | Country | 2017-18 (\$ million) | | 2018-19 (\$ million) | |
|-------|--------------|----------------------|---------|----------------------|---------|
| | | Exports | Imports | Exports | Imports |
| 1. | Afghanistan | 1301.54 | 450.05 | 1322.00 | 557.68 |
| 2. | Iran | 22.86 | 369.23 | 12.44 | 415.21 |
| 3. | Azerbaijan | 12.44 | 2.77 | 14.37 | 0.82 |
| 4. | Kyrgyzstan | 1.20 | 0.07 | 1.81 | 0.06 |
| 5. | Turkmenistan | 2.24 | 23.19 | 1.69 | 9.52 |
| 6. | Uzbekistan | 8.47 | 5.88 | 23.74 | 4.54 |
| 7. | Tajikistan | 7.85 | 5.82 | 8.14 | 0.13 |
| 8. | Kazakhstan | 80.23 | 5.37 | 86.10 | 2.35 |

Source: FBR

Region wise initiatives taken by the respective countries are as follows:

- **Pakistan-Iran**

6th meeting of Pakistan-Iran Joint Border Trade Committee (JBTC) was held at Quetta on 15-16 October, 2018 to discuss the issues of banking channel and informal trade.

- **Pakistan-Azerbaijan**

2nd meeting of Pak-Azerbaijan Joint Working Group was 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 and various proposals were discussed

- **Pakistan-Kyrgyzstan Republic**

Technical Assistance training on GSP plus compliance to Officers of Kyrgyz Republic was organized on 15-16th October, 2018 at Bishkek

- **Pakistan-Afghanistan**

- a. Follow-up meeting of Afghanistan Pakistan Action Plan for Peace and Solidarity (APAPPS) was held in Islamabad on 10th June, 2019 to discuss the decisions made in the 1st meeting of APAPPS held on 22nd July, 2018 in Islamabad.
- b. Ministry of Commerce arranged Pakistan Afghanistan Business Forum on 28th June, 2019 in Lahore. Business communities from both sides participated in the event.

III. **AFRICA**

i. **Coverage:**

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. Bilateral trade relations with these countries are as follows:-

ii. **Bilateral Trade:**

The Bilateral Trade statistics with respect to the countries falling under African region are given as under :

| Bilateral Trade with AFrica (\$ Million) | | | | |
|---|----------------|----------------|----------------|----------------|
| | 2017-18 | | 2018-19 | |
| Countries | Exports | Imports | Exports | Imports |
| Kenya | 287.19 | 470.54 | 265.12 | 470.7 |

| | | | | |
|-------------------------------|--------|---------|--------|--------|
| South Africa | 176.58 | 1175.09 | 167.04 | 1131.3 |
| Madagascar | 162.82 | 6.55 | 89.27 | 3.5 |
| Tanzania, united Republic Of | 105.82 | 16.56 | 99.98 | 38.4 |
| Egypt | 78.13 | 130.50 | 90.56 | 151.9 |
| Mozambique | 65.07 | 48.12 | 78.30 | 43.7 |
| Benin | 61.52 | 3.50 | 45.63 | 1.1 |
| Djibouti | 54.38 | 0.09 | 35.47 | 0.0 |
| Nigeria | 53.96 | 255.91 | 36.19 | 242.7 |
| Somalia | 46.80 | 3.88 | 49.58 | 2.9 |
| Ghana | 41.38 | 2.80 | 37.04 | 2.7 |
| Ivory Coast / Cote D'ivoire | 35.31 | 16.19 | 40.25 | 17.4 |
| Togo | 28.28 | 8.05 | 24.68 | 4.9 |
| Senegal | 27.62 | 1.20 | 24.78 | 0.8 |
| Sudan | 27.37 | 29.46 | 21.84 | 16.4 |
| Morocco | 24.94 | 296.10 | 24.04 | 416.4 |
| Guinea Bissau | 24.38 | 0.01 | 25.99 | 0.1 |
| Tunisia | 21.59 | 5.24 | 20.87 | 4.1 |
| Mauritius | 21.43 | 1.54 | 16.37 | 1.2 |
| Sierra Leone | 21.11 | 0.07 | 15.50 | 0.1 |
| Cameroon | 18.62 | 2.36 | 13.20 | 2.0 |
| Algeria | 18.26 | 26.08 | 12.95 | 30.2 |
| Gambia | 15.34 | 0.02 | 14.53 | 0.2 |
| Comoros | 13.02 | 0.62 | 19.28 | 0.5 |
| Mauritania | 13.01 | 0.01 | 10.62 | #N/A |
| Angola | 11.89 | 28.44 | 12.16 | 0.1 |
| Guinea | 10.37 | 0.62 | 16.02 | 69.2 |
| Zimbabwe | 8.35 | 1.40 | 5.69 | 1.9 |
| Congo, democratic Republic Of | 7.68 | 0.19 | 10.43 | 0.1 |
| Reunion | 7.14 | 2.32 | 7.84 | 2.5 |
| Botswana | 4.36 | 0.05 | 4.74 | 0.1 |
| Libyan Arab Jamhriya | 3.17 | 3.81 | 4.44 | 5.0 |

| | | | | |
|--------------------------|------|-------|------|------|
| Lesotho | 2.93 | 0.00 | 0.28 | #N/A |
| Seychelles | 2.61 | 0.59 | 3.85 | 0.3 |
| Liberia | 1.99 | 0.13 | 0.84 | 0.0 |
| Uganda | 1.63 | 18.74 | 1.84 | 22.4 |
| Ethiopia | 1.21 | 9.52 | 3.50 | 6.0 |
| Zambia | 1.00 | 12.88 | 0.63 | 15.2 |
| Namibia | 0.94 | 3.27 | 0.97 | 1.6 |
| Gabon | 0.86 | 1.75 | 0.98 | 0.9 |
| Malawi | 0.77 | 2.41 | 2.02 | 1.9 |
| Congo Republic Of | 0.68 | 2.39 | 0.37 | 2.9 |
| Niger | 0.67 | 0.00 | 0.02 | 51.1 |
| Swaziland | 0.58 | 44.24 | 0.37 | 14.6 |
| Cape Verde | 0.31 | 0.08 | 0.06 | 0.0 |
| Eritrea | 0.28 | 0.10 | 0.14 | 0.1 |
| Mali | 0.27 | 0.08 | 0.83 | 0.0 |
| Equatorial Guinea | 0.26 | 59.32 | 0.36 | 88.9 |
| Rwanda | 0.25 | 36.13 | 0.28 | 41.4 |
| Burundi | 0.14 | 14.09 | 0.32 | 12.0 |
| Mayotte | 0.14 | #N/A | 0.14 | #N/A |
| Sao Tome & Principe | 0.07 | 0.03 | 0.06 | #N/A |
| Upper Volta/burkina Faso | 0.06 | 0.83 | 0.23 | 1.1 |
| Chad | 0.03 | 0.20 | 0.04 | 0.5 |
| Central African Republic | 0.02 | 0.03 | 0.01 | 0.0 |

Source : FBR

In order to enhance engagement with African countries, Ministry of Commerce has launched “Look Africa Policy Initiatives”, to boost Pakistan-Africa trade in the coming years. Under the policy initiatives, Ministry of Commerce has decided to concentrate on top ten African Economies to enhance trade; i.e. Nigeria, Kenya, South Africa, Morocco, Algeria, Egypt, Sudan, Kenya, Tanzania and Angola as they constitute 78% of Total African GDP, in the first phase of enhancing engagement. Under the Look Africa Policy accreditation has been given to the Trade Officers to further cover important countries of Africa detailed below:

| | | |
|----|---|--|
| a) | Commercial Counsellor Nairobi, Kenya | Uganda, Rwanda, Burundi, Eretria |
| b) | Commercial Counsellor, Casablanca, Morocco | Tunisia, Mauritania, Senegal |
| c) | Commercial Secretary, Lagos, Nigeria | Niger, Chad, Cameroon, Ghana, Benin |
| d) | Commercial Secretary, Johannesburg, South Africa | Botswana, Lesotho, Namibia, Swaziland |

To start negotiations on bilateral/multilateral trade agreements of market access, Pakistan has approached three African Trading Blocks i.e. South Africa Customs Union (SACU), Economic Community of West African States (ECOWAS) and East African Community (EAC). Also, Joint Working Groups (JWGs) with Egypt, Ethiopia, Nigeria, South Africa and Rwanda are under negotiation. Moreover, 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. Region wise initiatives taken by the respective countries are as follows:

- **Pakistan-Tunisia:**

- 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. 3rd session has been proposed for the 1st week of February, 2020.

- **Pakistan Bilateral relations with Nigeria, Ethiopia, Rwanda**

- Bilateral Trade Agreements are under negotiation with Nigeria, Ethiopia, and Rwanda.
- Joint Working Groups (JWGs) on Trade with Ethiopia, Nigeria, South Africa and Rwanda are under negotiation.

- **Pakistan-Kenya**

- Pak-Kenya Joint Trade Committee (JTC) was established and the composition of the JTC was exchanged. 1st meeting of the JTC is scheduled for the year 2020.

IV. Middle East

i. Coverage:

United Arab Emirates, Saudi Arabia, Qatar, Kuwait, Oman, Iraq, Bahrain/kingdom Of Bahrain, Jordan, Yemen, Lebanon, Syrian Arab Republic, Gaza Strip. Bilateral trade relations with these countries are as follows:-

ii. Bilateral Trade:

The Bilateral Trade statistics with respect to the countries falling under Middle East region are given as under :

| Pakistan's Trade Balance with ME Economies (USD Million) | | | | | | | |
|--|--------------|-----------------|-----------------|------------------|----------------|-----------------|-----------------|
| S. No. | Country | 2017-18 | | | 2018-19 | | |
| | | Export | Import | total | Export | Import | total |
| 1 | UAE | 801.337 | 6730.817 | 7532.154 | 820.05 | 21.58 | 841.63 |
| 2 | Saudi Arabia | 305.735 | 3213.461 | 3519.196 | 342.08 | 0.51 | 342.59 |
| 3 | Oman | 131.977 | 809.637 | 941.614 | 140.99 | 2505.27 | 2646.26 |
| 4 | Kuwait | 92.348 | 1458.477 | 1550.825 | 98.41 | 5.17 | 103.58 |
| 5 | Qatar | 90.813 | 1844.449 | 1935.262 | 106.36 | 2959.61 | 3065.97 |
| 6 | Bahrain | 51.391 | 95.614 | 147.005 | 61.25 | 2.5 | 63.75 |
| 7 | Jordan | 32.256 | 27.728 | 59.984 | 32.63 | 1368.4 | 1401.03 |
| 8 | Iraq | 23.227 | 73.535 | 96.762 | 30.01 | 28.15 | 58.16 |
| 9 | Lebanon | 20.406 | 3.598 | 24.004 | 23.75 | 719.98 | 743.73 |
| 10 | Syria | 10.393 | 0.479 | 10.872 | 16.11 | 6156.9 | 6173.01 |
| 11 | Cyprus | 6.461 | 3.515 | 9.976 | 6.41 | 36.37 | 42.78 |
| | Total | 1566.344 | 14261.31 | 15827.654 | 1678.05 | 13804.44 | 15482.49 |

In order to enhance engagement with Middle eastern region, region wise initiatives taken by the respective countries are as follows:

- **Pak- Qatar**

- 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.
- International Product Exhibition and Conference (IPEC) was held from 8th to 10th October, 2018 in Doha, Qatar and more than 32 companies participated from Pakistan
- On 12-13th November 2018, a Qatar-Pakistan Business Forum was arranged with the assistance of Embassy of Pakistan, Doha. About 25 companies from Pakistan participated in the event including 9 companies belonging to the Fauji Foundation; Engro Corporation, M/s Packages and M/s Interwood. Entire expenditure for the event was borne by the State of Qatar.
- Prime Minister of Pakistan visited Doha on 21st – 22nd January 2019, and met his counterpart Abdullah bin Nasser bin Khalifa Al Thani. He was accompanied by the Advisor to PM on Commerce, Investment and industries, of Pakistan, after due deliberations Qatar lifted the 8 years old ban on import of Pakistani origin rice by CTC Qatar.
- Pak- Qatar Investment Conference was held on 10th March 2019.
- An MOU establishing Pakistan-Qatar Joint Working Group on Trade and Investment was signed during the visit of Emir of Qatar to Pakistan on 22nd June, 2019. The said MOU shall improve the bilateral trade relations between the two countries by removing impediments to trade and enhancing exports to Qatar.
- **Pakistan- Saudi Arabia**
 - 2nd meeting of Pak- Saudi JWG on Trade and Investment was held on September (5th), 2018 at Islamabad to discuss Trade and investment opportunities in both the countries and prospects of export enhancement
 - Mr. Ahmed Hamed Al-Ghamdi, Advisor to Saudi Minister for Energy along with representatives of Saudi Aramco, Maaden and ACWA power visited Pakistan from Sept 30-Oct 05, 2018 to hold technical discussions with their counterparts in Government of Pakistan for investments in mega projects.
 - Pakistan Trade Delegation comprised of 30 Companies representing these sectors and Trade Bodies represented by the Presidents of Karachi, Rawalpindi, Islamabad, Srahad& Haripur Chambers of Commerce & Industry and Faisalabad Chamber of Commerce & industry

visited Saudi Arabia from 12- 15 January 2019. Saudi Export Development Authority -KSA (SEDA) in line with their Vision 2030, hosted the Pakistani Trade Delegation to Jeddah (Jan 12-15, 2019). It was fully sponsored Delegation by SEDA. Pakistani delegation had a meeting with the Deputy Minister of Energy, Industry and Mineral Resources Eng. Abdul Aziz Al-Abdulkarim and the Secretary General of Saudi Export Development Authority Eng. Saleh Al-Solami. The two sides discussed aspects of joint cooperation and ways to enhance trade and economic relations between the two countries. This was followed by dinner hosted by SEDA.

