



# YEAR BOOK 2019-20



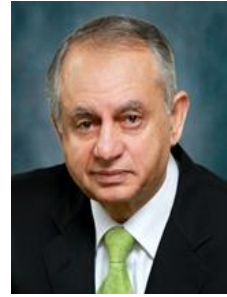
**Government of Pakistan**  
Ministry of Commerce



**GOVERNMENT OF PAKISTAN  
MINISTRY OF COMMERCE  
ISLAMABAD**

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**MESSAGE OF**  
**ABDUL RAZAK DAWOOD**  
**ADVISOR TO THE PRIME MINISTER ON COMMERCE**

The Year Book for financial year 2019-20 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 2020-25, National Tariff Policy 2019-24, and e-Commerce Policy 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 2019-20. It would be a useful document to the business community and researchers alike.

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

## MESSAGE OF SECRETARY MINISTRY OF COMMERCE



Year book of the Commerce Division for the financial year 2019-20 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 Commerce Division and its attached Departments/Organizations for the FY 2019-20. The book depicts the broad features of the Trade Policy and its achievements. It also gives an over view of the performance of the Trade Development Authority of Pakistan, Intellectual Property Organization, State Life Insurance Corporation of Pakistan, Textile Commissioner's Organization, National Tariff Commission, Pakistan Expo Centre, Lahore, National Insurance Company Limited, Karachi 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.

**(Muhammad Sualeh Ahmad Faruqi)**  
Federal Secretary  
Ministry of Commerce

## ABBREVIATIONS

ASEAN	Association of Southeast Asian Nations
CPFTA	China-Pakistan Free Trade Agreement
DGTO	Directorate General of Trade Organizations
ECO	The Economic Cooperation Organization
EDB	Export Development Board
EPZA	Export Processing Zone Authorities
FTA	Free Trade Agreement
JTC	Joint Trade Committee
MoC	Ministry of Commerce
MOU	Memorandum of Understanding
NAMA	Non-Agricultural Market Access
NESPAK	National Engineering Services Pakistan (Pvt.) Ltd.
NICL	National Insurance Company Limited
NTC	National Tariff Commission
NTTFC	National Trade and Transport Facilitation Committee
PAC	Public Accounts Committee
PHDEC	Pakistan Horticulture Development & Export Company
PITAD	Pakistan Institute of Trade and Development
PRCL	Pakistan Reinsurance Company Limited
PSDP	Public Sector Development Program
SECP	Securities and Exchange Commission of Pakistan
SLIC	State Life Insurance Corporation of Pakistan
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
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 fetching investment opportunities for the country.

## **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 15<sup>th</sup> August, 1947. Mr. A.D. Moss was appointed as first Secretary Commerce on 1<sup>st</sup> September, 1947.

## **1.3 Functions**

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

1. Imports and exports across custom frontiers.
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.
11. Domestic Commerce reforms and development in collaboration with other Ministries, provincial and local government.
12. Intellectual Property Organization of Pakistan (IPO-Pakistan).
13. e-Commerce Policy and its implementation.
14. Textile Industrial Policy.
15. Coordination and liaison with Federal Agencies/Institutions, Provincial Government and Local Government entities for facilitation and promotion of the textile sector.
16. Liaison, dialogue, negotiations, except trade negotiations, and cooperation with international donor agencies and multilateral regulatory and development organizations with regard to textile sector.
17. Setting of standard; and monitoring and maintaining vigilance for strict compliance of the standard throughout production and value chain.
18. Textile related statistics, surveys, commercial intelligence, analysis and dissemination of information and reports on international demand patterns, market access etc.
19. Linkages with cotton and textile producing countries.
20. Training, skill development, research for quality improvement and productivity enhancement throughout the production/value chain.

21. Management of Textile Quotas.
22. Administrative control of Attached Organization of Textile.
23. Cotton Hedge Markets.

#### **1.4 Policy Objectives**

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

##### **1.4.1 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

##### **1.4.2 Market Side**

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

#### **1.5 Organizational Structure**

##### **1.5.1. Main Ministry**

After merger of Textile Division in Commerce Division, restructuring in Ministry of Commerce has been made and following Wings are working under Commerce Division:

##### **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 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. Tariff Wing**

Tariff Wing is responsible for supervision of the working of the Wing, implementation of National Tariff Policy, conducting meetings of Tariff Policy Board, Sub-Committee of the PTB, taking & issuance of minutes, liaison with all stakeholders like FBR, Ministries, NTC, private sector etc, advising in all matters related to Tariffs and preparing responses on different policies of the Ministry of Commerce & other ministries from perspective of tariff structure.

f. **Domestic Commerce Wing**

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).

g. **Services Trade Development Council (STDC) Wing**

The Strategic Trade Policy Framework 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.

h. **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 Wing within the Ministry of Commerce under STPF.

i. **Textile Wing**

Textile Wing oversees the matter related to entire value chain of the textiles, apparel and leather sectors and provides proactive leadership, policy advice and keep liaison with ministries/ departments.

j. **Development Wing**

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

k. **Administration & Finance 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.

l. **Attached Organizations**

The following attached departments/subordinate organizations are operating under the administrative control of the Joint Secretary (Admin & Finance), Ministry of Commerce:

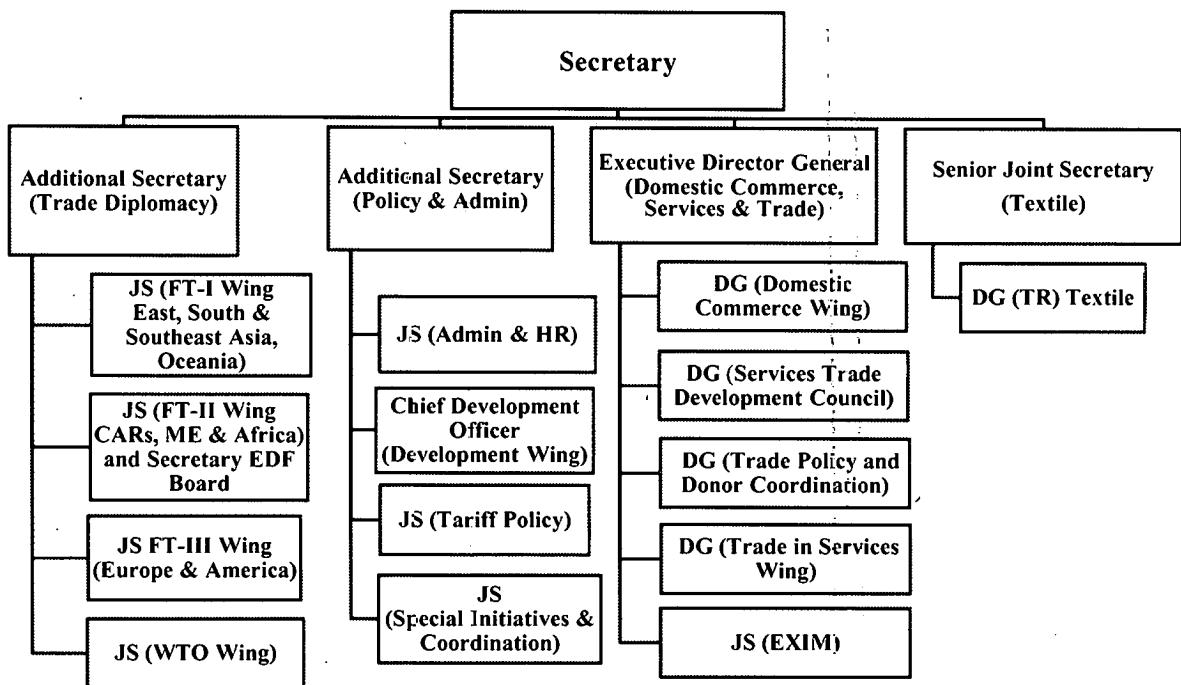
- 1) National Tariff Commission (NTC)
- 2) Trading Corporation of Pakistan (TCP)
- 3) Intellectual Property Organization of Pakistan (IPO-Pakistan)
- 4) Trade Development Authority of Pakistan (TDAP)
- 5) Pakistan Institute of Trade and Development (PITAD)
- 6) Directorate General of Trade Organizations (DGTO)
- 7) Trade Dispute Resolution Organization (TDRO)
- 8) Pakistan Horticulture Development & Export Company (PHDEC)
- 9) Pakistan Expo Centres (Pvt) Ltd, Lahore
- 10) Textile Commissioner's Organization (TCO), Karachi
- 11) Pakistan Cotton Standards Institute (PCSI), Karachi.
- 12) Lahore Garments City Company (LGCC), Lahore.
- 13) Faisalabad Garments City Company (FGCC), Faisalabad.
- 14) Karachi Garments City Company (KGCC), Karachi.
- 15) State Life Insurance Corporation of Pakistan (SLIC), Karachi.
- 16) National Insurance Company Limited (NICL), Karachi.
- 17) Pakistan Reinsurance Company Limited (PRCL), Karachi.
- 18) Liaison Office Afghan Transit Trade, Chaman / Quetta.



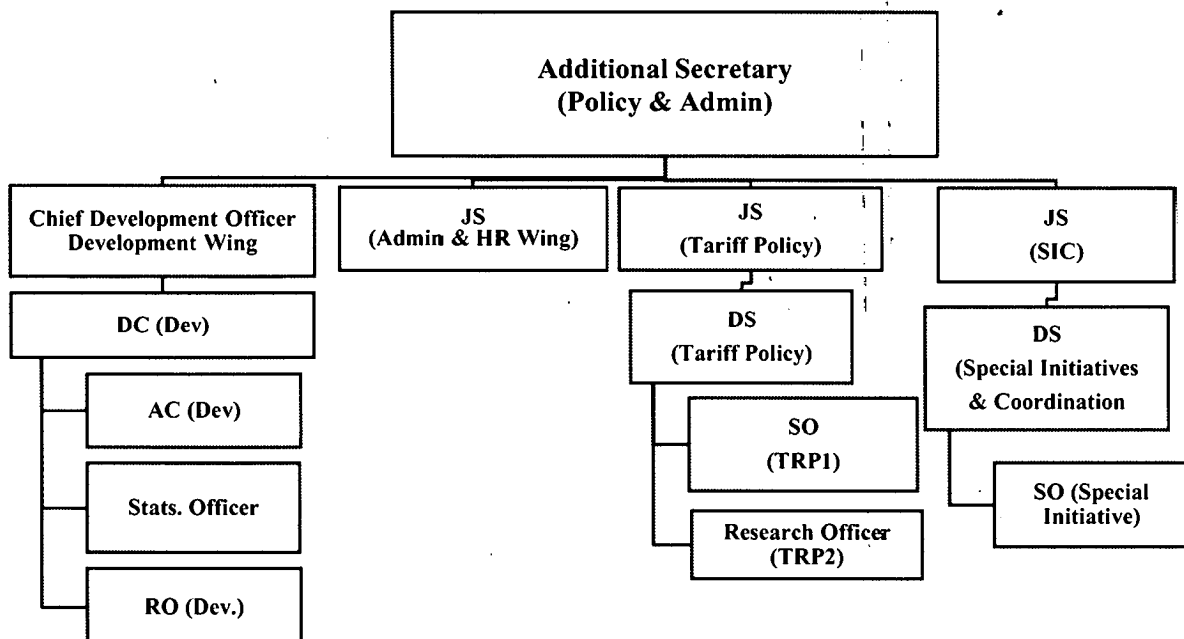
## 2 ORGANOGRAM

Upon incorporation & amendments a consolidated organogram of the Ministry is as under:

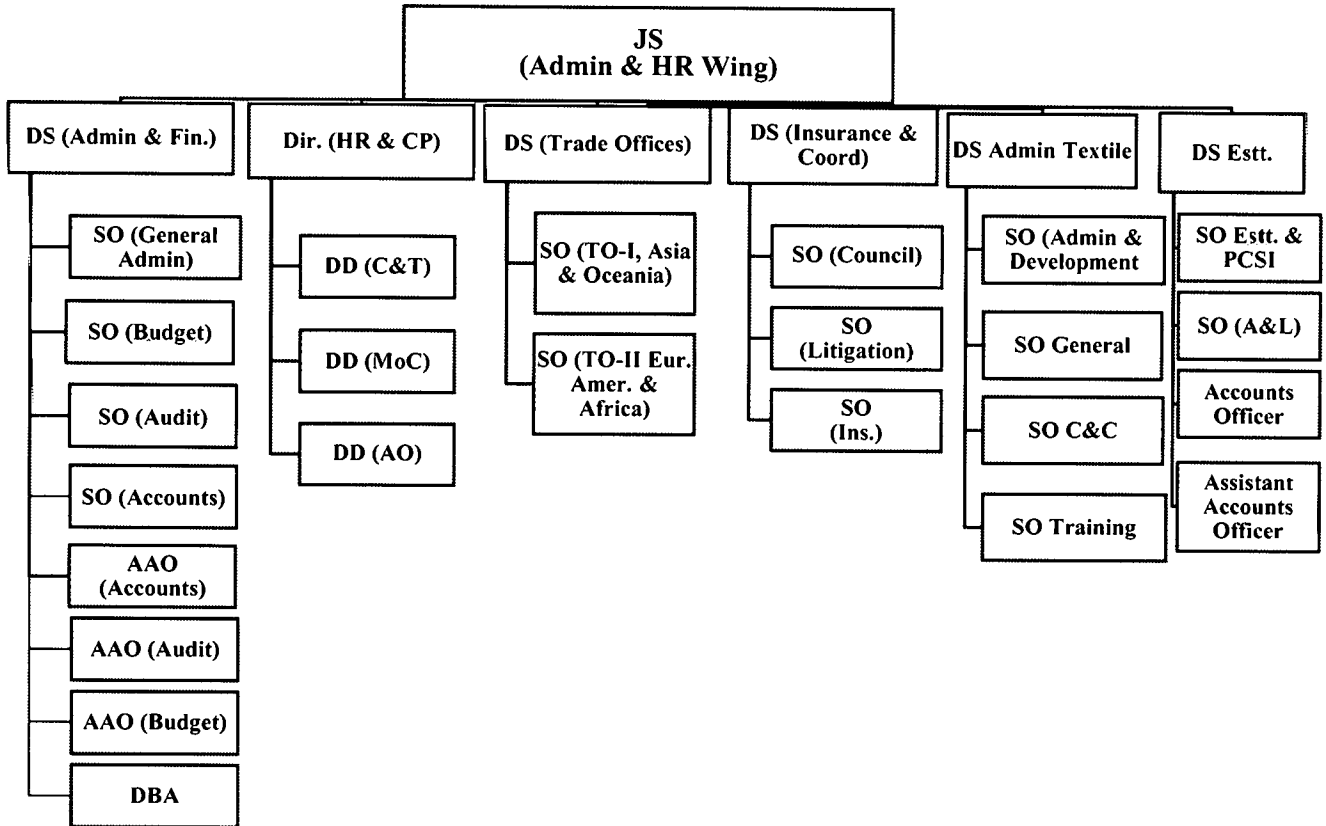
### (i) Organogram at Wings Level



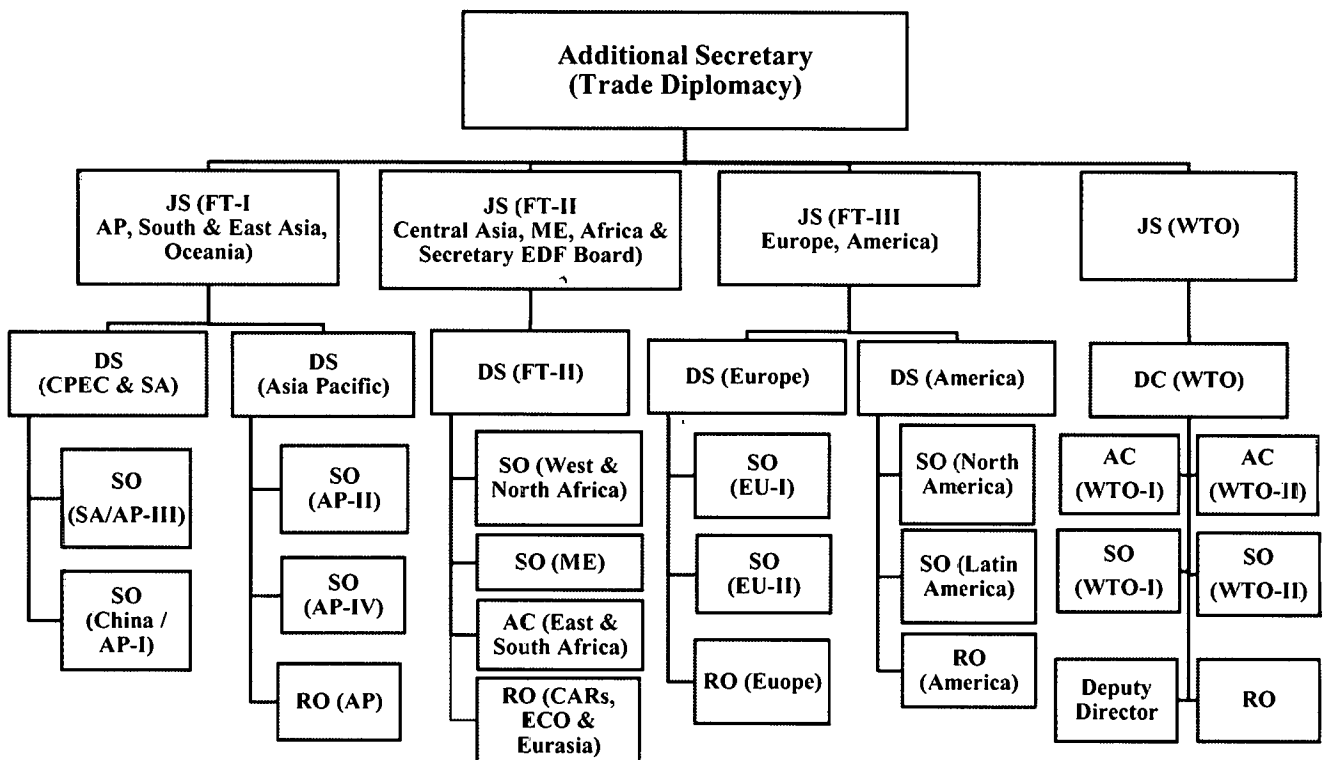
### (ii) Organogram Policy & Administration Wing



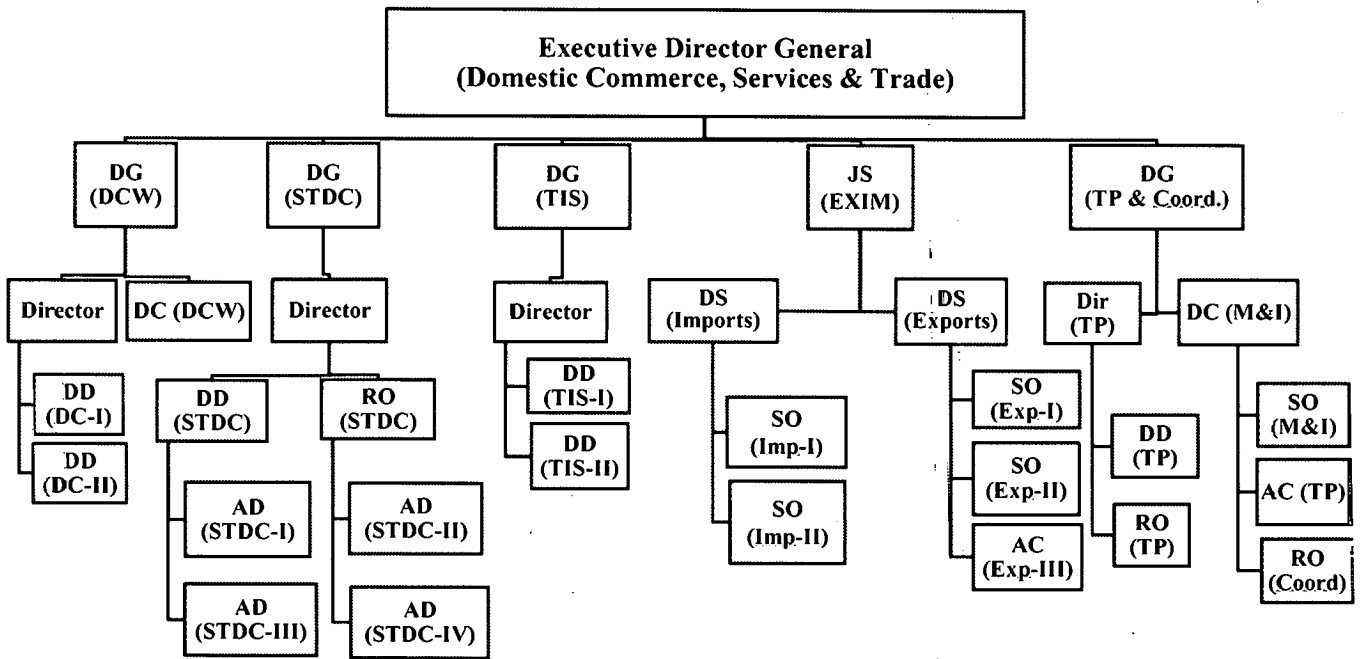
(iii) Organogram JS (Admn)