- A week-long promotion of Pakistani Citrus was arranged in the 3rd week of January 2019 in the leading hyper- and super-markets of Eastern Province of Saudi Arabia in collaboration with local fruit importer and management of the markets
- Pak- Saudi Arabia Business Conference was held on 18th February 2019 during the visit of the Crown Prince. The conference was chaired by the Minister for Commerce and Investment Saudi Arabia and Advisor to PM on Commerce Pakistan. Around 200 businessmen participated from both sides. Two partnership agreement - MoUs were signed between The City School, Pakistan and Rawabit Energy for investment, and between Elmad Surgicals Sialkot and Rawabit Energy for investment. These agreements have been signed for one year with a 50/50 partnership deed. Moreover the B2B meetings of various sectors were organized which included Fruits and Vegetables, Rice, Honey, Construction, Petroleum and Energy, Military and Aviation Equipment, Travel and Hotel Umrah Services, Tourism, Shipping Services, Education Services and General Food Items.
- **Pakistan- UAE**
 - Pakistan signed the Contract for participating in the EXPO 2020 Dubai on 28th October 2018. 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.

7. FOREIGN TRADE-III

FT-III Wing of Ministry of Commerce has been mandated, inter-alia, to promote Pakistan's trade with American and European Regions and to ensure optimum market access opportunities for Pakistan's core export products in the regions. In this regard, Pakistan's trade performance and

initiatives taken by commerce division to promote and facilitate trade in the regions are given below:

-

AMERICAN REGION

A. Pakistan's Trade Relation with American Region:

A-1. Pak-USA Trade and Investment Framework Agreement (TIFA)

Pakistan and USA signed Trade and Investment Framework Agreement (TIFA) in the year 2003. Under this agreement both sides discuss issues of mutual interest with the objective of improving cooperation and enhancing opportunities for trade and investment. The Agreement has also constituted a council comprising representatives of both countries, co-chaired by the Minister of Commerce, Government of Pakistan and Trade Representative of the US government (USTR). TIFA Council monitors trade and investment relations, identifies opportunities for expanding trade, and so far 8 TIFA Council meetings have been held.

In order to prepare for the TIFA council meeting, the 10th TIFA Inter-sessional meeting of official from both sides has been held on 2nd May 2019 in Islamabad where Pakistan raised issues regarding non-traditional exports to USA such as Addition of accreditation of 'facilities' for Mangoes, Market Access to prepared meat products, Market Access for Pakistani Dates, Digital Trade and collaboration in ICT sector and Health Care/Pharmaceutical.

A-2. Business Opportunities Conference

In order to identify trade and investment opportunities between Pakistan and US. The Business Opportunities Conference (BOC) is organized as government to government arrangement. So far four BOCs have been held. The 5th Business Opportunities Conference is scheduled to be held in Pakistan and preparation for the successful conduct of 5th BOC are underway.

A-3. US-Pakistan Business Council (USPBC)

US-Pakistan Business Council (USPBC) is a part of the US Chamber which is based in Washington, DC. Its members include large US companies who are operating in Pakistan or are keen to invest in Pakistan. Government of Pakistan through its Embassy closely interacts with the USPBC and US Chamber to promote bilateral commercial ties. Similarly, various business delegations, ministers and government officials visiting from Pakistan engage with the USPBC members in routine.

A-4. Pakistan US Generalized System of Preference

Pakistan is a beneficiary of the US-GSP scheme which is a unilateral market access initiative of the U.S. government which mostly covers Pakistan non-traditional exports to USA. The US-GSP scheme has been extended up to December 31, 2020. In view of the fact that Pakistan has the only preferential access in US market in the shape of US GSP which is available to more than 120 developing countries. Gaining increased access to the U.S market for our exports has been one of Pakistan's major policy goals on trade promotion.

A-5. Pak-Canada

In Canada, Pakistan is recipient of GPT which excluded textile and leather sectors. Pakistan's request for FTA is pending approval with Canada. Both sides are preparing to hold 3rd JWG meeting which has been postponed due to election in Canada in early 2020.

A-6. Pak-Mercosur PTA/FTA

Mercosur has an import market of US\$ 280 billion in which Pakistan's share is relatively insignificant. Mercosur has been very cautious in initiating market access initiative with its trading partners and has high tariffs in products of Pakistan's exports strength including textile, agriculture, leather etc. A Preferential Trade Agreement (PTA) can have substantial tariff reduction benefits for Pakistani products in the market.

To achieve greater market access in the Latin American region, Ministry of Commerce had signed a Framework Agreement on Trade with Mercosur (A custom union for duty free goods movement within the member countries comprising Argentina, Brazil, Paraguay and Uruguay) in 2006 with a view to sign a Preferential Trade Agreement (PTA) leading to a Free Trade Agreement (FTA). Ministry of Commerce is proactively lobbying Pakistan's bid for resumption of negotiations for Pak-Mercosur PTA leading to FTA. The issue of resumption of negotiations with Pakistan is now being discussed by the Mercosur member states.

A-7. Pacific Alliance

Ministry of Commerce is also in the process to apply for Pakistan's observer status in Pacific Alliance which is another trading block in the Latin American region comprising the emerging economies of Chile, Colombia, Mexico and Peru. An institutional arrangement with Pacific Alliance

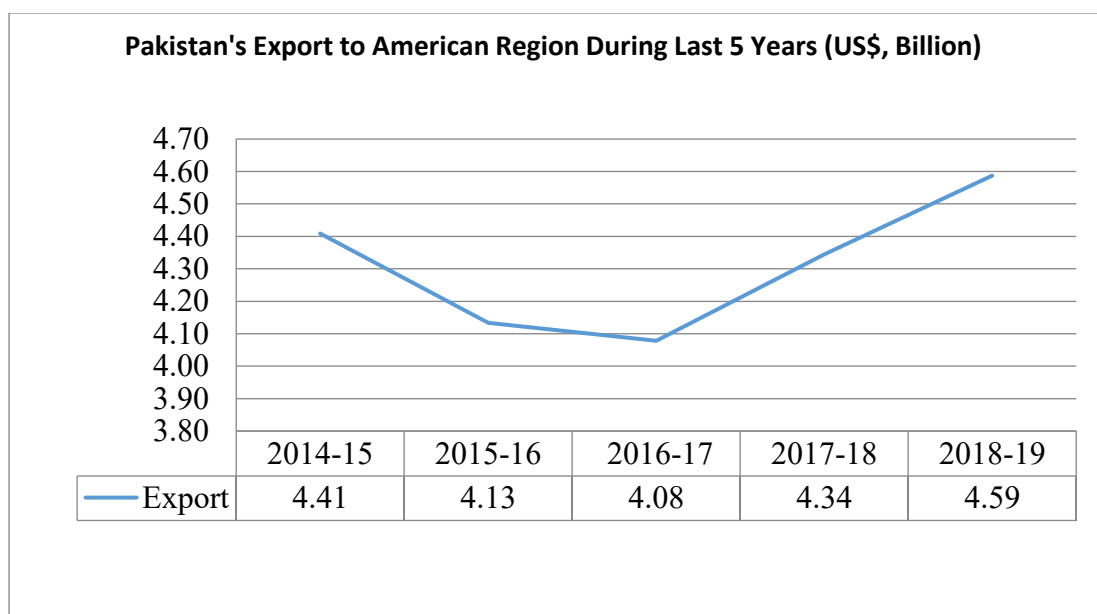
can also benefit Pakistan's export interests in the member states. As a first step Pakistan intends to apply for Observer Status of the Pacific Alliance. It may be noted that the Alliance has already granted observer status to more than 50 countries including our regional competitors.

A-8. Pakistan's Trade Mission in Mexico

Mexico is one of the important export destinations for Pakistan in Latin American Region. Government of Pakistan has recently opened trade office in Mexico to improve and facilitate bilateral trade relation.

B. Pak-Americas Trade Performance Review:

- Pakistan's overall exports to American region covers 43 countries with a trade volume of US\$ 8,631.72. The Region covers 19% of Pakistan's exports to world while Pakistan exports to American region have been increased by 5.6% from US\$ 4.3 billion in 2017-18 to US\$ 4.6 billion in 2018-19.
- Moreover, Pakistan's export growth was negative to American region during FY 2014-15 to 2016-17. In the recent years, however, Pakistan's export in the region has started showing positive trend which also improved Pakistan's balance of trade in the Region.



Source: PBS

- USA is the single largest destination for Pakistan's exports. The volume of trade for year 2018-19 between Pakistan and US is US\$ 6.6 billion with positive trade balance of US\$ 1.28 billion in favour of Pakistan. Pakistan's export to USA registered a growth of 7% during FY 2018-19 (US\$ 3.94 billion) over FY 2017-18 (US\$ 3.69 billion).

- Pakistan export under US-GSP Programme has also increased by 4% from US\$ 337.5 million in 2017-18 to US\$ 347.5 million in 2018-19.
- Pakistan's exports to Canada also registered a growth of 6% during FY 2018-19 (US\$ 276.2 million) from over FY 2017-18 (US\$ 260.6 million).
- An overview of the bilateral trade figures of Pakistan with USA, Canada and top ten trading partners in the Latin Americas are showing positive trade balance with almost all trading partners in the American Region.

| Pakistan's Top Trading Partners in American Region (US\$, Million) | | | | |
|---|-----------------------|----------------|----------------|----------------------|
| S# | Country/Region | Exports | Import | Trade Balance |
| American Region | | 4587.20 | 4044.52 | 542.68 |
| 1 | U.S.A. | 3910.15 | 2706.83 | 1203.32 |
| 2 | Canada | 270.42 | 503.97 | -233.55 |
| 3 | Mexico | 96.77 | 103.82 | -7.06 |
| 4 | Brazil | 65.46 | 468.43 | -402.97 |
| 5 | Chile | 61.85 | 34.62 | 27.23 |
| 6 | Colombia | 38.66 | 1.84 | 36.83 |
| 7 | Peru | 32.29 | 3.49 | 28.80 |
| 8 | Argentina | 27.24 | 120.10 | -92.85 |
| 9 | Panama | 14.64 | 0.16 | 14.49 |
| 10 | Ecuador | 9.57 | 0.23 | 9.34 |
| 11 | Honduras | 7.52 | 2.10 | 5.42 |
| 12 | Uruguay | 7.50 | 1.98 | 5.53 |
| 13 | Paraguay | 6.36 | 3.61 | 2.75 |
| 14 | Dominican Republic | 6.17 | 1.42 | 4.76 |
| 15 | Trinidad and Tobago | 5.15 | 1.20 | 3.95 |

Source: PBS

EUROPE REGION

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", which is also popularly known as GSP plus. GSP+ status has been awarded by EU in 2013 for the next ten years till 2023. This status was operationalized on

1st January 2014. To maintain GSP+ Status, Pakistan is required to comply 27 UN conventions signed by Government of Pakistan to enjoy the preferential market access of European Union market. Out of these conventions, 7 pertain to human rights, 8 to labour and human resource, 8 to climate change and biodiversity and 4 to narcotics, drugs, organized crime and corruption.

Treaty Implementation Cell (TIC):

Consequent upon the general elections in 2018, the current government has shown its firm resolve to improve governance, curb corruption, ensure rule of law in the country, accelerate economic growth, ensure ease of doing business and fulfill its international commitments. Under these guiding principles of the present government, the Attorney General for Pakistan clearly showed his intentions during his interactions with the EU Monitoring Mission to personally visit all provinces in order to sensitize the provincial executives and political leadership with regard to the implementation of the 27 UN Conventions. During February and March 2019, the Attorney General for Pakistan visited all provinces and held Treaty Implementation Cell meetings with Provincial Governments in order to review progress on effective implementation of ten priority actions. The continuous engagement of the Federal Treaty Implementation Cell with respective Ministries, Provincial Governments, Provincial Treaty Implementation Cells and other stakeholders proved instrumental to fulfill Pakistan's commitment under GSP Plus scheme. So far two successful biennial reviews concerning Pakistan's compliance to the implementation of the 27 UN Conventions have been conducted. After the second biennial review in October, 2018, the EU Monitoring Mission identified ten priority areas wherein the Government of Pakistan was to submit a progress report. These priority areas were then shared with the relevant Federal Ministries, Commissions and Provincial Governments and with Azad Jammu & Kashmir and Gilgit-Baltistan to take necessary actions and provide a progress report to the Treaty Implementation Cell / Ministry of Commerce to be fed into report for the EU Monitoring Mission.

EVALUATION OF PAKISTAN – EU TRADE UNDER THE GSP PLUS REGIME

PAKISTAN'S EXPORTS TO EU 2013 -2018

- The GSP+ provides many Pakistani export oriented products including garments, bed linen, terry towels, hosiery, sports goods and surgical goods duty free access in the EU market.

- As a result of GSP+, Pakistan's exports to the EU have increased from USD 6.87 billion in 2013 to USD 9.53 billion in 2018. The following table gives details of the sector and product wise benefits of GSP+.

Pakistan exports to EU (Growth since GSP+)

| Sector / Product | Pak Exports to EU 2013 (\$ million) | Pak Exports to EU 2018 (\$ million) | Absolute Change (\$ million) | Growth |
|---------------------------------------|-------------------------------------|-------------------------------------|------------------------------|--------|
| Bed Linen & toilet linen | 1,381.1 | 2,093.5 | 712.4 | 51.6% |
| Men's trousers & shorts of cotton | 697.7 | 1,273.8 | 576.1 | 82.6% |
| Jersey's, cardigans & waistcoat | 182.6 | 469.1 | 286.5 | 159.6% |
| T-Shirts | 82.5 | 204.5 | 122.0 | 147.9% |
| Babies Garments (Knitted) | 18.8 | 50.1 | 31.3 | 165.9% |
| Men's & Women's overcoats, cloaks etc | 49.4 | 94.9 | 45.5 | 92.2% |
| Rice | 165.7 | 360.9 | 195.2 | 117.8% |
| Inflatable balls | 86.1 | 104.4 | 18.3 | 21.3% |
| Surgical goods | 113.3 | 136.2 | 22.9 | 20.2% |
| Salt | 6.4 | 14.3 | 7.9 | 125.0% |

Source: UN Com trade

European Free Trade Association (EFTA):

In order to explore new international market and enhance Pakistan's exports to the European countries, Commerce Division under the new government is working on Free Trade Agreement (FTA) with European Free Trade Association (EFTA) comprising of Norway, Switzerland, Iceland and Liechtenstein. In this regard, EFTA has shared a scoping paper with this Division to identify potential areas to be incorporated in the FTA to enhance trade which includes goods, Customs Cooperation, Rules of Origin, Technical Barriers to Trade (TBTs), Sanitary and Phyto-sanitary (SPS) measures, trade remedies, services, investment and Intellectual Property (IP). Commerce Division, in consultation with relevant stakeholders, has thoroughly examined the scoping paper and also conducted an internal analysis of the feasibility of FTA with EFTA States. Commerce Division is in the process of firming up its position on the proposed agreement in light of the consultations with relevant stakeholders. After identification of proposed sectors and areas to be included in the FTA, this Division will take up the matter with EFTA States.

Pak-Turkey Strategic Economic Framework (SEF)

Prime Minister of Pakistan visited Turkey on 3rd and 4th of January 2019, and during the visit, it was agreed to establish a Strategic Economic Framework (SEF) between Pakistan and Turkey. The framework aims to enhance bilateral economic cooperation with special focus on Trade and Investment. A meeting was held in order to finalize the draft of SEF between Pakistan and Turkey, on 10th May, 2019 in Ankara, Turkey.

Pak-Turkey Free Trade Agreement:

- Ministry of Commerce is in the process of building consensus with Turkey counterparts and other stakeholder to have a meaningful FTA with Turkey that increases economic integration and corroborates with the close political and cultural relations that both countries have.
- Pakistan and Turkey have been engaged in negotiations for Preferential Trade Agreement (PTA) since 2004.
- Pakistan and Turkey have formed a joint business council which is acting proactively for the promotion of bilateral trade. The last session of Pak-Turkey JBC was held in October 2011.

MOU between ICE, Italian Trade agency and TDAP:

An MOU was signed between ICE, Italian Trade agency and TDAP in December, 2018. This shall help enlarge the association in the sectors of infrastructure, construction, energy, logistics, transport, telecoms, water, machinery, equipment for manufacturing marble and stones, textile, clothing, leather, shoes, rubber, metal and various chemical products.

Russian Federation

- The longstanding issue of pending Russian liabilities/claims of US\$ 93.5 million has been resolved.
- 6th Round of Inter-Governmental Conference (IGC) was held on 10th December, 2019 in Islamabad led by Economic Affairs Division on the sidelines of Sub-Group on Trade and Investment, to discuss avenues of mutual cooperation.

Ukraine

- Pak-Ukraine Agreement on Trade and Economic Cooperation was signed on 09th October, 2009. The Instrument of Ratification was signed by the President of Pakistan on 11th January, 2012.
- Pakistan has proposed PTA/FTA with Ukraine to which Ukrainian side has responded positively.

8. DEVELOPMENT WING

FUNCTIONS

- **PUBLIC SECTOR DEVELOPMENT PROGRAM (PSDP) SECTION:**
 - a) Assistance in preparation and implementation of all the PSDP funded projects of Commerce Division and its monitoring & evaluation;

- b) Matters relating to the Annual and Five Year Development Plans of GoP, concerning M/O Commerce;
- c) Preparation of briefs / summaries for DDWP, CDWP, ECNEC and APCC meetings;
- d) Compilation and provision of material from MoC to Finance Division in respect of PSDP projects for:-
 - i. Finance Minister's annual Budget Speech
 - ii. Annual issues of Pakistan Economic Survey
- e) Preparation of report on the activities of Development Wing and various development projects of MoC for publication in the Year Book of the Ministry.
- f) Providing material regarding PSDP to Council Section of the Commerce Division for preparation of replies to the National Assembly/Senate Questions.
- **STATISTICS SECTION:**
 - a) Preparation of monthly summary of trade and group-wise trade statistics
 - b) Providing trade Statistics for Economic Coordination committee (ECC) of the Cabinet.
 - c) Maintaining Pakistan's country-wise international trade statistics with the whole world.
 - d) Commodity-wise detail of bilateral exports/imports with (HS CODE) with individual countries.
 - e) To assist Foreign Trade Wings of MOC in preparation of country-wise reports on trade performance.
 - f) Providing material / trade statistics to various Wings of the Ministry for preparation of replies to the National Assembly/Senate Questions.

➤ **OVERVIEW OF PSDP PROJECTS:**

There was only one PSDP funded project of Commerce Division in FY 2018-19, details of which is below:

- **EXPO CENTRE, PESHAWAR**

The project was approved by CDWP in October, 2015 at a total cost of Rs. 2500.00 million. Objective of the project is to provide international standard infrastructure for the promotion of economic activities through trade exhibitions, consumer fairs and conferences in the province. Scope of the project consists of two Exhibition Halls of 45000 sq. ft. each, plus one Convention Centre with

capacity of 600 people, Parking with capacity of 1000 vehicles, Admin Block, Warehouse and external development work.

Actual work on the project was started after the land for the project was transferred on 25th January, 2017 by the Govt. of Khyber Pakhtunkhwa to the project authorities. The lease agreement was signed for a piece of land measuring 25 acres at a rate of Rs. 5.00 million per annum. The amount of Rs. 1690.00 million were released out of the total cost of Rs. 2500 million to the project by end of FY 2018-19 and allocation in PSDP 2019-20 is Rs. 300.00 million. The project achieved overall progress of 45% by and financial progress up to 40% by end of FY 2018-19. The project will benefit Gem stones, marble, tobacco, carpets, horticulture, handicrafts and industrial products of the KPK and merged districts of FATA.

9. TRADE POLICY WING

1. Achievements during current financial year including plans being executed at the moment:

- I. **Extension of PM Package:** In order to enhance export competitiveness and encourage non-traditional exports of the country, the Prime Minister Package was extended for another period of three years. Moreover, to ensure timely payment to the exporters, a new procedure has been developed in consultation with State Bank of Pakistan (SBP) and Finance Division. As per the revised mechanism, payment of the outstanding claims, as on 31-12-2018 of the exporters under DLTL/PM Package scheme, will be paid through cash payment (1/3rd) and issuance of Promissory Notes (remaining 2/3rd). The government has so far disbursed Rs. 21 billion in respects of claims for refund of Sales Tax and Rs. 10 billion under the DLTL, to enhance liquidity of the exporters.
- II. **Tariff Rationalization:** After extensive consultation with the public and private stakeholders, the Commerce Division has been able to get import duties reduced on 1639 Tariff Lines of raw materials and inputs in the Annual Budget 2019-20. Such tariff rationalization is expected to bring greater economic gains for the industrial sector of Pakistan by enhancing their competitiveness in national and international markets by reducing production cost and at the same time minimizing the anti-export bias.
- III. **Strict Procedure for Import of Vehicles:** The import of used cars under Vehicles Import Scheme for Overseas Pakistani (VISOP) transfer of residence, baggage and gift schemes, meant for the overseas Pakistanis, had been misused for commercial import of vehicles.

In order to prevent the misuse of the Scheme intended for Overseas Pakistanis, the existing policy was revised vide SRO. 52 (I) 2019, on 15th January, 2019.

- IV. **Halal Certification & Labeling:** Vide SRO 237/2019, dated 19th February, 2019, the import of edible products was made subject to, inter alia, conditions of halal certifications and labeling requirements to ensure healthy and informed consumer buying decisions.
- V. **Promotion of Tourism:** In order to attract foreign tourists / hunters, a policy measure was introduced vide SRO 565 (I) / 2019, dated 15th May, 2019, to facilitate the process for issuance of NOC for carrying arms and ammunitions, and their temporary import-cum-export by foreign hunters.
- VI. **Pakistan Trade & Investment Policy Program (PTIPP):** The program was concluded in June 2019. PTIPP was designed as a 3-year program (July 2015 to June 2018), funded at AUS\$ 9.9 million (approx. US\$ 7.04 million). A no-cost extension of one year was granted to the project till June 2019. The overall objective of the PTIPP was to support Pakistan's efforts to increase regional trade and investment, with a special focus on strengthening links to other Asian countries.
- VII. **"Pakistan Goes Global:** "A Programmatic Initiative for a Global & Technology-Driven Pakistan" is a World Bank sponsored program with Commerce Division as its executing agency. The role of World Bank will be limited to three areas namely, providing investment for the project, technical knowhow and guidance in areas which Commerce Division lacks and monitoring of the implementation status. The PGG Program will be implemented in five (05) years at an estimated cost of US\$ 200-250 Million. A Working Group comprising of the relevant stakeholders has been formed to identify key reforms areas under Pakistan Goes Global Program. Commerce Division is in the process of preparing Concept Note and Safeguard Documents for the subject program.
- VIII. **Pakistan Regional Economic Integration Activity (PREIA):** The Commerce Division is collaborating with the USAID funded Pakistan Regional Economic Integration Activity (PREIA), which is a five year (September 1, 2015 – August 31, 2020), US\$ 14.4 Million project that aims to further the development of Pakistan's domestic and foreign trade.
- IX. **Trade and Competitiveness Program-Policy Based Lending:** Under Asian Development Bank's (ADB) "Trade and Competitiveness Program-Policy Based Lending" Commerce Division is collaborating with Ministry of Finance, Securities & Exchange Commission of

Pakistan and State Bank of Pakistan for Enactment of EXIM Bank Act and support for the operations of the Exim Bank.

- X. **Growth for Rural Advancement and Sustainable Progress (GRASP):** The Commerce Division is the focal division for “Growth for Rural Advancement and Sustainable Progress (GRASP)”, which is a six-year project designed to reduce poverty in Pakistan by strengthening small-scale agribusinesses in two provinces: Balochistan and Sindh. GRASP will be implemented by the International Trade Centre – the joint agency of the United Nations and the World Trade Organization – with active participation from local partners. The project will be funded by the “Delegation of the European Union to Pakistan” with a budget of €48 Million.

2. Plans and initiatives for the Financial Year 2019-20:

- I. The Commerce Division has drafted the National Tariff Policy (NTP), which will be implemented in five years from July 2020-June 2025. The National Tariff Policy aims at removing the anomalies in the tariff structure and making it a reflection of trade policy priorities and enhancement of competitiveness through duty-free access to imported raw materials and promotion of investment into efficient industries through a predictable tariff structure, decided through an institutional mechanism.
- II. The NTP is based on the principles of (i) employing tariffs as an instrument of trade policy rather than revenue generation, (ii) maintaining vertical consistency through cascading tariff structures (increasing tariff with stages of processing of a product), (iii) providing time-bound ‘strategic protection’ to the domestic industry during the infancy phase, and (iv) promoting competitive import substitution through time-bound protection, which will be phased out to make the industry eventually competitive for export-oriented production.
- III. The policy guidelines contained in the NTP, as approved by the Cabinet, provide that the tariff slabs will be simplified based on the principle of cascading; tariffs on raw materials, intermediate and capital goods will be gradually reduced; the additional customs duty and regulatory duties will be gradually reduced; the difference in the rates of tariff for the commercial importers and industrial users of raw materials, intermediate and capital goods will be eliminated to provide a level-playing field to the SMEs through competitive access to essential raw materials; the nascent industry will be provided time-bound protection, which will cover the payback period.

- IV. The policy will be implemented through a Tariff Policy Board (TPB) chaired by the Commerce Minister/Advisor, with Minister for Industries & Production, Secretary Finance, Secretary Revenue, Chairman FBR, Secretary Commerce, Secretary Board of Investment, and Chairman NTC as its members. A Tariff Policy Centre shall be created in the Ministry of Commerce, which will serve as the Secretariat of the TPB.

3. Plans for next four years:

- I. **Strategic Trade Policy Framework (STPF):** The upcoming STPF 2019-24 will aim to address capacity constraints of competitiveness and factor productivity related issues that are hampering growth of small-scale entrepreneurs. It proposes interventions for women and small-scale entrepreneurs by facilitating their businesses for inclusive economic growth. The STPF, inter alia, included measures for enhancing export competitiveness and investment in export-oriented sectors, integration into global value chains, enhancing market access, strengthening institutions and improving export eco system etc.
- II. **Trade Related Investment Policy Framework (TRIPF):** The Framework has been developed to channelize investment into export-oriented production and competitive import substitution. It aims to identify the priority sectors, capitalize on Pakistan's strategic location and natural endowments, and leverage domestic market and human resource base.

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.
- Admin/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 Policy Framework of Pakistan
- Trade Facilitation Agreement (TFA)
- Agriculture Issues
- Fisheries Subsidies
- Disputes
- Information Technology Agreement (ITA)
- Government Procurement Agreement (GPA)
- Geographical Indication (G.I) Law

E-COMMERCE POLICY FRAMEWORK OF PAKISTAN

First ever E-Commerce Policy of Pakistan has been drafted to facilitate E-Commerce of Pakistan. The policy is aimed at holistic growth of E-Commerce in Pakistan, provision of employment opportunities to young, skilled and unemployed freelancers of the country, training and promoting our local SMEs and connect them with the online markets across the globe, streamlining the regulatory framework for E-Commerce businesses in order to protect the interests of online buyers and sellers, earning foreign exchange of billions of dollars through export of Pakistani goods and services from E-Commerce platforms, documenting all E-Transactions and strengthening the revenue base of the country through taxation and effective implementation of SDG 8, 9 &12.(decent work & economic growth, Industry ,innovation & infrastructure and responsible consumption & production).

IMPLEMENTATION OF TRADE FACILITATION AGREEMENT

Pakistan ratified the WTO Trade Facilitation Agreement (TFA) in October 2015 and notified its Category-A commitments in October 2015 while B & C Commitments were notified in June 2017. The definitive dates for implementation of Category “C “commitments has been submitted before deadline of 22nd August 2019. In this regard extensive meetings with all the stakeholders were arranged in months of June and July 2019 to finalize the dates.

AGRICULTURE NEGOTIATIONS:

There are following 5 issues are discussed in Committee on Agriculture Special Session:

- a. Market Access
- b. Public Stock Holding
- c. Export Restrictions
- d. Domestic Support
- e. Cotton

Pakistan would like an overcome that minimizes protection & trade distorting subsidies.

FISHERIES SUBSIDIES

Governments around the world provide billions, and by some account tens of billions, of dollars in subsidies to the fisheries sector. These include subsidies to capital and operating costs, which numerous analyses point to as having the potential to contribute to overcapacity and overfishing, and thus to unsustainable fishing practices.

Pakistan is highlighting our concerns over subsistence / artisana / small scale fisheries with special focus on Special & Differential Treatment for developing countries in the future discipline on Fisheries subsidies, including capacity building and technical assistance.

DISPUTES:

The Appellate Body was established in 1995 under Article 17 of the Understanding on Rules and Procedures Governing the Settlement of Disputes. It is a standing body of seven persons that hears appeals from reports issued by panels in disputes brought by WTO Members. The Appellate Body can uphold, modify or reverse the legal findings and conclusions of a panel, and Appellate Body Reports, once adopted by the Dispute Settlement Body, must be accepted by the parties to the dispute. In December 2019 after the expiry of an Appellate Body member, there will not be sufficient numbers of Appellate Body members to dispose off cases at that level.