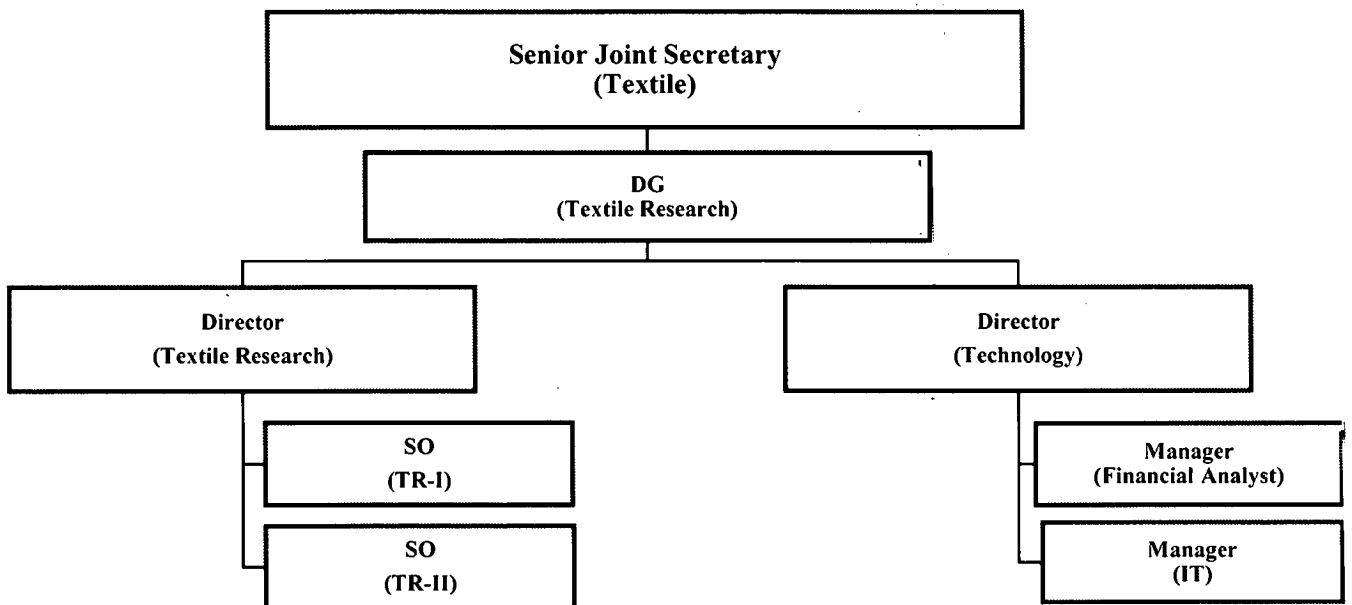
(iv) Organogram Trade Diplomacy Wing



(v) Organogram Executive Director General



(vi) Organogram Textile Wing



### 3. ADMIN & FINANCE WING

#### 3.1 Human Resource Management Wing

The Human Resource Management Wing is responsible for overall human resource management of main Ministry/attached organizations under the Ministry. HRM Wing is responsible to better management of the human resource and capacity building of officer and staff posting, transfers, career planning, promotions, etc and other services matters.

#### 3.2. Achievements

HR Sections has performed the entire assigned task efficiently and effectively, within the available resources and allocated budget of FY 2019-2020. The prevailing rules, regulation 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	02
2.	Promotion cases of official BS-01 to BS-18	51
3.	G.P Fund Advance	30
4.	House Building Advance	35
5.	Motor Car/Motor cycle Advance	25
6.	Nomination of Foreign/ domestic training of officers / officials including attached organization of Ministry of Commerce	Total 33 nomination including Officers / Officials of Ministry of Commerce and its Attached Departments, Subordinate Officers were made out of which 22 were domestic training

#### 3.2.1. Human Resource

##### 3.2.1.1. Sanctioned Strength of Officers of Main Ministry

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

##### 3.2.1.2. 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	Steno-typist	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	Staff Car Driver	17
04	DMO	01
04	Photo State Operator	01
04	Dispatch Rider	03
03	Daftry	03
03	Qasid	05
01	Naib Qasid	97
01/02	Regular Frash	03
	<b>Total</b>	<b>372</b>

### 3.3 Capacity Building of officers and staff of the Ministry

The Ministry of Commerce nominates its officers and staff for capacity building, job oriented and meaningful trainings for the National and International forum.

#### 3.3.1. Foreign Training of Officers

Invitation are received from different foreign countries like China, Japan, Korea, Malaysia for various Training programs, Seminar, Workshop, Courses, Master Degree Programs and long/short term training Programs. These International Training facilities are offered through Economic Affair Division, Planning & Development Division, World Trade Organization Geneva and other Government and non-government organizations/agencies.

During the Financial Year 2019-2020, Ministry of Commerce sent 11 nominations for different foreign Trainings.

#### 3.3.2. Local Training for Officers & Staff

The Ministry encourages training of officers and staff from Local Institutions offering various capacity Building Courses. Accordingly, officers/officials have been 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.

#### 3.3.3. During the Financial Year 2019-20, Ministry of Commerce sent 22 officers /officials for different local Trainings.

Commerce Division manages fifty-seven (57) Trade and Investment Officers in forty-five (45) countries. These Trade Officers have a critical role in creating suitable environment in enhancing Pakistan's exports and attracting investment to Pakistan.

Ministry of Commerce constantly strives to improve the performance of Trade Officers (TOs) posted abroad. In this regard, a Trade Officers Monitoring and Evaluation Committee (TOMECE) has been formed in

the Ministry of Commerce to evaluate the performance on the basis of Key Performance Indicators (KPIs). TOs whose performances in “Below Average” are recalled while those whose performance is “Average” are cautioned to improve their Performance.

The Prime Minister directed the Ministry of Commerce to formulate a comprehensive policy for selection, training and monitoring of the Trade Officers posted in Pakistan’s Missions abroad. **This is the first ever holistic major reform of the whole system in the last thirty years.** Based on these reforms, new Policy was announced. In particular, this focused on the following:

- a) **Reforms of the Selection Process**, which now has been made merit-based and it ensures that the best possible human resource, with requisite qualifications and work experience, is selected for the job. This favors the candidates having exposure to trade, who would undergo two-months’ training after selection.
- b) **Market Diversification**, to create and consolidate demand for Pakistan’s export products in new markets.
- c) As a part of the **“Look Africa Policy Initiative”**, Pakistan increased its export foot print in Africa by relocating six Trade and Investment Offices to the continent at no additional cost to the exchequer.
- d) For the first time in Pakistan’s history, a **20% quota has now been fixed for the Pakistani Diaspora** to utilize their experience and contacts for enhancement of Pakistan’s exports and attracting investment to Pakistan.
- e) **Creation of Trade Clusters for Economic Diplomacy** has been done for the first time in Pakistan’s history in order to better coordinate and strengthen Pakistan’s trade diplomacy and lobbying efforts in the economic blocks and Free Trade Areas.

### 3.4. Admin & Finance Wing

#### 3.4.1. Budget

Finance Division allocated Indicative Budget Ceiling (IBC) of recurrent budget Rs. 11,080.00 million in respect of Commerce Division under demand No. 19 during the Financial Year 2019-20. 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 Millions)

Sr.#	Departments	Budget Grant
1.	Main Ministry	543.00
2.	Export Development Fund (EDF), Islamabad	2,118.850
3.	National Tariff Commission (NTC), Islamabad	223.00
4.	Directorate General of Trade Organization (DGTO), Islamabad	40.00
5.	Pakistan Institute Trade and Development (PITAD), Islamabad	70.00
6.	Trade Dispute Resolution Organization (TDRO), Islamabad	32.00
7.	Strategic Trade Policy Framework (STPF) 2019-24	5,000.00
8.	Trade Development Authority of Pakistan (TDAP), Karachi	1,132.00
9.	Trade Mission Abroad	1,919.650
10.	Liaison Office, Chaman	1.500
	<b>Grand Total</b>	<b>11,080.00</b>

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 2019-20.

### 3.4.2. Audit

#### 3.4.2.1 Overview

Audit Section is responsible for coordinating the Departmental Accounts Committee (DAC) & Public Accounts Committee (PAC) matters for settlement of Audit Reports pertaining to Main Ministry, Trade Missions Abroad and attached departments of the Ministry. 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.

#### 3.4.2.2 Achievements

01	Public Accounts Committee (PAC) meetings	07 No. of Public Accounts Committee (PAC) meetings on the accounts of Ministry of Commerce for the years 2010-11 to 2018-19 were held during the year 2019-20
02	Departmental Accounts Committee (DAC) meetings	22 No. of Departmental Accounts Committee meetings on the accounts of Commerce Division for the years 2010-11 to 2018-19 were arranged during the year 2019-20
03	Advice/Comments on Financial & Service matters as and when sought for	Approximately 100 No. of cases received for opinion and fully complied

#### 3.4.2.3. Other misc. matters deals during the year 2019-20

- 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.

## 4. EXIM WING

### 4.1. Functions

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

#### 4.1.1. Imports

The functions assigned to the Wing on import side are:

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

#### 4.1.2. Exports

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

- Coordination with President and Prime Minister Secretariats.
- 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.
- 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.

#### **4.1.2.1. Matters pertaining to PIFD, DGTO, Chamber of Commerce & Industry, Trade Associations, PHDEC and PTB.**

- To coordinate with trade bodies, DGTO, TDAP, PIFD 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.
- 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.

#### **4.1.2.2. Liaison with EDF Secretariat**

- To keep a liaison with EDF secretariat and review and seek comments from EDF Secretariat on the proposals received from trade bodies.

### **4.2. Activities**

Besides the disposal of day to day work according to the functions listed above, the following important activities related to improvement of work in Exim Wing were carried out during the financial year (2019-20):

#### **4.2.1. Import Wing**

The following initiatives/activities have been taken:

A number of clarification including import-authorization have been issued on time to time basis during 2019-20 in order to facilitate the industry.

- i. Input and recommendation have been conveyed to Trade Policy wing for preparation of Strategic Trade Policy Framework 2019-23 which aims at improvement in the Import Policy Order, 2016 and rectification of its anomalies.
- ii. Measures have been taken to eliminate chances of utilization of fake/forged import authorization which include authentication of genuineness of import authorization issued by this Ministry for the concerned departments. Around, 49 cases have been processed for conveying the verification of genuineness of the import authorization issued by this Ministry.

<b>List of SROs Related to Import Policy Order issued during FY 2019-20</b>		
<b>S. #</b>	<b>SRO. No.</b>	<b>Subject</b>
1	SRO 257(1)/2020 Dated 26-03-2020	To facilitate SME sector in the pharmaceutical and chemical sector, commercial importers are allowed to import Controlled Chemicals.
2	SRO 258(1)/2020 Dated 26-03-2020	The operation of clause iii-d of the SRO 237/2019 was given effect from 1 <sup>st</sup> May 2020.
3	SRO 1625(1)/2019 Dated 30-12-2020	To facilitate overseas Pakistanis, it was decided that in case Pak Rupee depreciates or the Govt. increases duties and taxes on imported vehicles, they will be allowed to meet the shortfall from local sources.



4	SRO 977(1)/2019 Dated 02-09-2020	To ensure supply of cheap medicines and raw materials for medicines, their import from India was allowed, by way of an exception.
5	SRO 963(1)/2019 Dated 28-08-2019	Import of slag, ash and residue of aluminum was allowed to the industrial consumers.
6	SRO 927(1)/2019 Dated 09-08-2020	Ban was imposed on import of goods from India.

#### 4.2.2. Export Wing

Export Wing of the Ministry of Commerce has taken the following initiatives during financial year 2019-20:

<b>List of SROs Related to Export Policy Order issued during FY 2019-20</b>	
<b>Sr. #</b>	<b>Activities/Initiative</b>
1	Ban on export of Tyvek suits and surgical/N95 Masks was imposed in the wake of Covid-19, vide SRO 256 (I)/2020, dated 09.06-2020.
2	Provision of zero-rating on Sales Tax included for PVC & PMC export from Export Processing Zones, vide SRO 351(1)/2020, dated 04.05.2020
3	Ban on export of Anti-Malarial drugs imposed vide SRO 297 (1)/2020, dated 09.04.2020
4	Ban on the Export of Personal Protective Equipment imposed vide SRO 239(1)/2020, dated 24.03.2020
5	Ban on the Export of Onion imposed vide SRO 238(1)/2020, dated 24.03.2020
6	Ban on the Export of Wheat Products-Fine, Maida and Suji imposed vide SRO 1481(1)/2019, dated 29.11.2019.
7	Ban on the Export of Wheat and Wheat Flour (Aata) imposed vide SRO 1044(1)/2019, dated 11.09.2019
8	Exports to India banned vide SRO 928(1)/2019, dated 09.08.2019

##### *i. Recommendation for Airport Passes*

As per policy of Aviation Division, this Ministry recommends names of the leading exporters with export performance of US\$ 15.00 million above in the preceding year and MoC forward the request of Presidents and Vice Presidents of trade associations and chambers for issuance of protocol passes. Protocol passes for a total 164 exporters were recommended to Aviation Division.

##### *ii. 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 2019-20: -

- Lahore Chamber of Commerce & Industry invitation to Honorable President of Pakistan to grace the "LCCI Ambassador's Dinner 2019" as Chief Guest on 4-03-2019.
- Honorable President of Pakistan meeting with Islamabad Chamber of Commerce & Industry (ICC&I) on 23<sup>th</sup> August, 2019
- Islamabad Women Chamber of Commerce & Industry (IWCC&I) invitation to Honorable President of Pakistan to grace the "Ten Year Celebration of IWCC&I" as Chief Guest in Aiwan-Sadr, Islamabad.
- Lahore Chamber of Commerce & Industry invitation to Honorable President of Pakistan to grace the "11<sup>th</sup> Achievement Award Ceremony" as Chief Guest on 18-09-2019.
- Honorable President of Pakistan meeting with All Pakistan Anjuman-e-Tajaran (APAT) on 7<sup>th</sup> November, 2019
- Islamabad Women Chamber of Commerce & Industry (IWCC&I) invitation to Honorable First Lady

to attend the “Breast Cancer Awareness Seminar” as Chief Guest on 28-11-2019.

- Islamabad Chamber of Commerce & Industry (ICC&I) invitation to Honorable President of Pakistan to attend the “All Chambers President’s Conclave” as Chief Guest on 21-01-2020.
- Honorable President of Pakistan meeting with Sahiwal Chamber of Commerce and Industry (SCC&I) on 15<sup>th</sup> January, 2020.
- Honorable President of Pakistan meeting with Sialkot Chamber of Commerce on 12<sup>th</sup> February, 2020 at Aiwan Sadr, Islamabad.
- Rawalpindi Chamber of Commerce & Industry invitation to Honorable First Lady to grace the International Women’s Day as Chief Guest on 17-03-2020.
- Honorable President of Pakistan meeting with All Pakistan Anjuman-Tajran, Sindh delegation on 11-04-2020.
- Rawalpindi Chamber of Commerce & Industry (RCCI) has invited the Honorable President of Pakistan to grace the “Awards Ceremony-2020” as Chief Guest Aiwan-e-Sadr Islamabad.
- Rawalpindi Chamber of Commerce & Industry (RCCI) has invited the Honorable President of Pakistan as Chief Guest for “Virtual International Expo-2020” by online Platform.
- Lahore Chamber of Commerce & Industry (LCCI) has invited the Honorable President of Pakistan to grace the “4<sup>th</sup> LCCI Export Trophy Awards -2020” as Chief Guest in Aiwan-e-Sadr Islamabad
- Honorable President of Pakistan meeting with Mr. Shabbir Diwan, Executive Director, Gatron (Industries), Limited.
- Islamabad Chamber of Commerce & Industry (ICCI) has invited the Honorable President of Pakistan to grace the “3<sup>rd</sup> Achievement Awards Ceremony” as Chief Guest in Aiwan-e-Sadr Islamabad.
- Lahore Chamber of Commerce & Industry (LCCI) has invited the Honorable Prime Minister of Pakistan to grace the “12<sup>th</sup> Achievement Awards Ceremony” as Chief Guest.

## 5. **FT-I WING**

Pakistan attaches great importance to its trade relations with other trading partners. Engagements of Pakistan with its trading partners in Asia Pacific region in the financial year 2019-20 are mentioned below:

### 5.1. **Pakistan-Japan**

Six Sessions of Japan-Pakistan High Level Economic Policy Dialogue (JPHLEPD) have been held so far. During the 6<sup>th</sup> Round of JPHLEPD, held on 11<sup>th</sup> July, 2019 at Tokyo, Japan, Pakistan proposed that as an interim step, a PTA may be concluded to allow Pakistan a level playing field as available to its competitors. Japanese side clarified that, if they were to discuss on possible EPA/FTA, it has to be full-fledged, covering “substantially all the trade”, including Trade in Goods, Trade in Services, Investment, Intellectual Property and E-Commerce. Based on this understanding, both sides shared the willingness to promote discussion to facilitate and further strengthen bilateral trade.

<b>Aggregate Bilateral Annual Trade with Japan</b>				
<b>Million USD</b>				<b>Source TDAS</b>
<b>Year</b>	<b>Exports</b>	<b>Imports</b>	<b>Total Trade</b>	<b>Balance</b>
<b>2015-16</b>	176	1,825	2,001	(-)1,649
<b>2016-17</b>	246	1,986	2,232	(-)1,740
<b>2017-18</b>	198	2,409	2,608	(-)2,210
<b>2018-19</b>	198	1,782	1,981	(-)1583
<b>2019-20</b>	171.08	975.7	1,146.78	(-)804.62

### 5.2. **Pakistan-South Korea**

The Advisor to Prime Minister on Commerce, Industries & Production and Investment and the Secretary Commerce visited South-Korea from 1<sup>st</sup>-2<sup>nd</sup> August, 2019 and held meeting with the Korean Minister of Trade, Industry and Energy. During the meeting, issues of bilateral trade were discussed and both sides agreed to promote bilateral trade and business linkages through participation in exhibitions covering

textiles, leather, home décor and general merchandise. The Advisor to Prime Minister on Commerce also led a business delegation of leading Pakistani enterprises and B2B interaction with Korean companies was also arranged.

<b>Aggregate Bilateral Annual Trade with South Korea</b>				
<b>Million \$</b>				<b>Source TDAS</b>
<b>Years</b>	<b>Exports</b>	<b>Imports</b>	<b>Total Trade</b>	<b>Trade Balance</b>
<b>2015-16</b>	<b>263</b>	<b>758</b>	<b>1,021</b>	<b>(-)495</b>
<b>2016-17</b>	<b>325</b>	<b>736</b>	<b>1,061</b>	<b>(-)411</b>
<b>2017-18</b>	<b>321</b>	<b>874</b>	<b>1,195</b>	<b>(-)553</b>
<b>2018-19</b>	<b>275</b>	<b>818</b>	<b>1,093</b>	<b>(-)543</b>
<b>2019-20</b>	<b>177</b>	<b>695</b>	<b>872</b>	<b>(-)518</b>

### **5.3. Pakistan-Thailand**

Pakistan is Thailand's second largest trade partner in South East Asia and there is a tremendous potential to increase bilateral trade. During the 3<sup>rd</sup> Session of Pak-Thai Joint Trade Committee meeting, held on 12<sup>th</sup> 13<sup>th</sup> August, 2015, it was agreed by both sides to enter into Free Trade Agreement. The negotiations on FTA were started in 2015 and so far 9 rounds of negotiations have been held. An inter-sessional video conference on Pak-Thailand Free Trade Agreement (PATHFTA) was held on 7<sup>th</sup> July, 2019 to discuss matters related to PATHFTA. Both countries are in a process of finalization of offer lists on 200 priority items under Pak-Thailand Free Trade Agreement (PATHFTA).

<b>Aggregate Bilateral Annual Trade with Thailand</b>				
<b>Million USD</b>				<b>Source TDAS</b>
<b>Years</b>	<b>Exports</b>	<b>Imports</b>	<b>Total Trade</b>	<b>Trade Balance</b>
<b>2015-16</b>	107.3	849.5	956.8	(-)742.2
<b>2016-17</b>	135.7	1,109	1244.7	(-)973.3
<b>2017-18</b>	190.5	1,376	1566.5	(-)1185.5
<b>2018-19</b>	223.7	1,321	1544.7	(-)1097.3
<b>2019-20</b>	180	711.7	891.7	(-)531.7

### **5.4. Pakistan-Australia**

Australia has a longstanding relationship with Pakistan based on shared membership of Commonwealth and other international groups including WTO. Bilateral trade between the two countries in 2018-19 was recorded at USD 511.million. Australia-Pakistan Trade Agreement was signed in June, 1990. The agreement mandates both countries to oversee smooth flow of trade and provides a periodic review of bilateral trade relations through an institutional mechanism of Joint Trade Committee (JTC). So far, 8 sessions of Australia-Pakistan Joint Trade Committee have been held. 8<sup>th</sup> meeting of Australia-Pakistan Joint Trade Committee was held on 8<sup>th</sup> October, 2019 at Islamabad. During the meeting both countries discussed matters related to market access, education, investment, movement of personnel.