Pakistan had been party in 19 WTO disputes since inception of the organization in 1995. In five cases Pakistan participated as Complainant, 4 cases as Respondent and 10 cases as Third Part.

1. **DS 538 – PAKISTAN'S ANTI-DUMPING MEASURES ON IMPORTS OF BIAXIALLY ORIENTED POLYPROPYLENE (BOO) FILM FROM THE UNITED ARAB EMIRATES:**

Pakistan imposed Anti-dumping Duty (AD) ranging from 29.7% to 57.09% on import of Biaxially Oriented Polypropylene (BOPP) Film from UAE, China, Oman and Saudi Arabia in April 2012

The DSB established a panel pursuant to the request of the United Arab Emirates to examine, in the light of the relevant provisions of the covered agreements cited by the parties to the dispute.

2. IMPOSITION OF ANTI-DUMPING DUTY BY THE GOVERNMENT OF CANADA ON PAKISTAN'S EXPORTS- OF CERTAIN CARBON STEEL WELDED PIPES:

Government of Canada has imposed an anti-dumping duty of 66.8% on Pakistan's exports of certain carbon steel welded pipes. This duty rate is not based on the information furnished by the Pakistani exporter M/s International Industries Ltd. (IIL).

NTC is of the view Government of Pakistan may invoke provisions of dispute settlement under WTO. Our Mission to WTO is taking comments of ACWL regarding Government of Pakistan to invoke provisions of dispute settlement under WTO.

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 while ITA-II contains 201 additional IT products.

Pakistan is eager enough to explore the possibility of joining ITA, and the recently approved e-Commerce Policy of Pakistan reflects it as well where, it is highlighted that MoC and MoITT will continue expedited work on complementary policies such as accession to Information Technology Agreement, WTO.

GOVERNMENT PROCUREMENT AGREEMENT (GPA)

The GPA is a plurilateral agreement within the framework of the WTO and entered into force on 6 April 2014. The fundamental aim of the GPA is to mutually open government procurement markets among its parties. At present, the Agreement has 19 parties comprising 47 WTO members. Another 29 WTO members participate in the GPA Committee as observers. Out of these, 9 members are in the process of acceding to the Agreement. China and India have an Observer status. **Pakistan has become an observer to GPA in February, 2015** and is still observer and learning through observer

status.

GEOGRAPHICAL INDICATIONS (REGISTRATION & PROTECTION) BILL, 2019

Commerce Division and Intellectual Property Organization (IPO) of Pakistan have drafted the first ever Geographical Indications (Registration and Protection) Bill, 2019.

The Bill was approved by the Cabinet Committee for Disposal of legislative Cases and the Federal Cabinet in their meetings on 8th and 19th August, 2019 respectively and has now been submitted to the Senate.

11. DOMESTIC COMMERCE WING

This is with reference to the letter from Section Officer (Council and Coord), Commerce Division bearing U.O. No. 2(8)/2019-Coord dated 14th November, 2019.

(a) Domestic Commerce is the key to economic growth developing sophisticated and high value added products with the potential to accelerate export growth. Development in the internal trade assures exportable surplus. Domestic Commerce is a vehicle for supply side of international trade. Domestic Commerce Wing is playing an important role in reforms and development of Domestic Commerce by identifying the key issues proposing policy measures and putting in place the relevant institutional mechanism. The objectives and functions of the Domestic Commerce Wing are as follows:

- Documentation, research & reporting on domestic commerce state.
- Examination of the relevant policies, orders and regulations at all the tiers of the government, with a view to propose minimum regulatory burden on business.
- Identifying anomalies between authority and responsibility areas pertaining to the domestic commerce regime and identifying anomalies if any, among various Governments operators with a view to suggest effective and coordinated policies.

- Meaningful interface with all the government agencies, at all the tiers, for reform, development, certification, registration, regulation, implementation, information-sharing and policy-formulation.
- Continuous review and improvement of these objectives and processes.
- Examine post-18th constitutional amendment scenario with the aim to develop domestic commerce and devise a workable strategy.
- Engagement with government agencies and trade bodies to identify problem areas of domestic commerce.
- Identify bottlenecks on major sub-sectors of the domestic commerce like transportation, supply chain, retail, marketing, financing, investment, capacity and skill development, product development.

(b) In pursuance of its mandate, Domestic Commerce Wing has published its first Report on State of Domestic Commerce 2016-18 after engaging relevant stakeholders both from public as well as private sectors. The purpose of the report is to present the current state of Domestic Commerce in Pakistan, and identify the obstacles to the growth of this very important sector of the economy to facilitate evidence based decision making. The present report, the first of the series has been compiled on the basis of primary research carried out in all the four provinces, AJK and Gilgit Baltistan.

(c) DCW has engaged with different stakeholders through Joint Working Groups on Development & Facilitative Framework, Regulatory & Preventative Mechanism, and development of linkages between Federal & Provincial Governments. This exercise resulted in the form of a Draft paper on a Framework for Development and Facilitation of Domestic Commerce. The paper will be submitted to Domestic Commerce Reforms and Development Committee (DCRDC) for approval. The proposed framework deals with the following areas:

- Enterprise Productivity & Modernization
- SME Development
- Agriculture & Mining
- Retail & Wholesale Sector

- Local brand Development
- Transport & Logistics
- Skill Development

(d) Domestic Commerce Wing is also engaged with provincial governments for finalization of Provincial Domestic Commerce Strategies. Draft strategies were developed on the basis of inputs provide by Domestic Commerce Wing.

(e) Gems and Gemological institute of Pakistan (GGIP), Peshawar falls under the jurisdiction of DCW which is promoting skill development in Gems sector. The details of training programmes conducted by GGIP during last one year are as follows:-

| Programs from 1-7-18 to 31-10-2019 | | | | |
|--|------------------------------------|------------|------------|----------------|
| Title of Course | Sponsored By | From | To | No of Students |
| NAVTTTC – UNHCR Skill Development Program | NAVTTTC | 01-01-2018 | 24-08-2019 | 50 |
| Prime Minister Youth Skill Development Program | NAVTTTC Phase 4 Batch 2 | 05-07-2018 | 28-11-2018 | 50 |
| Women Empowerment & Skill Development Course | Small Industries Development Board | 10-12-2018 | 18-06-2019 | 10 |
| CM KPK Youth Skill Development Program | KP TEVTA | 29-05-2019 | 05-12-2019 | 50 |
| Self Finance | Fee Paid by Students | 01-07-2018 | 31-10-2019 | 20 |
| Total Students July 2018 to October 2019 | | | | 180 |

(f) Targets set by Domestic Commerce Wing during the current financial year are to convene a second meeting of Domestic Commerce Reforms and Development Committee (DCRDC) and prepare second report on State of Domestic Commerce in Pakistan.

PART-II

**ATTACHED DEPARTMENTS/SUB-ORDINATE OFFICES/
COMPANIES/CORPORATION UNDER THE CONTROL OF
MINISTRY OF COMMERCE**

12. STATE LIFE INSURANCE CORPORATION OF PAKISTAN

First Year Premium Growth:

The Corporation's individual life first year premium went from Rs. 17.73 billion in 2017 to Rs 18.96 billion in 2018 indicating a growth of 6.97%, compared with 3.84% growth in the preceding year. Furthermore, individual life first year premium amounts to Rs. 3.98 billion during first half of 2019. This figure previously stands at Rs. 6.39 billion thus showing a decrease of 37.73%.

Second Year Premium Growth and Persistency:

The Corporation's individual life second year premium went from Rs. 13.68 billion in 2017 to Rs 14.43 billion in 2018 indicating a growth of 5.47%. This implies a second-year persistency at 81.38% which is practically at the same level as last year, viz. 80.14%. However/ Second Year Premium for the first half of 2019 amounts to Rs. 4.45 billion compared with Rs. 3.25 billion of the last corresponding periods, showing an increase of 36.78%. This indicates that second year persistency of 69.64% was attained by the end of 2nd Quarter 2019 as compared to second year persistency of 54.36% achieved in the same period last year.

Renewal Premium Growth and Persistency:

The Corporation's individual life renewal year (third year and onwards) premium went from Rs. 60.95 billion in 2017 to Rs 71.75 billion in 2018 indicating a growth of 17.71%, compared with 12.48% growth in the preceding year. Moreover, the respective figure for the period ended 30th June, 2019 amounts to Rs. 26.32 billion compared with Rs. 25.14 billion of last year corresponding period showing an increase of 4.69%.

Group Life Premium:

The Corporation's Group Life premium went from Rs. 4.7 billion in 2017 to Rs 4.6 billion in 2018 indicating a decrease of 1.53%. This figure amounts to Rs. 2.78 billion by the end of 2nd Quarter 2019 compared with Rs. 2.21 billion of last year corresponding period showing an increase of 25.83%.

Health Insurance Business:

The Corporation's Group Life premium went from Rs. 3.91 billion in 2017 to Rs 5.43 billion in 2018 indicating an increase of 38.83%. However, this figure increased from Rs. 2.57 billion in 2nd Quarter 2018 to Rs. 4.07 billion in 2nd Quarter 2019 showing an increase of 58.30%.

Life Funds:

The Corporation's Aggregate Ufe Fund Position went from Rs. 780 billion in 2017 to Rs 874 billion in 2018 indicating an increase of 12.05%. However, by the end of 2nd Quarter 2019 the figure amounts to Rs. 910 billion compared with Rs. 825 billion of last year corresponding period,

showing an increase of 10.3%.

Bonus to Policyholders:

State Ufe has been successfully meeting the expectations of policyholders which generally demand a good return (Bonuses) on their policies. It is worth mentioning here that SUC is the only life insurance company that is distributing 97.5% of its Actuarial Surplus to policyholders as compare to the private life insurance companies that distribute only 90% of the surplus to policyholders.

The total amount of bonus distributed to with-profit policies in 2018 was Rs. 61.08 billion as compared to Rs. 56.16 billion in 2017.

Annual Profits remitted to Government:

In 2018, SLIC remitted an amount of Rs.1. 792 billion to Government after taxes as compared to Rs. 1.547 billion in 2017.

Financial Strength Rating:

A rating of "AAA" is the highest possible for an insurer to achieve and State Life stands alone in the life insurance industry to *have* been assigned this rating.

The rating denotes State Ufe's exceptionally strong capacity to meet policyholder and contract obligations. The rating reflects State Life's leading position in life insurance business in Pakistan, its extensive distribution network, good management quality, comprehensive information systems and growing business volumes. The rating also represents State Ufe's robust financial profile emanating from its sound investment portfolio and prudent system of risk management.

SUMMARY OF TOTAL INCOME, LIFE FUND AND 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-I. The annex contains information regarding life fund, capital expenditure and investment portfolio.**

Annexure – A-I

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 |

13. NATIONAL INSURANCE COMPANY LIMITED

National Insurance Company Limited was incorporated in Pakistan on 31 March 2000 as an unquoted public limited company under the Companies Ordinance, 1984. The Company's registered office is situated in NIC Building, Abbasi Shaheed Road, Karachi, Sindh, having four zones and ten branches across the country. The company is principally engaged in non-life insurance business of public property, comprising of fire, marine, aviation, crops loan insurance, engineering etc. The Company is catering for all general insurance needs of Government Institutions including PIA, OGDCL, PARCO, WAPDA, PSO, TCP, SSGC, SNGPL with effect from January 01, 2001, the company took over all the assets and liabilities of former National Insurance Corporation (NIC) at book values vide SRO dated December 30, 2000 of Federal Government issued in terms of National Insurance Corporation (Re-organization) Ordinance, 2000. Accordingly, with effect from January 01, 2001, NIC has been dissolved and ceases to exist and the operations and undertakings of NIC are being carried out by the company under the administrative control of Ministry of Commerce.

Normally the Company is run by a Chief Executive Officer (CEO) under the supervision and control of Board of Directors headed by the Chairman. Besides the Board of Directors, the company has a senior management team who assist the CEO to perform day to day business matters.

Authorized Capital of the Company is Rs. 06 Billion and Paid up Capital is Rs. 02 Billion.

The following performances of the Company are summary and subject to finalization, Audit and approval of financial statement by the BoD of previous years, audit by external auditors and necessary adjustments; the year 2018 (unaudited) performance is as under:

PERFORMANCE OF THE COMPANY

| <u>Rs. in million</u> | |
|---|--|
| <u>Particulars</u> | <u>2018-19</u> <u>(Unapproved</u> <u>/ unaudited)</u> |
| | |
| <u>Gross Premium Written Business wise</u> | |
| Fire & Property Damage | 1,922 |
| Marine, Aviation & Transport | 2,212 |

| | |
|------------------------------------|-------|
| Motor | 473 |
| Liability | 25 |
| Worker's Compensation | 2 |
| Credit & Surety ship | - |
| Accident & Health | 1 |
| Miscellaneous | 2477 |
| | |
| Gross Premium | 7,113 |
| <u>Other Financial Data</u> | |
| Underwriting Profit | 2,239 |
| Rental & Investment Income | 2,955 |
| Profit before Tax | 4,649 |
| Income Tax Paid to Government | 1,067 |
| Capital | 2,000 |

14. 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 (NIF), 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. XXXVI 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 PIC 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 are 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.

PERFORMANCE

- The Performance parameter of all classes of business for the year 2013 to 2018 is at Annexure "A".

Mile stones Achieved in the year 2017-2018

- PRCL Achieved License from SECP for Window Re-Takaful Operations
- PRCL signed an agreement for its ERP development.