<b>Aggregate Bilateral Annual Trade with Australia</b>				
<b>Million USD</b>				<b>Source TDAS</b>
<b>Years</b>	<b>Exports</b>	<b>Imports</b>	<b>Total Trade</b>	<b>Trade Balance</b>
<b>2015-16</b>	224.2	517.9	742.1	(-)293.7
<b>2016-17</b>	221.6	588.7	810.3	(-)367.1
<b>2017-18</b>	249.5	404.5	654	(-)155.0
<b>2018-19</b>	228.7	301.1	529.8	(-)72.4
<b>2019-20</b>	207.7	260.2	467.9	(-)52.5

## 5.5. Pakistan-Sri Lanka

Pakistan-Sri Lanka Free Trade Agreement (PSFTA) became operational from 12<sup>th</sup> June, 2005. The Sixth Secretary Commerce Level Technical Talks between Sri Lanka were held on 6<sup>th</sup> January, 2016. During this meeting talks were held on broadening the scope of FTA by inclusion of chapters on Services and Investments. Accordingly, Pakistan side presented the draft chapters on Services and Investment to Sri Lankan side. Pakistan enjoys trade surplus with Sri Lanka.

Under the Pakistan Sri Lanka Free Trade Agreement (PSFTA), a quota of 6000 MT of Basmati rice was allowed to be exported to Sri Lanka from Pakistan on duty free basis each year. This quota was available only for two varieties, namely, PK 385 and/or Super Kernel grades. However, in December 2019, three new varieties of rice i.e., Super Basmati Rice, 1121 Kainat Rice, PK 198/D 98 Basmati Rice have also been added to the list of Rice having duty free access.

<b>Bilateral Trade Trends</b>				
<b>Million USD</b>				<b>Source TDAS</b>
<b>Year</b>	<b>Exports</b>	<b>Imports</b>	<b>Total trade</b>	<b>Balance</b>
<b>2014-15</b>	266.907	57.795	324.702	(+) 209.112
<b>2015-16</b>	247.11	74.60	321.71	(+) 172.51
<b>2016-17</b>	249.40	102.34	351.74	(+)147.06
<b>2017-18</b>	289.66	67.31	356.97	(+)222.35
<b>2018-19</b>	316.36	59.98	376.34	(+)256.38
<b>2019-20</b>	300.98	59.2	360.18	(+)241.78

## 5.6. China-Pakistan

Pakistan is courting China by means of a bilateral agreement in addition to other commercial agreements.

The Phase-II of the China-Pakistan Free Trade Agreement (CPFTA) is implemented since 1st January, 2020. The implementation of Phase-II of the CPFTA is a significant feat for Pakistan. The Government of Pakistan, after 11 rounds of strenuous negotiations has gained most favorable market access in the Chinese market at par with ASEAN. The significant features of Phase-II of CPFTA inter-alia includes immediate tariff liberalization on 313 tariff lines, balance of payment clause, more robust safeguard measures, protection of domestic industry and electronic data exchange to curb under-invoicing and mis-declaration.

### 5.6.1. Achievements:

- I. During the period 2019-2020, the Ministry of Commerce held seminar and webinars as part of its awareness campaign for Phase-II of the CPFTA. The purpose of this awareness campaign is to sensitize business community of Pakistan about the benefits and opportunities available under Phase-II of the CPFTA. During above mentioned period, 9 seminars/webinars have been held in major cities of Pakistan including Karachi, Lahore, Islamabad, Peshawar, Quetta, Faisalabad, Sialkot, Hyderabad and Gwadar.
- II. Pakistan also participated in various exhibitions held in China through physical and online platforms including the second and third sessions of China-International Import Expo (CIIE) held in November, 2019 & 2020 in Shanghai, China. The Honorable President of Pakistan also virtually addressed the opening session of 3rd CIIE.

- III. As a result of Phase-II of CPFTA and successfully launching of subsequent campaign, Pakistan's exports to China have increased by 34% from \$1.745 billion to \$2.33 billion as compared to the same period of previous year.
- IV. The Ministry of Commerce also facilitated the process of resumption of trade operations through Khunjrab border in 2020 as border could not open owing to Covid related restrictions of the Chinese side.

## 6. **FT-II WING**

### 6.1. **Africa Region**

Bilateral trade between Pakistan and Africa was US\$ 4.18 billion in 2019-20. Exports were US \$1.48 billion, recording an **increase of 7%** from 2018-19, despite Covid-19 pandemic. Imports were US \$2.70 billion, recording a **decline of 7.3%** from 2018-19.

#### **BILATERAL TRADE OF PAKISTAN WITH AFRICA (US\$ MILLION) Source: FBR/PRAL**

<b>Years</b>	<b>Pakistan Exports</b>	<b>Pakistan Imports</b>	<b>Total Trade</b>
<b>2014-15</b>	1796.368	1529.436	3325.80
<b>2015-16</b>	1487.129	1656.119	3143.25
<b>2016-17</b>	1281.382	1919.376	3200.76
<b>2017-18</b>	1514.608	2744.163	4258.77
<b>2018-19</b>	1384.51	2919.972	4304.48
<b>2019-20</b>	1480.37	2705.94	4186.31

### 6.2. **Look Africa Policy of Ministry of Commerce**

In order to enhance trade and increase outreach to major African economies, the Ministry of Commerce launched "Look Africa Policy Initiative", which envisaged various measures to enhance trade with Africa in 2017-18.

#### 6.2.1. **Initiatives Taken by the Ministry**

Under the Look Africa Policy of Ministry of Commerce, following actions have been taken:

- Look Africa Trade Forums have been organized in all major cities of Pakistan
- Ministry of Commerce relocated/opened six new Commercial Sections in Algeria, Ethiopia, Egypt, Senegal, Sudan and Tanzania, in addition to four already established Commercial Sections in Kenya, Morocco, Nigeria and South Africa, taking the total number to ten, to cover the top ten economies of Africa
- Negotiations on bilateral/multilateral trade agreements for market access in Africa, Formation of Joint Working Groups (JWGs) on trade have been initiated. Joint Trade Committee with Kenya has been formed while draft agreements have been shared with Nigeria, Ethiopia, Rwanda & Morocco. Negotiations on PTA with Tunisia are also expected to resume once Covid-19 related restrictions are lifted
- Special facilitation to delegations to/from Africa
- Enhanced facilitation by the government for the Pakistani companies' participation in trade fairs in Africa.

## 6.2.2. Establishment of Pakistan-Egypt Joint Working Group On Trade



The Pakistan-Egypt Trade Conference was held on 15<sup>th</sup>-16<sup>th</sup> October, 2019 in Islamabad, Pakistan. MoU to establish a Joint Working Group (JWG) on Trade was signed and the 1<sup>st</sup> meeting of the JWG on Trade was held on the sidelines of the Conference. B2B sessions were also organized during the event. The Egyptian side was headed by Mr. Ahmed Anter, First Undersecretary, Head of Egyptian Commercial Service, Ministry of Trade & Industry, of the Arab Republic of Egypt.

## 6.2.3. Pakistan-Africa Trade Development Conference



The Ministry of Commerce organized the first ever Pakistan-Africa Trade Development Conference (PATDC) on 30-31 January, 2020, in Nairobi, Kenya. H.E Uhuru Kenyatta, President of the Republic of Kenya formally inaugurated the Conference being the Chief Guest. Conference was attended by Official & Business Delegates from Twenty-Six (26) African Countries. Moreover, Eighty-Five Pakistani companies from various sectors also participated in the conference. In order to provide an opportunity of networking to potential exporters from Pakistan and importers in Africa B2B meeting Secretariat was established at the venue and a total of 1883 of Business meetings took place between Pakistani exporters and African buyers.



Leading exporters of Pakistan presented the following priority sector for Africa during the Conference:

- Textile and Apparel
- Agro Foods (rice, wheat, fruits and vegetables etc.)
- Pharmaceuticals
- Light Engineering and Electronics (motors, pumps, generators, fire-arms, wires and cables, electric fans, domestic appliances, insulators and cutlery etc.)
- Surgical instruments
- Sports Goods
- Cement & Construction
- Auto Industry (tractors, auto parts, farms machinery, tyres & tubes, agricultural appliances etc.,
- Cosmetics
- Services (IT, digital payments, mobile application, system integration, software development, marketing, designing, logistic, security, identity registration, e-passport, security solutions etc.)





#### 6.2.4. Feedback by Pakistani Delegates

The feedback received from Pakistani participants reflects satisfaction in the arrangements and its details are as under:

- ✓ More than 60% of the participants highly appreciated the seriousness of the selected B2B buyers from the African and were ambitious on materializing the trade negotiations done during the B2B
- ✓ 80% of the Pakistani delegates were more than satisfied with the arrangements and management of the B2B meetings
- ✓ 70% of the participants highly appreciated the appropriateness of the matchmaking with African counterparts

The Conference was successful in introducing the potential of Pakistan to the African region and paved the way for increased engagement of the business communities from both sides.



### 6.3. ECO & Cars Region

As per FBR statistics, Pakistan’s regional trade with CARs/ECO region stood at **US \$1888.23 million** in 2019-20 with imports of **US \$921.84 million** and exports of **US \$966.39 million**. The Trade Statistics are given as under:

#### 6.3.1. Pakistan-CARs Bilateral Trade

Pakistan's aggregate annual Trade with CARs/ECO region US\$ Million				Source: FBR
Years	Exports	Imports	Total Trade	Trade Balance
2014-15	1974.47	582.61	2557.08	1391.86



<b>2015-16</b>	1607.96	629.85	2237.81	978.11
<b>2016-17</b>	1402.99	665.57	2068.56	737.42
<b>2017-18</b>	1435.64	862.38	2298.02	573.26
<b>2018-19</b>	1419.9	990.86	2410.76	429.04
<b>2019-20</b>	966.39	921.84	1888.23	44.55

### 6.3.2. 8<sup>th</sup> Meeting of Pakistan Iran Joint Trade Committee (JTC)



8<sup>th</sup> Meeting of Pak-Iran Joint Trade Committee was held from 4-5<sup>th</sup> July, 2019 in Islamabad. The Iranian delegation was headed by Mr. Reza Rahmani, Minister of Industry, Mine and Trade and the Pakistani delegation was headed by Mr. Abdul Razak Dawood, Advisor to Prime Minister on Commerce, Textile, and Investment. During the meeting, the two sides deliberated on the following issues:

- 1) Bilateral Trade Cooperation
- 2) Custom Cooperation
- 3) Industrial Cooperation
- 4) Border Collaboration
- 5) Banking Channels
- 6) Establishment of Barter Trade Mechanism

### 6.3.3. 4<sup>th</sup> Meeting of Technical Negotiation Committee (TNC) on Pak-Iran Free Trade Agreement

The 4<sup>th</sup> meeting of TNC was held on 5th July 2019 in Islamabad. The two sides agreed to expedite the signing of two draft Mutual Recognition Agreements (MRAs) on SPS and TBT and agreed to exchange the tariff information on 8-digit HS codes.

### 6.3.4. Technical Level Talks with Afghanistan 11-12 July, 2019



Pakistan has restarted technical talks with Afghanistan on trade and investment. In this regard, Afghan Technical Level Delegation visited Pakistan from 11-12<sup>th</sup> July, 2019. The both sides have technical level discussions in the fields of bilateral and transit trade, customs, agriculture, energy and Information technology. As a result of technical level talks, Afghanistan has shared changes in Afghanistan Pakistan Transit Trade Agreement 2010 (APTTA). Furthermore, Afghan side has also shared views on the draft Preferential Trade Agreement (PTA) shared by Pakistan.

### 6.3.5. Middle East Region

Pakistan's total trade with Middle East stood at US\$ 12623.92 million in 2019-20 with exports amounting to US\$ 2314.07 million and imports standing at US\$ 10309.85 million. The details are given as under:

### 6.3.6. Bilateral Trade between Pakistan and Middle East

<b>Pakistan's Aggregate Annual Trade with Middle East US\$ Million Source: FBR</b>				
<b>Year</b>	<b>Exports</b>	<b>Imports</b>	<b>Total Trade</b>	<b>Balance</b>
<b>2014-15</b>	2212.91	14335.01	16547.92	-12122.1
<b>2015-16</b>	1835.56	9947.97	11783.53	-8112.41
<b>2016-17</b>	1592.73	12025.1	1592.73	-12025.1
<b>2017-18</b>	1625.54	14269.03	1625.54	-14269.03
<b>2018-19</b>	1902.23	14594.74	16496.97	-12692.50
<b>2019-20</b>	2314.07	10309.85	12623.92	-7995.78

### 6.3.7. Lift of Ban on Import of Pakistani Rice to Qatar:

Over the years, rice has been Pakistan's major export product to Qatar. Whereas, the private sector in Qatar continues to import rice from Pakistan, the Central Tendering Committee (CTC), Government of Qatar which procures for state-supplied subsidized rice for Qatari citizens has made its tender Indian-origin specific thereby effectively, barring the import of any other origin rice including Pakistani rice. Reportedly, the main reason for this change was the sub-standard and low quality Pakistani rice supplied by the exporters against the government tenders in 2011-12. Therefore, Pakistani exporters/suppliers have been deprived of supplying of about 25000 to 30000 MT good quality rice to Qatar per annum. However, as an aftermath of the recent visit of the Prime Minister to Qatar on 21st –and 22nd January 2019, The Qatari side lifted the ban on the procurement of rice of Pakistani Origin, and after 2011 Pakistan was awarded the contract of export of 48000 MT rice to Qatar in 2019, which was successfully completed in December 2019. Pakistan has again competed in the Rice Tender of CTC in July 2020.

### 6.3.8. Pakistan's participation in Expo-2020, Dubai

The work on Pakistan Pavilion for Expo 2020 is undergoing. It is a unique opportunity for Pakistan to showcase the trade and investment opportunities that it has to offer to the world in the six-month Expo (October 2021-March 2022). Programs and events are being designed by Trade Development Authority of Pakistan, in collaboration with the provincial governments, on the three main themes of Expo 2020: opportunity, mobility and sustainability, and on the rich colors and cultures of our nation. The Pakistan Pavilion has been divided into 8 spaces, each depicting a unique aspect of Pakistan:

### Space 1: Dawn of civilization

A graphical and audio-visual illustration of Pakistan's history from the Neolithic period to the present will be shown to the visitors.

### Space 2: Shish Mahal (Lahore) Pathway of mirrors

A mesmerizing journey of 'Light upon Light' through an 80 ft. long pathway.

### Space 3: Haven of natural wonders

Immersive films showcasing the majesty and scale of Pakistan's landscapes and the diversity of its wildlife and flora and fauna.

### Space 4&5: Sacred Spaces

Pakistan's diverse spiritual traditions that have co-existed for centuries. Mosques, shrines, temples, gurudwaras and churches across the country manifest this tradition.

### Space 6&7: Land of Opportunities

Modern and progressive Pakistan will be displayed to the world.

### Space 8: Crafts & Food

Six short films running simultaneously depicting the vibrant food and craft traditions of Pakistan, interconnected through the River Indus, will be played here.



## 7. FT-III WING

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 export products in these 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:

### 7.1. American Region

#### 7.1.1. 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 the Trade Representative of the US Government (USTR). TIFA Council monitors trade, and so far, 8 TIFA Council meetings have been held.

Two TIFA Intersessional Meeting was held on 2<sup>nd</sup> May, 2019 and 11<sup>th</sup> June, 2020. Both sides discussed various bilateral trade issues which included Agriculture Sector, IT Sector, Intellectual Property, and Investment matters. Progress on previous matters was shared and it was decided that the matters will be followed up regularly.

#### 7.1.2. Record Bilateral Trade with US:

US remains the single largest destination for Pakistan's exports. The Covid-19 pandemic has adversely affected global trade. Despite this, Pakistan's exports to the U.S. maintained upward trajectory and continued registering growth.

#### 7.1.3. Commercial Section in Mexico:

Mexico is one of the important export destinations for Pakistan in the Latin American region. Government of Pakistan re-opened the trade office in Mexico in 2020 to improve and facilitate bilateral trade.

#### 7.1.4. Trade Performance:

Aggregate Bilateral Annual Trade				
Million \$				
(Source: FBR)				
	Exports		Imports	
	FY 2018-19	FY 2019-20	FY 2018-19	FY 2019-20
<b>USA</b>	3935.2	3719.28	2701.03	2466.8
<b>Canada</b>	270.49	273.6	399.56	488.4
<b>Mexico</b>	96.3	80.9	96.13	102.67
<b>Brazil</b>	64.1	67.9	344.8	749
<b>Chile</b>	62.13	49.7	35.5	26.13
<b>Colombia</b>	38.9	30.4	1.8	1.54
<b>Argentina</b>	27.6	32.4	118.9	83.4
<b>Peru</b>	31.7	23.5	3.5	5.07
<b>Panama</b>	14.6	11.8	0.15	33
<b>Ecuador</b>	9.47	6.06	0.24	0.28

## **7.2. European Region**

### **7.2.1. Generalized System of Preferences Plus (GSP Plus):**

Pakistan has been availing EU's scheme of "Special Incentive Arrangement for Good Governance and Sustainable Development", also known as GSP Plus Scheme, since 2014, whereby it enjoys duty free access to the EU market.

The program is linked with the implementation of Pakistan's obligations under the 27 UN Conventions. Out of these, 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.

### **7.2.2. Treaty Implementation Cell (TIC);**

Consequent upon the general election in 2018, the 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.

The continuous engagement of the Federal Treaty Implementation Cell (TIC) and other stakeholders proved instrumental to fulfill Pakistan's commitment under GSP Plus Scheme. So far three successful biannual reviews concerning Pakistan's compliance to the implementation of the 27 UN Conventions have been conducted.

Under EU GSP Plus, 66% of Pakistan's tariff lines have duty free access to EU market, with remaining 34% covered under MFN. GSP+ arrangement has helped Pakistani products to compete successfully with similar products originating from other competing countries such as China, India, Bangladesh, Turkey and Vietnam etc.

Pakistan's total exports to EU increased from US\$ 6.933 billion in 2013-14 to US\$ 8 billion in 2018-19 in pre Covid times. Substantial increase of exports has been witnessed in sectors such as garments & hosiery, home textiles, cotton fabrics and sports and surgical goods.

### **7.2.3. Turkey:**

Free Trade Agreement (FTA) negotiations talks were stalled in 2017 after a number of rounds. Recently, an intercessional meeting of Joint Working Group under the HLSCC was held on 16-17 of January 2020 in Islamabad, Pakistan. The main objective of the meeting was to break the stalemate in FTA negotiations and to chalk out a future roadmap. Progress made under the Joint Scoping Study would lead to resumption of negotiations on Pakistan Turkey FTA.

President Erdogan visited Pakistan on 13-14th February, 2020 for the 6th meeting of High-Level Strategic Cooperation Council (HLSCC). The Strategic Economic Framework (SEF) was also signed during the 6th HLSCC meeting, which further aims to increase bilateral trade and economic cooperation.

The first ever Pakistan Turkey Business and Investment Forum was held on 14th February, 2020 in order to promote trade and investment opportunities in Pakistan for the Turkish side. The Forum was addressed by H.E. Recep Tayyip Erdogan, President of Turkey and H.E. Imran Khan, Prime Minister of Pakistan.

#### 7.2.4. Italy:

In the backdrop of the pandemic, Italian authorities were approached to allow Pakistani Doctors and paramedics to practice in Italy. The Italian government agreed to allow as well as review and accommodate Pakistani Doctors and paramedics on long term basis. Initial demand of 100 doctors and paramedics was placed by Italy which was sent to the Ministry of National Health Services Regulations and Coordination and Ministry of Overseas Pakistanis and Human Resource Development. However, The Ministry of Health stated that they cannot spare doctors and paramedics during the pandemic times.

Reviving export of Services Mode IV in Italian labour market. In 2018, Pakistan was excluded from the list of countries that are eligible to export labour services to Italy. The Commercial Section in Rome prepared a case for revival of the facility for Pakistan. Then the Mission approached different relevant quarters to advocate the case. As a result, in 2020, Pakistan was included in the list of countries that are eligible to export labour services. Over 30,000 work visas are being issued by the Italian Government to the nationals from a few non-EU countries, including Pakistan. Pakistani workers in agriculture, tourism, construction and freight forwarding sectors are availing this opportunity. After the announcement of the facility, efforts were made in collaboration with relevant stakeholders so that Pakistani labour takes full advantage of this facility.