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, 2017 Dec. 31, 2018

(Rupees in Million)

| | | |
|-------------------------|---------|--------|
| Gross Premium | 8,036 | 10734 |
| Net Premium | 5,006 | 5464 |
| Net Commission | (1,148) | (1047) |
| Net Claims | (3,740) | (2992) |
| Management expenses | (796) | (844) |
| Underwriting Profit | (677) | 581 |
| Investment Income | 3,326 | 691 |
| Rental & other income } | 291 } | 480 } |
| Exchange (Loss)/Gain | | |
| Other charges | (64) | (11) |
| Profit before tax | 2,876 | 1740 |
| Taxation | (649) | (505) |
| Profit after tax | 2,226 | 1235 |

PAKISTAN REINSURANCE COMPANY LIMITED**TABULATED STATISTICS OF PRC BUSINESS DURING THE YEAR
2013 TO 2018 MAY PLEASE BE VIEWED AS UNDER:****Rupees in Million.**

| Particulars | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-------------------------|--------|--------|--------|--------|--------|--------|
| Premium (Gross) | 8659 | 8661 | 8135 | 8807 | 8,036 | 10734 |
| Underwriting Profit | 453 | 515 | 722 | 545 | (677) | 581 |
| Profit Before Taxation | 1706 | 1565 | 1772 | 1,427 | 2,876 | 1740 |
| Investment, Securities | 6513 | 6650 | 6318 | 13,375 | 9,223 | 8,634 |
| Investment Income | 1101 | 1079 | 935 | 961 | 3,326 | 691 |
| Yield % on Investment | 16.90% | 16.23% | 14.79% | 7.19% | 36.06% | 8.00% |
| Breakup value per share | 21.90 | 23.29 | 23.12 | 41.05 | 35.02 | 32.90 |
| Earning per share | 4.40 | 4.15 | 4.59 | 3.25 | 7.40 | 4.12 |
| Return on Equity% | 20.10% | 17.80% | 19.83% | 13.15% | 28.44% | 17.62% |

15. 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 01-07-2018 to 30-06-2019.

A. LICENCES RENEWED DURING 2018-19.

Status of renewal of licenses of Trade Organizations during 01-07-2018 to 30-06-2019.

| Sr.No | Type of Trade Organization | Approved | Rejected | Under Process |
|---------------------------|--|-----------|----------|---------------|
| 1 | Chamber of Commerce & Industry | 14 | - | 23 |
| 2 | Women Chambers of Commerce & Industry | 3 | - | 3 |
| 3 | Chambers of Small Traders and Small Industry | 1 | - | 4 |
| 4 | Associations | 20 | - | 27 |
| 5 | Associations of Small Traders | - | - | - |
| 6 | Town Associations | 3 | - | 02 |
| Total Trade Organizations | | 41 | - | 59 |

B. NEW LICENCES GRANTED DURING 2018-19.

Status of licenses granted to new Trade Organizations during 01-07-2018 to 30-06-2019.

| Sr.No | Type of Trade Organization | Approved | Rejected | Under Process |
|---------------------------|--|----------|-----------|---------------|
| 1 | Chamber of Commerce & Industry | 1 | - | 13 |
| 2 | Women Chambers of Commerce & Industry | 1 | - | 2 |
| 3 | Chambers of Small Traders and Small Industry | - | - | 4 |
| 4 | Associations | 2 | 14 | 25 |
| 5 | Associations of Small Traders | - | - | 4 |
| 6 | Town Associations | - | - | 1 |
| Total Trade Organizations | | 4 | 14 | 49 |

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 related to eligibility of members, voters, nomination of Executive Committee members and Office Bearers.

4. Furthermore, post-election complaints pertaining 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 High Courts across the country.

16. 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 anti-dumping, subsidized imports besides taking appropriate measures against surge in imports of any specific product inflicting injury on the lime product of domestic industry. The Commission also advises the government on issues related to Tariff and Trade Policy, International Trade, Free 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:

- (a) National Tariff Commission Act, 2015
- (b) The Anti-dumping Duties Act, 2015
- (c) Countervailing Duties Act, 2015
- (d) Safeguard Measures Ordinance 2002

Following are the requisite information for the Year Book 2018-2019 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;

- (i) Tariff protection to the domestic industry manufacturing Aluminum Beverage Cans.
- (ii) Removal of Tariff/Fiscal Anomaly in the tariff structure of domestic industry manufacturing Aluminum Pre-Sensitized Printing Plates.
- (iii) Application for Tariff Protection/Assistance to indigenous industry manufacturing Styrene Acrylic Emulsion.

- (iv) Protection/Assistance to Indigenous Industry Manufacturing Styrene Acrylic Emulsion.
- (v) Assistance to the domestic industry manufacturing Automotive Hoses and Moulded Rubbers.

B. ANTI-DUMPING CASES: (Finalized)

The following **02** Anti-Dumping Investigations have been finalized:-

- (i) Imposition of antidumping duty on Dumped Imports of Tinplate into Pakistan Originating in and/or Exported from the People's Republic of China, European Union, Republic of South Africa and United States of America.
- (ii) Imposition of anti-dumping duty on dumped imports on Lead pencils Exported from the People's Republic of China.

C. ANTI-DUMPING CASES: (Preliminary Determinations)

In the following **02** Anti-Dumping Investigations, Preliminary determinations were made:-

- (i) Preliminary Determinations and levy of Provisional Anti-dumping duties on dumped imports of Aluminum Beverage Cans into Pakistan originating in and/or Exported from Jordan, Sri Lanka and UAE & Termination of Anti-dumping Investigation on Imports of Aluminum Beverage Cans originating from Turkey.
- (ii) Antidumping Investigation on Alleged Dumping of Cold Rolled Coils/Sheets/Strips into Pakistan Originating in and/or Exported from Canada and the Russian Federation.

D. ANTI-DUMPING CASES: (Initiated)

The following **03** Anti-Dumping Investigations were initiated:-

The following **3** Anti-dumping Investigations were initiated.

- (i) Initiation of Anti-dumping Investigation against Alleged Dumped Imports of Aluminum Beverage Cans into Pakistan Origination in and/or Exported from Jordan, Sri Lanka, Turkey and UAE.
- (ii) Antidumping Investigation on Alleged Dumping of Cold Rolled Coils/Sheets/Strips into Pakistan Originating in and/or Exported from Canada and the Russian Federation.

- (iii) Anti-dumping Investigation on Alleged Dumped Imports of Tinplate into Pakistan Originating in and/or Exported from the People's Republic of China, European Union, Republic of South Africa and United States of America.

E. ASSISTANCE TO THE DOMESTIC INDUSTRY:

1. Assistance to domestic industry Manufacturing Certain Carbon Steel Welded Pipe was provided.

17. PAKISTAN INSTITUTE OF TRADE AND DEVELOPMENT

Pakistan Institute of Trade and Development (PITAD), a department of Ministry of Commerce is mandated, to conduct Specialized Training Program (STP) for the newly inducted officers of Commerce and Trade Group (CTG) of the Federal Government alongwith other capacity building initiatives. The achievements of PITAD during the last one year are as under:

ACHIEVEMENTS DURING 2018-19

| Sr No. | Training/workshop/seminar | Dates | Collaboration |
|--------|---|---|------------------------------|
| 1. | 25 th STP for 10 (Ten) Months | 4 th April, 2018 to December, 2018 | - |
| 2. | Seminar on Gender & Trade Policy | 10 th July, 2018 | USAID |
| 3. | Following workshops/Trainings courses were arranged for the Probationers of 25thSTP. | | |
| a. | Two months French Language Course for probationary officers of 25 th STP. | August – September 2018 | - |
| b. | Workshop on Public Procurement Regulatory Authority (PPRA) Rules | 3 rd October 2018 | PPRA |
| c. | Training Course on HS Code Classification | 29 th October to 2 nd November 2018 | Custom Directorate Islamabad |
| 4. | Interactive Sessions of probationers to have an understanding of bilateral trade relationship & economic cooperation and to explore potential sectors of collaboration for future cooperation with Minister Deputy Head of Mission, Brazil Embassy and with the US counselor, US Embassy Pakistan | 18 th September 2018 and 16 th October 2018 | - |

| | | | |
|-----|--|---|----------------------|
| 5. | Country Study Tours to KP and Punjab for CTG Probationary Officers of 25 th STP | 25 th September to 13 th October 2018 | - |
| 6. | An Industrial Attachment for Training, of Probationary Officers of 25 th STP was organized by PITAD | 19 th to 23 rd November 2018 | - |
| 7. | Consultative Session for CTG Officers of Ministry of Commerce | 13 th November, 2018 | - |
| 8. | Seminar on ECO-Regional Trade and Genders Trade Policy | August 2018 | - |
| 9. | Training Course for the officers of Ministry of Commerce on International Trade Data Analysis | 21 st – 23 rd January, 2019 | USAID |
| 10. | Written Test of Stenotypist, LDC, Naib Qasid and Drivers for Trade Mission Abroad | 30 th March, 2019. | - |
| 11. | Capacity Building Training on Domestic Commerce for the Provincial Government Officers | 8 th – 12 th April, 2019 | - |
| 12. | 26 th STP for 10(Ten) Months | w.e.f. 1 st May, 2019 | - |
| 13. | Following workshops/Training courses were arranged for the Probationers of 26thSTP. | | |
| a. | Two Months French Language Course for probationary officers of 26 th STP. | July - August, 2019 | - |
| b. | Training on Project Management | July 17, 2019 | - |
| c. | Workshop on Public Procurement Regulatory Authority Rules | July 24, 2019 | PPRA |
| 14. | An extensive pre Departure Training Program for Trade and investment officers for posting in Trade Missions Abroad | 14 th to 18 th October, 2019 | Ministry of Commerce |
| 15. | Country Study Tours to KP for the CTG Probationary officers of 26 th STP | 30 th September to 4 th October 2019. | - |

18. PAKISTAN TOBACCO BOARD

Over view

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.

PERFORMANCE OF PAKISTAN TOBACCO BOARD DURING FY 2018-19

Research & Development Wing

Performance of the Research & Development wing of Pakistan Tobacco Board during the period 2018-19 is summarized as given below:-

| Period | Research Trials | Research Publications | Leaf Samples Tested | Soil Samples Tested | Fertilizer Analysis | Field days/ Workshops |
|---------------------------------|------------------------|------------------------------|----------------------------|----------------------------|----------------------------|------------------------------|
| July, 2017 to June, 2018 | 23 | 3 | 399 | 37 | 4 | 17 |
| July, 2018 to June, 2019 | 28 | 2 | 355 | 70 | 4 | 33 |

In addition to the aforementioned R&D activities, Pakistan Tobacco Board procured equipment consisting of rotary evaporator, vacuum pump, chiller and ultrasonic bath for the up gradation of Laboratories at PTB's research stations and to increase the Research & Analysis capacity of research staff of PTB in the disciplines of Agronomy, Soil Chemistry, Entomology, Plant Pathology and Plant breeding & Genetics and to provide services to Tobacco growers to increase their yield and to minimize their cost of production. The facilities at Tobacco Research Station Mardan Laboratories are also available for Research scholars of Agriculture Universities and Tobacco Companies.

Marketing

Cost of Production (COP) survey in 2018 to determine Minimum Indicative Prices (MIP's) for 2019 crop was conducted in a more transparent and inclusive way by giving representation in the survey to all relevant stakeholders including growers, tobacco companies and Board's officers.

Minimum Indicative Prices for different varieties of tobacco for 2019 crop on the basis of Cost of Production survey were notified as follows: (In Pak Rs)

| S.No | Crop Year | FCV | | DAC | WP | Burley |
|------|-----------|--------|-----------------|-------|-------|--------|
| | | Plain | Sub-Mountainous | | | |
| 1. | 2018 | 176 | 202 | 87.50 | 76.50 | 139 |
| 2. | 2019 | 190.63 | 218.77 | 94.76 | 82.85 | 150.54 |

During the Marketing season (July-September) 2018 the field staff of PTB put in extra efforts to monitor and regulate marketing of more than 53.93 million KGs tobacco as compared to 55.01 million KGs during marketing season, 2017. PTB constituted Vigilance Committees at purchase depot level to timely respond to and resolve disputes between growers and tobacco companies. The vigilance committees comprised the representatives of growers, representative of Tobacco Company concerned and the Assistant Development Officer of PTB. Governor's Inspection Teams were constituted at district level in Swabi, Mardan, Charsadda, Mansehra and Buner to expeditiously address issues arising during the marketing season, 2018.

Consultations were held with different tobacco companies of Pakistan to ascertain the tobacco requirements of tobacco companies / dealers. Tobacco Companies and other purchasers conveyed their tobacco leaf requirements of 42.8 million KG for 2019 crop as compared to 49.675 million KGs for 2018 crop. The company-wise tobacco leaf requirements were advertised in the print media so that tobacco growers know exact requirements of each tobacco company/ purchaser and also carry out purchase agreements in time with companies/ dealers of their choice.

Export of Tobacco

| Year | Quantity (Million KG) | Value (Million US\$) |
|------------|-----------------------|----------------------|
| FY 2017-18 | 7.299 | 26.07 |
| FY 2018-19 | 10.106 | 24.22 |

Source:

Federal Bureau of Statistics

Finance & Accounts

Statement of income and expenditure of Pakistan Tobacco Board during the period is as given below: (Rs. Millions)

| Period | Income (Rs) | Expenditure (Rs) | Surplus (Rs) | % Increase |
|------------|-------------|------------------|--------------|------------|
| FY 2017-18 | 407.198 | 284.239 | 122.958 | |
| FY 2018-19 | 475.941 | 286.968 | 188.973 | 53.68 % |

Pakistan Tobacco Board has also been tasked by the Federal Government to collect advance tax on purchase of tobacco under Section 236X of Income Tax Ordinance, 2001. During crop year 2018 PTB collected Rs.497.23 million advance tax from purchasers of tobacco and deposited the same with FBR.

19. PAKISTAN HORTICULTURE DEVELOPMENT & EXPORT COMPANY

Overview

It was established in 2002 as Pakistan Horticulture Development and Export Board (PHDEB) under the administrative control of Ministry of Commerce as a sector-specific business support organization. In July 2009, it was converted into a Company 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.

Vision:

To make Pakistan the most competitive and efficient producer and supplier of high value horticulture products in the region

Mission:

- To create jobs and increase farm incomes through enhanced productivity and competitiveness
- To promote structural transformation through product diversification and demand led growth
- To increase share of horticulture in national agriculture GDP
- To include horticulture sector in the billion dollar club of Pakistan's Exports

Major Functions

- Improvement of supply chain system including establishment of modern infrastructure
- Encouraging facilitating and training the growers to grow for export
- Facilitating adoption of international standards and certifications for compliance with import requirements of major importing countries.
- Information dissemination on international compliances on food quality and safety and by capacity building of the stakeholders

- Promoting and facilitating investment in horticulture processing industry, infrastructure and other areas ancillary to horticultural exports.
- Promoting and developing competitiveness of horticulture industry of Pakistan with focus on exports of value added fresh and processed horticultural products.
- 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

Performance/Activities during 2018-19

The Company has been passing through restructuring stage till year 2017-18. It carried out the following activities during 2018-19:

a. Trade Promotion & Development Activities

- **Participation in CIIE, China- November 2018**
PHDEC participated in the 1st edition of China International Import Expo along with 07 leading horticulture export companies.
- **Market Exploration and Study Visit, China- November 2018**
PHDEC arranged the study visit for its stakeholders. The delegates were taken to different horticulture related sites, institutions and companies to have knowledge of China's horticulture industry.
- **Participation in Fruit Logistica 2019- February 2019**
Ledan 8-member delegation to the exhibition including horticulture growers, exporters, and processors for market linkages and networking.
- **End of Season Seminar on Citrus- March 2019**
Conducted the seminar in order to have the stock taking of the citrus situation in Sargodha and Bhalwal and gather information from stakeholders for interventions by PHDEC.
- **Seminar on Dates Export- May 2019**
PHDEC arranged the seminar to have views of the stakeholders for market and product diversification in the wake of imposing 200% duty on import of dried dates by India.
- **Follow Up Meetings on Dates Export- May 2019**

PHDEC arranged the consultative session on dates export in the light of seminar and facilitated the exporters in re-export of dried dates from Attari back to Pakistan.

- **Consultative Session on Mango Export- May 2019**

To have an overview of the current mango season, PHDEC arranged the consultative session and stakeholders were taken on board for any short, medium and long term interventions by PHDEC.

- **Visit of Chinese Quarantine Inspectors for PRA of Pakistani Cherries-June 2019** A 2-member delegation of Chinese Quarantine Department visited Pakistan for PRA of Cherries for export to China. PHDEC facilitated the delegates in their visit to Gilgit-Baltistan.

b. Corporate Activities

- Held five meetings of the Board of Directors and 9th Annual General Meeting of the Company
- Held multiple meetings of Fund Management Committee and Investment Committee of PHDEC Endowment Fund for optimization of return on Endowment Fund
- Meeting of Procurement Committee and approval of Procurement Plan
- Development of HR Manual and its implementation

c. Other Activities

- **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.

- **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.

- **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. The Company has been almost through with restructuring exercise. It developed detailed work plan and budget for the year 2019-20 and got it approved by the Board.

The Company, besides five major products – Kinnow, Mango, Dates, Potato and Onion, will also work on the non-traditional products. The major thrust during the ongoing year is on research studies to build-up strong & reliable data base on horticulture products. After strengthening of human resource, it has also started activities as per approved plan.

20. TRADE DEVELOPMENT AUTHORITY OF PAKISTAN

Reorganization of TDAP:

TDAP reorganized its structure to deliver on all mandated functions of TDAP through a specialized & regional sectoral focus rather than generalized marketing approach. A hybrid structure is introduced with parallel administrative and functional reporting lines. As per new structure, the Sectoral Divisions shall perform all assigned functions related to their respective sector/sub-sectors. A full-fledged Services Division has been created in the Authority.

TDAP Divisions:

- i. Textiles & Leather Division
- ii. Agro & Food Division
- iii. Engineering & Minerals Division
- iv. Services, Halal & New Opportunity Development Division
- v. International Markets Development Division (Americas & Europe)
- vi. International Markets Development Division (Asia, Middle East, Africa, Oceania)
- vii. Trade Facilitation & Expo Centre Division
- viii. Management Services Division
- ix. Directorate General Punjab – Lahore, Sialkot, Gujranwala, Multan, Faisalabad
- x. Directorate General Islamabad – Islamabad, Peshawar, Abbottabad, Swat, Gilgit, Mirpur-AJK

I. International Exhibition:

Following the restructuring, TDAP is now working on allocation of its resources in accordance with the strength and potential of each sector /subsector.

TDAP has served as a platform for Pakistan's representation in around 140 international trade exhibitions across the world and 50 plus trade delegations to and from Pakistan. TDAP participated in 145 international exhibitions during August 2018 - October 2019

- i. Asia & Oceania (18)

- ii. Middle East (14)
- iii. China (28)
- iv. CARs, Turkey & Iran (06)
- v. Europe (46)
- vi. Americas (18)
- vii. Africa(15)

II. TRADE PROMOTION

China International Import Expo, Shanghai (5-10, November 2018)

- On the sideline Trade & Investment Conference, Shanghai was held on (5th November, 2018)
- Delegation of 51 companies participated

Pak China Trade Forum on the sideline of Belt & Road Forum (27-28 April 2019)

- 85 companies participated from Pakistan
- 16 MOUs were signed
- 350 Chinese companies attended the plenary session

Li & Fung Pakistan China Suppliers Conference at Shanghai, China (17-18 June, 2019)

- Delegation of 26 Pakistani companies participated

III. Look Africa Plan

- In order to penetrate in the non-traditional markets, TDAP has revised its subsidy policy in Africa and increased its subsidy to 80% for exhibitors in these regions
- Africa Desk has been established at TDAP HQs which has been looking after all activities performed in the region
- TDAP is focusing on top ten African Economies to enhance trade; i.e Nigeria, Kenya, South Africa, Morocco, Algeria, Egypt, Sudan, Kenya, Tanzania and Angola as they constitute 78% of total African GDP, in the first phase of enhancing engagement
- South Africa (03)
- Egypt (02)
- Kenya (01)
- Nigeria (01)
- Ethiopia (01)
- Morocco (01)

IV. Trade Delegations (Outgoing):

- Asia & Oceania (3)
- China (1)

- Europe (2)

V. Trade Delegations (Incoming):

- Asia (8)
- Europe (5)
- Africa(3)

VI. Technical Assistance

- Chinese Quarantine Delegation visited Cherries orchids of Gilgit
- Meat Inspectors from Malaysia visited Karachi & Lahore
- Iranian Inspectors visited Karachi Lahore, Multan and Quetta for Mango & Agro products

VII. TEXPO

On the domestic front, the TDAP's annual trade fairs like "Texpo" continue to be the biggest platforms of their kind for the sectoral promotion of Pakistani businesses. The second edition was organized on 11-14th April 2019 in Lahore.

Business Generation

- US\$ 421 Million

Participants

- Over 500 foreign buyers/delegates
- 231 Exhibitors

Product Range

- Home Textiles, Carpets & Rugs, Martial Art Products, Fabric & Apparel, Men's, Women & Children Wear, Sportswear, Fashion Accessories, Knitwear, Hosiery, Towel, leather and any other exportable merchandise of textile sector

Allied Activities

- 4 days' Fashion Show in collaboration with PFDC
- Trade Envoys' Conference.
- Textile related seminars/workshops

VIII. Trade Facilitation/Subsidy

- Kinnow DLTTL subsidy
- Lab Testing charges for Leather sector
- Remodeling and expansion of Karachi Expo Centre – Component I of Rs. 2,677 million approved in PSDP (2019-20)

IX. Women Entrepreneurs

WEs are beneficiary of all the programs being under taken by TDAP. 15% quota for women entrepreneurs and new exporters in exhibitions and delegations and 50% subsidy on the normal stall charges

- Women Trade Entrepreneur fair at Peshawar 05-07 August, 2018
- Women Conference organized by WCCI-PD at Peshawar 15 March, 2019
- Consultative Sessions on Trade Delegations
- WEXNET for women Entrepreneurs (02 successful editions at Lahore)
- The Blue Fair –Multan (26-28 April, 2019)

X. National Exporters Training Program

In order to create a pool of trained exporters, who are well versed into the art of exports, TDAP launched a new program this year called “National Exporters Training Program” (NETP). IBA developed Training material for the same.

- First program was organized in Karachi and second was organized in Lahore
- Total 25 programs are designed in exporting cities of the country in 2019-20

XI. Export Promotion Committees

- TDAP has established 18 EPCs in the following product sectors:
- Towel, Bed ware, Pharmaceuticals, Fruits & Vegetables, Denim, Cotton, Rice, Gems & Jewelry, Services, Leather, Chemicals, Auto parts, Surgical, Sports Goods
- The purpose of these committees is to quarterly meet in TDAP and identify issues being faced by the sector and take them up with concerned Ministries & Departments for resolution

XII. REX System

- 7000+ Exporters registered to EU database
- 36 Countries were required to complete REX switchover in 2017; only 5 countries achieved timely completion including Pakistan
- Exporters’ orientation on EU Rules of Origin & Support Documentation; EDE (electronic data Exchange), and establishment of TDAP’s field monitoring system in hand
- Monitoring Meeting held at the European Commission (Brussels, May 14-17, 2019) where Pakistan's performance on successful implementation of the REX system and origin certification for EU GSP was appreciated.

XIII. Market & Product Reports

- TDAP has produced 50 Market Reports which are placed on the web portal of the Authority and circulated to the Missions & Associations
- TDAP prepared 10 Product Reports for different product sectors which have been uploaded

Ongoing initiatives

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 collaborations 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.

XIV. ITC Collaboration/GRASP

- TDAP is collaborating with ITC through EU - GRASP project for supporting horticulture & livestock exports

XV. Pakistan Goes Global

TDAP is collaborating with the World Bank - Pakistan Goes Global team for

- 10 years Institutional Strategy Development (ISD)
- Sectoral Roadmaps
- Upgradation of TDAP web portal as per international practices (step by step guide)

XVI. Automation of TDAP:

- Trade Facilitation Centers
- Databank & Automation of TDAP

Based on the prevailing trends in Pakistan's exports (3.8% growth) over the first quarter of the year, hoping the same to continue or improve further over the balance of this year, we can envisage a comfortable growth in our exports for the next year to reach a figure of around US\$ 25 billion. For translating this into reality, TDAP has drawn up an elaborate business plan for the year 2019-20, which will be further refined over the next year 2020-21 to address the issues being faced on the supply and demand sides of exports of the country.

21. TRADING CORPORATION OF PAKISTAN (PVT) LIMITED

ACTIVITIES OF THE CORPORATION:

During the year 2018-19, TCP received an amount of Rs. 3,699.87 million from M/s. NFML towards sale proceeds of Urea.

During the year 2018-19, TCP received an amount of Rs. 432 million (net of tax withholding) from M/s. USC towards Sale proceeds of Sugar.

During the year 2018-19, TCP issued two (02) Delivery Orders amounting to Rs. 3,599.804 (including output sales tax) million in favor of M/s. NFML for Sale of 105,134.450 MT Imported Urea.

During the year 2018-19, TCP issued Delivery Order amounting to Rs.4,029,883/- in favour M/s. Khan Trading Company, Rahimyar Khan and M/s. So Safe Traders, Karachi for Sale of 415.240 MT sweeping urea.

During the year 2018-19, TCP issued Delivery Order for sale of 30,000 New/Unused PP Bags of Sugar against an amount of Rs.528,264/- in favor of M/s. Khalid Brothers, Karachi.

During the year 2018-19, TCP issued 56 persuasion letters to M/s. USC, 54 letters to M/s. NFML, 56 letters to Pakistan Navy & DGP (Army) and 58 letters to Provincial Governments for recovery of outstanding amount on account of sale of Sugar, Urea and Wheat.

On the directives of Ministry of Commerce & Textile under the decision of Economic Coordination Committee of the cabinet (ECC) taken in its Case No. ECC-4/116/2018 dated 10-09-2018, TCP issued International Tender for import of 100,000 MT +/- 10% MOLSO Urea on 14th September 2018, the details of which are as under:-

| Sr. No. | Name of Vessels | Date of Arrival | Quantity (MT) |
|----------------|------------------------|------------------------|----------------------|
| 1 | M.V Minoan Grace | 02-12-2018 | 50,600 |
| 2 | M.VSBI TETHYS | 15-12-2018 | 45,460 |
| Total | | | 105,060 |

Due to efficient and professional handling of vessels, TCP earned a substantial amount of US\$ 107,555 and saved all demurrages on vessels.

TCP has taken over the possession of its property located at 8th floor, Block-B of the FTC Building from the tenant namely M/s. Dewaan Sugar Mills (Pvt) Limited, after such hectic efforts.

In order to facilitate the Rice Exporters, TCP developed Software wherein Rice Exporters would be able to apply online for processing and issuance of Inspection and Authentication Certificates as required by the European Union Countries and Sri Lanka-without visiting the office of TCP. Issuance of Authenticity

Certificate for export of Brown/Parboiled/White Rice to European Union Countries during the year 2018-2019, details are as under:-

| Total Export (MT) | Value in US\$ | Inspection Fee (Rs.) | Number of Authenticity Certificates issued |
|------------------------------|----------------------|-----------------------------|---|
| 261,603.524 | 233,274,569.08 | 41,325,000/- | 952 |

Issuance of Inspection Certificate for inspection of Long Grain Basmati Rice exported to Sri Lanka under Pak-Sri Lanka Free Trade Agreement (FTA) during the year 2018-2019, details are as under:-

| Total Export (MT) | Value in US\$ | Inspection Fee (Rs.) | Number of Authenticity Certificates issued |
|------------------------------|----------------------|-----------------------------|---|
| 5,924 | 4,285,850 | 770,000/- | 16 |

On September 02, 2018, the Prime Minister of Pakistan launched a five (5) years project to plant Ten (10) Billion Trees across the Pakistan. The drive has been named as “Plan for Pakistan Campaign” accordingly, TCP decided to be a part of the Prime Minister’s plantation drive and contribute towards environmental health as Corporate Social Responsibility. TCP mobilized its Human Resource to volunteer in making of green balls. Chairman TCP himself spent time in preparation of green balls at TCP’s Korangi Godown. Schools, Colleges, Prisoners at Jail were engaged to prepare seed balls. Resultantly, around 25,000 Balls were prepared on daily basis at different locations. Through this exemplary novel, TCP could be able to prepare around 800,000 seed balls and scattered majority of them at different sites.