#### 7.2.5. UK/Commonwealth Forum:

Diplomatic Engagements with FCDO on UK GSP Scheme. DIT assured that Pakistan would be granted GSP+ like facilities for exports to UK.

#### 7.2.6. Russia:

An Agreement was signed between the Government of the Islamic Republic of Pakistan and the Government of the Russian Federation on settlement of mutual financial claims and the obligations on operations of the former USSR. A 39-year-old trade dispute has been settled in which it was decided that Pakistan would return USD\$ 93.5 million within 90 days of the signing of the agreement. NBP has been instructed to complete all codal formalities and the disperse the amounts as per Cabinet's decision.

#### 7.2.7. Trade Performance:

<b>Aggregate Bilateral Annual Trade</b>				
<b>Million \$</b>				
<b>(Source: FBR)</b>				
	<b>Exports</b>		<b>Imports</b>	
	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>UK</b>	1,664.70	1522.70	804.1	601.79
<b>Germany</b>	1,292.51	1,265.19	1,038.35	773.63
<b>Netherlands</b>	986.26	1,019.56	584.21	613.27
<b>Sweden</b>	137.60	121.75	232.48	192.94
<b>Belgium</b>	632.54	553.23	381.13	265.49
<b>Switzerland</b>	13.36	12.92	354.36	267.14
<b>France</b>	395.6	366.43	443.5	396.06
<b>Spain</b>	928.3	828.91	205.9	169.29
<b>Italy</b>	778.2	730.96	969.3	520.89
<b>Hungary</b>	11.62	10.27	30.92	22.38
<b>Russia</b>	154.06	129.53	280.28	289.9
<b>Turkey</b>	295.14	263.56	378.81	354.35

## **8. TRADE POLICY WING**

### **8.1 Make in Pakistan Initiative:**

Under the “Make in Pakistan” initiative the Ministry of Commerce held extensive consultations with the private sector. Based on this engagement the MOC came up with comprehensive proposals for enhancing Pakistan’s exports which have become part of the upcoming draft Strategic Trade Policy Framework (STPF) 2020-25.

### **8.2 Growth for Rural Advancement & Sustainable Progress (GRASP) Project:**

GRASP is a six-year project designed to reduce poverty in Pakistan by strengthening small-scale agribusinesses in two provinces: Baluchistan and Sindh. It will help small and medium-sized enterprises in horticulture and livestock become more competitive by making improvements at all levels of the value chain. GRASP is 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 is funded by the delegation of the European Union to Pakistan. A National Project Steering Committee (NPSC) of GRASP Project has been notified.

### **8.3 Disbursement made in FY 2019-2020 under DLTL for Non-Textile Sectors:**

The Federal Government of Pakistan provided a drawback scheme to the non-textile sector to improve the liquidity issues of exporters in the wake of high electricity prices, high tariffs on inputs and overvalued exchange rates. Under the scheme the Government disbursed PKR 3,848,147,348/- to clear various claims under the schemes of different years in the FY 2019-2020.

### **8.4 Initiatives Taken in FY 2019-2020 during the Outbreak of COVID-19:**

- i. Ministry of Commerce imposed ban on the export of various personal protective equipment (PPE) items on the recommendation of the MNHSR&C. However, subsequently the business community started approaching MoC and MoNHSR&C with the plea that local manufacturers of PPEs were producing these items at full capacity resulting into inventory surplus. Therefore, they requested for allowing the export surplus PPE items against confirmed international orders. Subsequently the ban on export of PPE items was lifted.
- ii. On the recommendation of MoNHSR&C the export of anti-malarial drug was also banned in order to prevent the rise in the price and improve the availability of the drug. Later with improved availability of the drug, the ban was lifted.

## **9. TARIFF WING**

The first ever National Tariff Policy (NTP) 2019-2024 was approved by the Federal Government on 19<sup>th</sup> November, 2019. For an institutionalized mechanism, a Tariff Policy Board (TPB) was constituted under the said policy headed by Advisor to the Prime Minister on Commerce, with Minister for Industries & Production, Secretary Finance, Secretary Revenue, Chairman FBR, Secretary Commerce, Secretary Board of Investment, and Chairman NTC as its members. By virtue of this policy, any decision regarding imposition or removal of import duty has been taken by the TPB after consultation with all the stakeholders. The TPB is responsible for formulation, amendment and implementation of the National Tariff Policy. As per commitment of the Government, the entire tariff structure would be rationalized within the implementation period of the National Tariff Policy i.e., 2019 to 24.

In order to meet the objectives of the NTP and to remove distortions in the tariff structure, in line with the requests received from the public and the private sectors, tariffs were rationalized as per details given below:

- Additional Customs Duty of 2% on 1623 Tariff Lines, consisting of basic raw materials, was removed.
- Customs Duty on 90 Tariff Lines, consisting of intermediate goods/inputs, not manufactured locally, was reduced from 11% to 3% and 0%.
- As per individual requests received from the public and the private sector, tariffs were rationalized on 50 Tariff Lines.
- In order to implement the “Make in Pakistan Initiative” of the Government, tariffs were rationalized on 112 Tariff Lines.
- Regulatory Duty on 36 Tariff Lines of Iron & Steel Sector was reduced to ensure cheap raw materials for manufacturing sector.
- In order to curb smuggling, tariffs were rationalized (130 Tariff Lines) on smuggling prone items. After the budget, the following further measures were taken:
  - Additional Customs Duties and Regulatory Duties on 164 Tariff Lines of Textile Sector such as fibers, Yarn and fabrics of nylon, Viscose, Acrylic, Ryun, Silk, Wool, and vegetable based fibers like Hemp, not manufactured in the country, were removed in order to increase the share of Man Made Fiber (MMF) in textile exports.
  - In order to meet the demand of value added Textile Sector, 5% Regulatory Duty (RD) and 5% CD on import of Cotton yarn were removed.
- Additional Customs Duties on 152 tariff lines pertaining to raw materials, mostly chemicals, used by the local manufacturing sector was removed.

## **10. TEXTILE WING**

Textile industry is the lynchpin of Pakistan’s economy and has the longest production chain, with inherent potential for value addition at each stage of processing, from cotton to ginning, spinning, fabric, processing, made-ups and garments. During FY 2019-20, Textile Wing made every possible effort to promote textile sector with special focus on exports.

Exports of textiles and apparel sector during FY 2019-20 remained \$12.53 billion compared to US\$ 13.33 billion in corresponding period of previous year. A decrease of -6.01% in total textile exports is witnessed due to COVID-19 pandemic which has limited international trade of conventional textiles, resulted in supply chain disruptions and affected global prices of commodities and trade. It is pertinent to mention here that textile exports of Pakistan increased by 5.3% from July – February 2019-20 compared to the exports of corresponding period of previous year but due to COVID-19 exports decreased by -4.46% in March 2020, -64.52% in April 2020, -36.65% in May 2020, positive trend was observed with an increase of textile exports by 0.56% in June 2020 as compared to corresponding period of previous year.

During FY 2019-20, the Federal government has extended various facilitations to the textiles value chain to boost exports, that are as under:

- a. Rs. 51 billion were released under duty drawback of various schemes of Textiles Policy and PM Package of Incentives.
- b. RLNG has been rationalized at \$6.5/MMBtu for export oriented sectors including textiles.
- c. Electricity has been rationalized at US cents 7.5 / kWh to export oriented sectors including textiles and apparel.



- d. Import of Cotton from Afghanistan / CARs through Torkham Border has been allowed
- e. No Custom Duty on import of Textile machinery.
- f. Custom/Regulatory and Additional Custom Duties has been withdrawn for imported cotton with effect from January 15, 2020
- g. Long Term Financing Facility (LTFF) was continued at 5% to attract investment in the textiles value chain.
- h. Mark up on Export Finance Scheme (EFS) has been continued at 3%.
- i. Duty free import of textile machinery has been continued.
- j. Uninterrupted electricity and gas were supplied to export oriented sectors including textiles. Further, RLNG was provided to export oriented industry in Punjab based textiles value chain.

Further, briefs, request/offer lists and proposals have been provided for trade negotiations with different countries including FTA /PTA, JMCs, JTCs to Trade Diplomacy Wing, Ministry of Foreign Affairs (MoFA) and Economic Affairs Division (EAD).

Comprehensive briefs and budget proposals were provided to the Finance Division, Federal Board of Revenue, Ministry of Energy (Power Division and Petroleum Division). The position was taken for every parameter which may affect the textiles and apparel value chain.

Coordinated with the International Agencies like JICA, GIZ and KOICA in respect of technical cooperation for skill development, product diversification, sustainability, resource efficiency and women participation in the textile and apparel industry of Pakistan.

## **11. DOMESTIC COMMERCE WINGS**

Ministry of Commerce has well-established functional units (Wings). These wings are responsible for facilitating Trade Development Authority of Pakistan (TDAP) and related Ministries like Ministry of National Food Security and Research, and Ministry of Industries and Production for policy as well as strategic consensus on products export development through stakeholder's consultation. DC Wing are also responsible for maintaining close liaison with sectoral councils, trade associations, and Chambers of Commerce & Industry. The wing contributes considerably by providing policy inputs for implementation of trade policy framework.

A significant role of DC Wing under the Ministry of Commerce is to provide research based sectoral policy guidelines to promote Agro-products exports. Also, the inclusion of products in Free Trade Agreements (FTAs) and Preferential Trade Agreements (PTAs) and related concessionary measures are adopted with consultation of the relevant wing. Within this Wing, there is an officer to deal each agricultural sector i.e. grains, horticulture, food, fisheries, livestock, meat, vegetable, and fruits. The Wing also coordinates with trade missions abroad.

### **11.1. Achievements and Tasks Performed by DCW-Wing**

#### **11.1.1. Mango Diplomacy**

Coordination and assistance is being provided to TDAP and MoFA to successfully send mangoes from the President of Pakistan as a measure of Mango Diplomacy to showcase Pakistan's premier mangoes to the world leaders. Efforts laid by Ministry of Commerce made it possible the registration of Chaunsa Mango as geographical product of Pakistan.

#### **11.1.2. Kinnow Workplan**

Kinnow is one of the top exported products of Pakistan. Due to efforts of Ministry of Commerce, Kinnow has been registered as Pakistan's geographical product. A concrete work plan has been formed for

Kinnow export development and proposal to constitute Kinnow Working Group has been floated. The formation of working group will help to jot down the issues in Kinnow exports worldwide and respective action plans will be implemented to eradicate those highlighted issues.