RENTING OF GODOWN / PROPERTY:

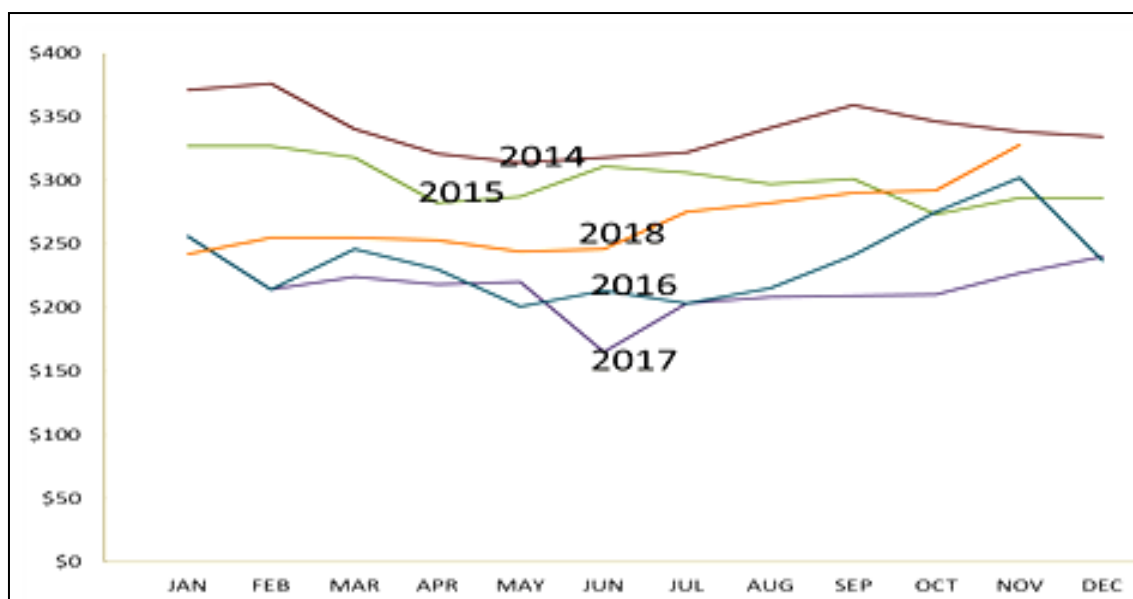
TCP earned an amount of Rs. 305.605 Million as rental income during the year 2018-19.

FUTURE ENDEAVORS:

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 and 2017-18, huge decline occurred in trading due to no procurement of commodities were made.

During the year 2018-19, trading by TCP amounted to Rs. 3.599 billions. During the current year, TCP has started research on historical price trend of Urea in the international market, identifying the April to June period as the most cost effective timing of market intervention, as shown in the below graph:



DIVIDEND:

A final cash dividend of Rs. 200 million has been recommended by the Board.

| | |
|---|--------------------------|
| Balance of General Reserve as on 30 th June 2018 | Rs. <u>7,500</u> million |
| Transfer from General Reserves to un-appropriated profit | Rs. <u>Nil</u> million |
| Position of General Reserves as on 30 th June 2019 | Rs. <u>7,500</u> million |

TCP'S CAPITAL:

The initial paid up capital of the Corporation subscribed by the Government in 1967 was Rs. 2.5 Million, which was subsequently raised to Rs. 5 Million in 1969-70 and to Rs.7.5 Million in 1970-71 out of Corporation's own resources. In 1977-78, TCP increased its paid up capital from Rs.10.00 Million to Rs.50.00 Million and further increased to Rs. 100.00 Million in 1978-79 out of its own resources by issuing bonus shares. In 2005-2006, the authorized capital enhanced to Rs.1000 Million, whereas the subscribed and paid up capital increased from Rs.100.00 Million to Rs.685.805 Million and then, in 2009-10, paid up capital increased to Rs. 1,000 Million due to rise in the volume of trade under Government's directive.

AUDITORS:

The retiring Auditors M/S Baker Tilly Mehmood Idrees Qamar, Chartered Accountants have provided consent to the office of External Auditors for the year ending June 30, 2020 at a proposed total fee of Rs. 2,100,000/-

(including Half Yearly Review and Review of Statement of Compliance). During the current financial year ended on June 30, 2018-19, the auditors' remuneration amounted to Rs.1,875,000/ (including Half Yearly Review and Review of Statement of Compliance).

KEY OPERATING AND FINANCING DATA FOR LAST EIGHT YEARS:

| Operating Data | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Commission Income | 101,234 | - | 33,869 | 202,782 | 529,645 | 1,349,089 | 1,395,894 | 1,489,365 |
| Administrative Expenses | 869,464 | 1,015,666 | 1,080,597 | 845,590 | 900,433 | 914,387 | 905,817 | 930,566 |
| Other Income | 2,246,100 | 1,536,169 | 1,534,289 | 1,790,577 | 2,037,026 | 1,583,556 | 1,531,266 | 1,672,830 |
| Profit Before Tax | 1,477,870 | 520,503 | 487,561 | 1,147,769 | 1,666,238 | 1,991,258 | 2,021,343 | 2,231,629 |
| Profit After Tax | 1,102,355 | 380,239 | 394,485 | 797,310 | 1,130,349 | 948,624 | 1,533,813 | 1,656,755 |
| Financial Data | | | | | | | | |
| Paidup Capital | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Fixed Assets | 10,247,028 | 721,578 | 826,174 | 806,490 | 759,567 | 750,629 | 1,190,667 | 1,009,325 |
| Long term Investment | 9,643,072 | 65,827 | 125,980 | 126,795 | 114,092 | 102,746 | 560,344 | 494,033 |
| Current Assets | 131,177,119 | 125,566,129 | 126,149,582 | 121,857,842 | 118,797,238 | 136,896,404 | 139,931,995 | 115,699,369 |
| Current Liabilities | 128,318,941 | 114,104,808 | 114,992,924 | 110,973,997 | 106,050,945 | 125,206,602 | 129,637,496 | 106,773,552 |
| Key Ratios | | | | | | | | |
| Net Profit | 47% | 25% | 25% | 40% | 44% | 32% | 52% | 52% |
| Current ratio | 1.02 | 1.10 | 1.10 | 1.10 | 1.12 | 1.09 | 1.08 | 1.08 |
| Net Working Capital | 2,858,178 | 11,461,321 | 11,156,658 | 10,883,845 | 12,746,293 | 11,689,802 | 10,294,499 | 8,925,817 |

COMPARATIVE STATEMENT OF FINANCIAL RESULTS:

(Rupees in Million)

| S. No. | PARTICULAR | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---------------|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1. | Paid-up capital | 1000.000 | 1000.000 | 1000.000 | 1000.000 | 1000.00 | 1000.00 |
| 2. | Total C&F value of imports | 30,595.000 | 12,028.790 | 7,902.079 | NIL | NIL | 5,061.701 |

| | | | | | | | |
|----|-------------------------------|-----------|-----------|----------|----------|---------|-----------|
| 3. | Total value of exports | Nil | Nil | 814.964 | 1810.631 | NIL | NIL |
| 4. | Profit/(Loss) before taxation | 1,991.258 | 1,666.238 | 1144.746 | 487.561 | 520.503 | 1,477.871 |
| 5. | Profit/(Loss) after taxation | 948.624 | 1,130.349 | 797.229 | 394.485 | 375.506 | 1,135.730 |

STATEMENT SHOWING THE STOCKS LYING TCP'S GODOWNS AS ON 30-06-2019:

i) Stock Position at TCP's Pipri Godown

| S. No. | COMMODITY | STOCK POSITION | REMARKS |
|--------|--------------------------------------|----------------|---|
| 1. | Sweeping Sugar (Imported in 2009) | 207 | As per book record, physically 15-20 MT (approx) lying. |
| 2. | Sweeping Sugar (Imported in 2010) | 1,610 MT | As per Book record. |
| 3. | Jutes Bales | 120 | Bales |
| 4. | New Plastic Rolls | 434 | As per Book |

ii) Stock Position at TCP's Landhi Godown

| S. No. | COMMODITY | STOCK POSITION | REMARKS |
|--------|--------------------|----------------|--------------------|
| 1. | Dunnage Gunny bags | 3.5 MT | As per Book record |

iii) Stock Position at TCP's Korangi Godown

| S. No. | COMMODITY | STOCK POSITION | REMARKS |
|--------|---------------|----------------|---------------|
| 1. | Wheat (Boosa) | 600 Bags | Bags (Bhoosa) |

22. PAKISTAN INSTITUTE OF FASHION AND DESIGN

Pakistan Institute of Fashion and Design is a public sector federally chartered premier design institute specializing in the fields of Fashion and Design. Presently, PIFD comprises 4 Faculties/Schools which offer seven programmes; namely Fashion Design, Textile Design, Jewellery Design & Gemological Sciences, Furniture Design & Manufacture, Leather Accessories & Footwear, Fashion Marketing & Merchandising and Ceramic & Glass Design. PIFD is also offering M.Phil. degree programme in Art and Design Education since year 2017.

2. There are currently 1037 students enrolled at PIFD. The institution offers quality education which is globally competitive in standard but less costly as compared with design education in other leading universities of the world. PIFD endeavors to provide equal opportunity to the less privileged talented youth. Its environment and facilities chisel the sensibilities and aesthetics of students and equip them with innovative, analytical and technical skills together with diverse exposure necessary to explore endless possibilities of creating products for the global consumer.

3. PIFD, is the only institute of Pakistan which has full membership of CUMULUS Association which is the only global association to serve Art and Design education and research which provides a forum for partnership and transfer of knowledge and best practices around the world. Different activates / events were conducted in 2019 are highlighted as under:

Year in Review OF PIFD

Department of Leather Accessories and Footwear, PIFD participated in 5th Annual Pakistan Mega Leather Show-2019 held at Lahore International Expo Centre from 27th to 29th January, 2019. Students has showcased their projects and portfolios.

On 13th February, 2019, foreign trainee diplomats visited PIFD and were impressed by the quality of work produced.

Representative of Textile and clothing industry of Tajikistan visited PIFD on 11th March, 2019 and appreciated students work and efforts of faculty.

On 27th March, 2019, Ms. Stella Jeans, Italian Fashion Designer visited PIFD and highly appreciated the skills and crafts taught to the students.

PIFD collaborated with TDAP to design theme of TEXPO 2019 (11-14 April). Faculty of Department of Fashion Design designed Tshirts for ushers. Textile Design, Fashion Design and Fashion Marketing & Merchandising designed Hall main display and reception areas. PIFD displayed students work in the TEXPO designated stand.

PIFD participated and won 11 awards in “The 16th Annual Naqsh All-Pakistan Arts & Fashion Festival 2019” organized by Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (GIKI).

PIFD showcased expressions of creativity of over two hundred graduating students from seven departments of Pakistan Institute of Fashion and Design (PIFD).

Mr. Stephane Gailard (Director - Alliance Francaise de Lahore), Mrs. Sehyr Saigol (Chairperson, Pakistan Fashion Design Council), the most notable architects of Pakistan, Mr. Nayyar Ali Dada, Ms. Selina Rashid (Chief Executive - Lotus Client Management & Public Relations & Director - The One Lotus Agency), Mr. Mirza Muhammad Afridi (Chairperson, Senate Standing Committee on Commerce and Textile), Mr. Javed Akbar (Additional Secretary, Ministry of Commerce and Textile) and a Sri Lankan delegation visited PIFD Thesis display 2019.

Two high achiever final year students Mr. Muhammad Fawad Ahmad and Ms. Maria Iftikhar from Department of Fashion Design were awarded Lux Style Award Scholarship worth Rs.100, 000 each in July 2019.

On 28th August 2019, PIFD organized a seminar on “Corruption and Role of NAB in its Eradication” in collaboration with National Accountability Bureau (NAB) Lahore.

On 30th August 2019, Pakistan Institute of Fashion and Design (PIFD) organized "Day of Solidarity with people of occupied Kashmir" on behalf of faculty, staff and students of PIFD. Department of Fashion Design graduates of 2019 Abbass Jamil, Elaha Ahmad, Urwa Ali and Mehak Yaqoob presented their thesis collections at PFDC's Oreal Bridal Couture Week under Aquafina Rising Talent, held on 26 – 28 September 2019.

On 18th October 2019 Ms. Anne Marchal, European Union Minister / Deputy Head of Mission Plans visited PIFD.

On 14th November 2019 IAF international apparel Federation PRGMEA Global Fashion delegation visited PIFD.

In November, 2019 PIFD students won 1st, 2nd and 3rd position in Sustainable Fashion Competition organized by PRGMA and International Apparel Federation.

On Nov 18th-30th, PIFD was delighted to participate in the Islamabad Art Festival 2019 (IAF 19), and showcased the creative endeavors of its faculty and students. The thematic focus of IAF-19 is a “Dialogue between Tradition and Modernity”. It was the first ever 13-day long international festival, featuring artists from at least 34 countries.

Department of Furniture Design and Manufacture participated in Interior Pakistan Expo organized by Pakistan Furniture Council, Lahore from November 22 – 24, 2019. Work of the students of PIFD was appreciated by all visitors and people from the industry.

PIFD in collaboration with Pakistan Embassy Rome presented a fashion show on 18th December 2019 at Pakistan Embassy via della Camilluccia, 682 Rome, Italy. H.E Ambassador Ms. Elisabetta Belloni (Secretary General, Ministry of Foreign Affairs and International Cooperation) was the Chief Guest of the Fashion Show. Collections of 14 PIFD graduates 2019 and 2018 from Fashion Design Department were showcased.

Academic Activities

Sixteen students from the Department of Fashion Design took two weeks of training at Ecole de La Chambre Syndicale de la Couture Paris from 17 to 28 June 2019. Ms. Rubab Raza (Lecturer) accompanied the students.

Students of semester V, VII, & VIII along with Mr. Amaar Khan Bangash a faculty member from the Department of Fashion Marketing and Merchandising visited Milano Fashion Institute in Italy from 15 July to 26 July 2019. Students and faculty attended 2 weeks intensive training.

Gems and Jewellery Design Department sent their 09 students of Semester-VI with one faculty member Ms. Qurat Ul Ain Ali to participate in Schmuck Design Talent Exhibition 2019 from 13th March to 23rd March 2019 at Munich - Germany.

Seven students of Session 2016-20 visited Cardiff School of Art & Design (CSAD) at Cardiff Metropolitan University U.K for “Training on Fab Lab and advanced ceramics” from June 24, 2019 to July 05, 2019.

Students from PIFD Foundation Year Studies took part in Social Innovation Academy’s (Sina) Summer School from June 19 - July 20, 2019 in Uganda. The objective of the program is to develop creative thinking skills and understand how students apply these skills to make meaning.

Gems and Jewellery Design Department had arranged a 10day design workshop (Joy of Repetition) in the month of January 2019 with Foreign Designer Ms. Karin Roy Andersson.

Research and Development/event

Mr. Agha Hasnain, faculty of Fashion Marketing and Merchandising Department had attended a five-week professional exchange program in the United States that included a professional fellowship placement at an American small business organization. The Professional Fellows Exchange program commenced from 27th April, 2019 to 31st May, 2019.

Ms. Hina Ahmed, Lecturer, Fashion Marketing and Merchandising Department attended a Retail conference in London, United Kingdom on 2nd and 3rd October 2019. The event was hosted by World Retail Congress.

Research Paper was presented by Prof. Dr. RazialramSadik in International Educational Conference 2019, Canada.

Ms. Khadija Hassan, Assistant Professor at Fashion Marketing and Merchandising Department participated and presented her research paper at 8th Academic International Conference on Business, Economics and Management held on 14th-16th, October 2019 in Oxford, United Kingdom. Foreign Consultant Mr. Andrew Shenton from UK visited Pakistan Institute of Fashion and Design From January 14th – February 16th 2019, April 8th – May 17th 2019 and September 23rd – October 16th, 2019 for supervising final thesis work of students and training of faculty members.

23. Intellectual Property Organization of Pakistan

During the year 2018-19, IPO-Pakistan continued its earlier initiatives of improving organizational performance besides undertaking new initiatives. These include; finalization and approval of organization's service and financial rules, automation of systems and procedures to enhance efficiency and service delivery, one window operation by bringing IP registries and offices under one roof, organizing awareness activities throughout the country, IPR enforcement coordination, submission of drafts of upgraded national IP laws for legislation and preparing for accession to Madrid Protocol and Patent Cooperation Treaty.

A brief description of major activities undertaken during 2018-19 is as follows:

Structural Reforms

i. Upgradation of IP Offices

IPO Regional office at Peshawar, which was established in May 2018, has been fully functional since August, 2018. The office aims to provide convenient access to the KP-based stakeholders for registration of their IP rights. IPO Lahore office has been relocated to Lahore Chamber of Commerce (LCCI) premises with an objective to prompt the business community to embark on IP rights registration, installing state-of-the-art infrastructure to serve the business community and further enhance service delivery. The major renovation work is also underway at IP registries in Karachi.

ii. Automation

- i. **Development of New Web Portal:** A new web portal has been made functional which will provide e-filing of all types of IP applications & online search facility in IP Gazettes/Journals etc.
- ii. **Implementation of E-Office:** Internal Correspondence (IC) module has been successfully implemented at IPO HQs Islamabad and Regional office Lahore in 2018 while IC module has been implemented at Karachi based Registries in March 2019.
- 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 made functional at 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 made available on the Application Receiving Desk at IPO Head Office, Islamabad. This facility was previously 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 backlogging and pendency. Current data is being digitized regularly.

1. Policy Decisions

i. **Revision of Fee**

After approval from the Federal Cabinet, IP service fees have been revised for copyright, trademark and patents. This has been done keeping in view the fee structure applicable in the region, affordability of the applicants and long term sustainability of the organization.

ii. **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

iii. **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 treaty obligations. Following laws are being revised and are expected to be functional during 2020:

- iv. Trademarks Ordinance
- v. Copyright Ordinance

- vi. Patent Ordinance
- vii. Industrial Design Law

iv. Formulation of GI Law: The Geographical Indications (GI) Law was finalized after consultation with public and private sector stakeholders. The approval of GI law is now with the parliament for discussion.

v. Madrid Protocol: IPO Pakistan intends to accede to the Madrid Protocol by June 2020. IPO-Pakistan has completed all formalities including national and international consultations with the stakeholders.

vi. Patent Cooperation Treaty (PCT): PCT provides a unified procedure of filing patent applications to protect inventions in each of its contracting states. IPO-Pakistan has completed consultations with all stakeholders and proposed certain amendments in the Patent Laws. IPO-Pakistan expects of becoming a signatory to this treaty by the year 2020.

vii. Establishment of Technology Innovation Support Centers (TISCs): IPO-Pakistan has established 47 TISCs in the leading universities, R&D institutions and Chambers of Commerce in Pakistan in two phases from 2017 to 2019. These centers provide access to more than 9 million patent related data and information.

viii. Strengthening of Institutional Linkages: IPO 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.

ix. IPR Enforcement: Meetings of newly established IPR Enforcement Coordination Committees were held in Quetta, Peshawar, Sialkot, Faisalabad, Multan, Sukhar and Gilgit.

x. 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's Website (www.ipo.gov.pk).

3 Events/Awareness Activities:

i. Media Strategy: A media strategy has been devised to create awareness about Intellectual Property Rights. IPO –Pakistan has organized many activities including; seminars, workshops, conferences and training sessions in collaboration with universities, training institutes, trade bodies and public organization.

ii. **World IP Day:** World IP Day is celebrated every year on 26th of April throughout the world. The purpose to mark this day is to create maximum awareness among masses regarding their Intellectual Property Rights. This year, IPO-Pakistan organized an Awareness Walk in which a large number of participants from academia, chambers, universities, sports celebrities and people from different walks of life participated. IPO-Pakistan also organized a one-day seminar to mark the day. Federal Minister for Science and Technology, Ch. Fawad Hussain was the chief guest while Parliamentary Secretary for Commerce, Ms. Shandana Gulzar Khan was the guest of honour.

iii. **Preparation of Annual Report:** Annual Report of IPO-Pakistan for the year 2017-18 has been prepared and distributed among the stakeholders. Quarterly Newsletters are also published and sent to more than 500 stakeholders with a purpose of highlighting important activities held in the field of IPRs and inform them about various initiatives undertaken by the organization.

iv. **Social Media:** Twitter & Facebook have been mobilized for awareness of masses about IP related issues and developments.

Sum Up

With the progressive initiatives and steps taken by IPO-Pakistan, filing and grant of applications has increased in the recent years. Through various initiatives undertaken by IPO-Pakistan which are highlighted in the report, considerable improvement has been seen where not only filing of IP related applications has increased rather backlogs pending since last many years have also been decreased. The core objective of educating masses regarding importance of Intellectual Property Rights in national development and societal uplift has successfully been realised. Image of the country before the international community has considerably improved which can be witnessed from the fact that United States Trade Representative (USTR) Special 301 Report has removed Pakistan from Priority Watch List to Watch List. The World Intellectual Property Organization (WIPO) Global Innovation Index has also upgraded Pakistan's ranking from 119 (2016) to 105 (2019).

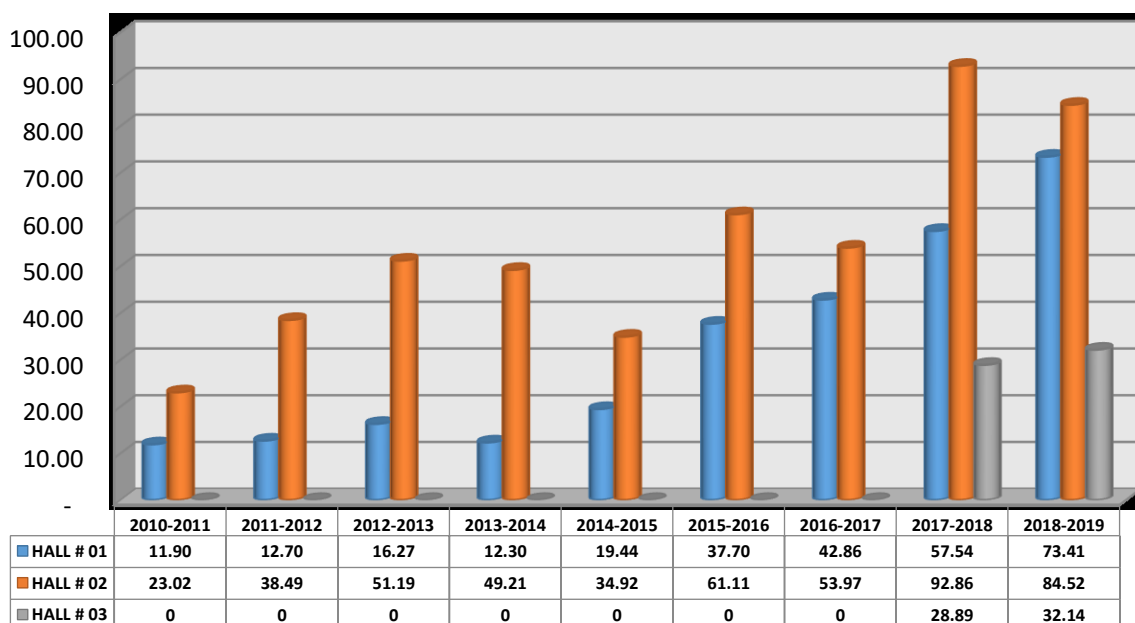
The mission and vision of IPO-Pakistan is all set to make the organization a dynamic, credible and progressive organization besides bringing Pakistan on the front line of a fully IP compliant country and to foster economic development through further improving the country's image.

24. PAKISTAN EXPO CENTRES (PRIVATE) LIMITED

Pakistan Expo Centres Private Limited is a corporate entity with the shareholding of Federal Government of Pakistan and Provincial Governments. The mandate of the Company is to develop and manage Expo Centres in major cities of Pakistan with the objective to promote various sectors of economy through trade exhibitions, consumer fairs and conferences. Expo Centre Lahore was the first project of the Company, which is successfully doing its operations since 2010 and now the Company is engaged in the development of another Expo Centre at Peshawar whereas the initial work for Expo Centre at Quetta has also been initiated. The details of operations, development works and financial health of the Company are as under:

Operational Activities: Regarding Operations of the company, please note that in the last 09 years; 433 Events have been held at Expo Centre Lahore till June 30, 2019 which includes 257 Exhibitions and 176 Other Corporate Events. During the FY 2018-19, 61 events have been held which includes 43 Exhibitions and 18 other Corporate Events. The below mentioned chart about the occupancy of Hall 1, 2 and 3 is showing the growth trend which is also the satisfaction of customers on the services of Expo Centre Lahore. In the FY 2018-19; the occupancy of Hall # 1 is 73%, Hall # 2 is 85% and Hall # 3 is 32%.

Occupancy @ Expo Centre Lahore

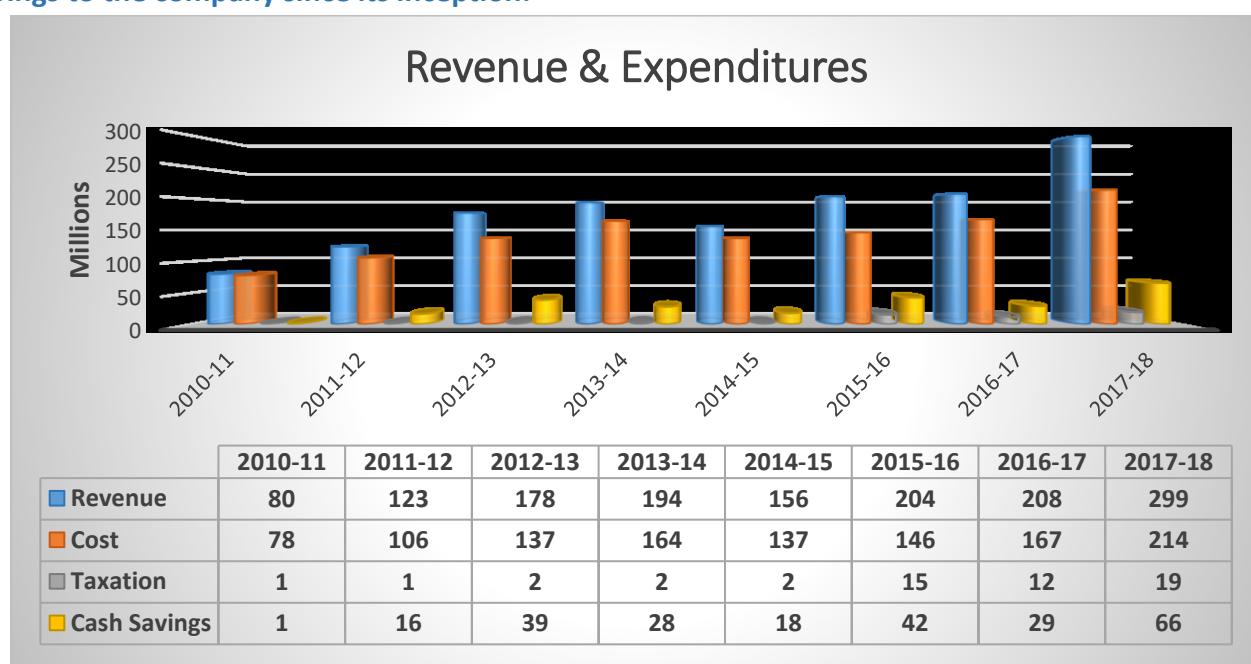


Development Works: About the development works of Expo Centre in Peshawar; it is a matter of satisfaction that the physical activity on the project of Expo Centre Peshawar is in progress and in terms of percentage the physical progress was around 45% as on June 30, 2019. The development activities during the FY include the following:

- NESPAK as Consultant has been engaged and completed major designing of the project.
- Geotechnical and Topographic Surveys are completed.
- Fabrication of Pre-Engineered Steel Structure Buildings of both the exhibition halls of Expo Centre Peshawar is completed and delivered on site.
- Boundary wall of the Expo facility is 90% completed.
- Pile load testing is completed.
- Foundations of both the Exhibition Halls are in progress and it is expected that in next 03 months foundations will be completed and erection of steel building will start.

Against the approved Cost of Rs.2,500 Million for Expo Centre Peshawar; the company received Rs.600 Million in the FY 2016-17, Rs.600 Million for FY 2017-18 and got Rs. 490 Million in FY 2018-19 against the allocation of Rs. 700 Million. The delays in the release of funds are affecting the physical progress of the project due to which cost escalation is expected.

Financial Health: The revenue generated by the company in the year 2018-19 is the ever highest revenue of the Company i.e. Rs. 324 Million. It is matter of satisfaction for all the Stakeholders that the Sales of the Company are growing every year despite the economic challenges to the Country. The below mentioned chart is showing the growth of Revenue and cash savings to the company since its inception:



It is worth to mention that the Company is meeting its operational cost from its operational income from the day one of its operations and not getting any financial support from the Government for operations which is a matter of satisfaction for all the stakeholders of the Company.

25. Trade Dispute Resolution Organization

During the last one year this Organization has the following achievement.

- I. TDRC Law was drafted in consultation with all stakeholders and was submitted to MoC for further processing.
 - II. 120 new applications for resolving trade issues/disputes were received during this period. Out of 120, 30 cases were resolved while 19 are in advanced stage of resolution and remaining are under process, awaiting response from trade missions/respondents.
 - III. 13 cases/complaints were received through Prime Minister's Citizens Complaint Portal which were all resolved
 - IV. A database of all trade dispute cases received in TDRO has been formulated for real time monitoring of the cases.
 - V. This Organization successfully conducted 3 seminars and 7 inland visits to different cities for soliciting input of traders/Chamber of Commerce for TDRC draft law.
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