#### **11.1.3. Kinnow Festival**

DC Wing coordinated and provided assistance to TDAP to arrange Kinnow Festival at President House. The festival provided a platform to Kinnow exporters to market their produce before diplomats, foreign officers, trade missions, and general public. The event provided them opportunity to exhibit the product to gain better position in international market.

#### **11.1.4. Kinnow Quota by Indonesia**

Kinnow exporters were provided support to get quota from the Indonesian Government in time to export Kinnow to Indonesia. With the help of DC Wing, exporters succeeded in obtaining the desired quota and now be able to export Kinnow to Indonesia as per the fixed quota. In future, the restricted quota may further be relaxed and export of Kinnow from Pakistan towards Indonesia may be increased manifolds.

#### **11.1.5. Potato Work plan**

Working Group on Potato has been formulated. Potato is also highly exported product of Pakistan. A concrete work plan has been formed for potato export development. Moreover, the formation of working group will help to identify the issues in potato exports worldwide and respective action plans will be implemented to eradicate those highlighted issues.

#### **11.1.6. Poultry Exports to Kuwait**

Due to the efforts of DC Wing Ministry of Commerce, Kuwait has started importing poultry from Pakistan. Previously, poultry was not included in items exported to Kuwait from Pakistan. It is a salient achievement that poultry product line has opened for Pakistan from Kuwait. This will be a source of increase in export volume and thereafter. Increase in exports will earn foreign exchange for Pakistan.

#### **11.1.7. Removal of Rice Ban from Russia**

Due to the efforts of DC Wing Ministry of Commerce, Russia has removed ban on importing rice from Pakistan. Previously, rice was not included in items exported to Russia from Pakistan. It is a salient achievement that rice in grains product line has opened for Pakistan from Russia. This will be a source of increase in export volume for fiscal year 2020-2021 and thereafter.

#### **11.1.8. Rice Export Development**

Following actions have been taken to promote rice varieties production and exports:

- A proposal sent to the Sindh government for inclusion of REAP on the Board of Rice Research Institute, Dokri so that input from private sector in research process may also be given due consideration.
- Proposal sent to the Punjab for inclusion of REAP on the Board of Punjab Seed Corporation so that inputs from the private sector in rice seed approval process may also be given due consideration.
- Awareness seminars/campaigns in the rice growing areas of Pakistan scheduled. The aim of these seminars is to educate exporters and farmers regarding laboratory testing, pesticide usage, their limit, quantity and after-effects of the pesticide residue in Rice for exports.

## **11.2. Economic Outreach Initiative**

Ministry of Commerce has been engaged with Prime Minister Office's launched Economic Outreach Initiatives (EOI). EOI is a set of targeted interventions in selected sectors of the economy to achieve desirable economic growth, to effectively confront the emerging challenges and to improve image of the country. These initiatives are part of the overall Economic and National Security Objectives of the Government of Pakistan. Focusing on fourteen (14) Priority sectors and seven (07) Virgin sectors to tap into additional US\$ 10.50 billion exports in traditional as well as new markets.

The EOI Team coordinated with around 28 federal and various provincial departments, having a close liaison and providing continuous feedback to PM Office on the assigned initiatives. The team keenly worked seven (07) days a week. For such a herculean task, EOI team of Ministry of Commerce worked hard to achieve its targets despite the fact of the COVID-19 pandemic and its allied hurdles.

## **11.3. Inputs on SPS Measures**

DC Wing Ministry of Commerce provided inputs on Sanitary and Phytosanitary (SPS) measures in order to overcome trade obstacles like non-tariff barriers and to promote Pakistan's trade across the world. Addressing the significant issue and providing recommendations is valuable contribution of this wing.

## **11.4. Malaysia Opening for Agro-Products Trade**

Due to the efforts of DC Wing Ministry of Commerce, Malaysia has opened trade for Pakistan Agro products. Previously, there was little bilateral trade between Pakistan and Malaysia on agricultural products line. It is a considerable achievement that agri-products lines now open for Pakistan. This will be a source of increase in export volume for fiscal year 2020-2021 and thereafter.

## **11.5. Seafood Export**

DC Wing Ministry of Commerce have taken steps to enhance Pakistan's seafood exports. Pakistan having seaports at Karachi and Gwadar has huge potential to export seafood. At present, there is meagre share of seafood in Pakistan's total exports. However, tapping the potential, this share can be increased many folds and DC Wing, Ministry of Commerce is putting efforts to attain a good position in international market for Pakistani seafood products.

## **11.6. Miscellaneous Research and Analysis Activities**

### **11.6.1. Preparations of Strategy for PTAs**

DC Wing Ministry of Commerce shared strategic guidelines for Preferential Trade Agreements (PTAs) with Afghanistan, Uzbekistan, Hungary, Thailand, and Philippines; and shared strategic recommendations for Free Trade Agreement (FTA) with Chile, Turkey, and Korea. Also, the Wing shared list of products for negotiations concessionary measures on these product lines. Moreover, the Wing shared feedback/comments on the Investment MoU with Kenya.

### **11.6.2. Report on Post-Brexit Effects on Trade**

DC Wing prepared a report on analysis executed on post-Brexit effects on Pakistan's trade with EU and UK simultaneously. In this report, Rice exports towards UK and EU particularly was analyzed and suggestions were given on negotiations with EU and UK to sustain importing rice from Pakistan.

### **11.6.3. Proposals for Sri Lanka JTC**

DC Wing Ministry of Commerce prepared proposals for Sri Lanka Joint Trade Corporation. Pakistan has FTA with Sri Lanka and formation of such association will further strengthen the economic relationship as well as will be proved a source of increased bilateral trade.

### **11.6.4. Preparation of Domestic Commerce Policy Draft**

Another salient contribution of DC Wing is the preparation of Domestic Commerce Policy draft. The policy is under approval process and will be proved a milestone in achieving the goals set by Ministry of Commerce. Also, the Wing shared views and comments on Investment Policy of Balochistan.

## **11.7. Achievements and Tasks Performed by Services-Wing**

Services wing was established in January 2020. It has a Close liaison with sectoral councils through TDAP. Services wing has an active coordination with Trade Associations, Chambers of Commerce & Industry, and Public Sector organizations for ensuring the needed facilitation to the respective sectoral stakeholders. It also provides Policy inputs for preparation and implementation of Strategic Trade Policy Framework, Sectoral inputs for products for concessionary regime in agreements e.g. FTAs/PTAs and keep a close liaison with Pakistan Trade Missions Abroad. This wing is Providing facilitation and strengthening linkages with TDAP and related Ministries for policy & strategic consensus on product export development through stakeholders' consultations.

### **11.7.1. Domestic Commerce Policy**

Through the efforts of Services Wing, first draft of Domestic Commerce Policy has been finalized. The Domestic Commerce Development Policy is going to pave the way for individual & collective sustainable growth in the country by putting in motion a set of genuine commercial reforms and development process which is fundamental to improve the socio-economic parameters of the people and improving their living standards at par with the development world through sustainable commercial governance framework at grass roots level & its meaningful local & international linkages for integration into global markets.

### **11.7.2. Geographical Indications (GIs)**

Geographical Indications (GIs) are a form of intellectual property rights (IPRs). They identify a product originating from a specific area whose quality or reputation is attributable to its place of origin. In Pakistan, Geographical Indications (Registration and Protection) Act, 2020 (GI Act, 2020) has been enacted in March 2020 to provide for registration and effective protection of the GI of commodities having origin in Pakistan.

Ministry of Commerce has initiated registration of products bearing Geographical Indications from Pakistan with Basmati and then in February for Pink Salt. After that the MoC has added 10 more products to the country's geographical indication (GI) list in a bid to market them as its brands in the international market. These include agro and non- agro items Chaunsa Mango, Sindhri Mango, Kinnow, Hunza Ruby, Swat Emerald, Kashmiri Tourmalin, Skardu Topaz, Skardu Aquamarine, Peridot Stone, and Peridot Valley."

### **11.7.3. Proposed Sectoral Councils**

The Services Wing of Ministry of Commerce has proposed to develop a sectoral council for IT and Tourism to develop export development plan, with clear objectives and strategies for approval by the Federal Government and to act as a link between government and private sector.

#### 11.7.4. Achievements of Services Wing

Achievements of the services wing are listed down as follows:

- Amazon has started registering Pakistani sellers on its platform
- Developing logistic plan for smooth working on Amazon
- Fintech Association created by the private sector
- NIFT working on international payment services as per SBP policy
- Pakistan’s I.T exports crossed \$2 billion benchmark for the first time
- Geographical Indication (G.I) registration processed for “Pink Salt”
- Geographical Indication (G.I) approved for “Agro & Non-Agro products”
- Notification of Trade Development Authority of Pakistan TDAP as “Registrant” for G.I registration of Basmati Rice
- Development of growth strategy for enhancement and support of “Dairy Sector”
- Meeting of the delegation of Dairy industry with President of Pakistan
- Focus and proposed interventions for uplift of “Halal Food” sector
- Focus and proposed interventions for uplift of “Halal Fashion” sector
- Focus and proposed interventions for uplift of “Logistics/Transportation” sector in context of Services
- Focus and proposed interventions for uplift of “Warehousing” sector in context of Services
- Action plan on reforms/initiative regarding “Religious Tourism” under Economic Outreach Initiatives EOI
- Action plan on reforms/initiative regarding “Manpower” under Economic Outreach Initiatives EOI Process to review of “Air Services Agreements” with other countries in line with directions of the Prime Minister.

#### 11.8. Non-Agro Products

Non-Agro Products comprises particularly of copper articles, Surgical Instruments, Plastic Articles, Pharmaceutical Products, Cement, Chemicals, Engineering Goods, Sports Goods, Furniture, Cutlery, Auto parts, Salt, Paper, Rubber, Marble & Granite, Glass & Glassware, Gems & Jewelry and Ceramic Products. The export performance of the these sectors are as under:

S.#	Sector	2019-20 (July-June)	2020-21 (July-June)	% Change
1)	Copper and articles thereof (HS 74)	347.73	535.57	54%
2)	Surgical Instruments (HS, 9018)	355.86	426.63	20%
3)	Plastic & Articles made thereof (Hs, 39)	352.18	363.28	3%
4)	Pharmaceutical Products (Hs, 30)	206.11	270.44	31%
5)	Cement (HS, 2523)	265.28	267.26	1%
6)	Chemicals, Excluding Pharma (HS, 28, 29, 31-38)	181.57	236.85	30%
7)	Engineering Goods (HS, 84-89)	173.85	229.49	32%
8)	Sports Goods, Including Toys (HS, 95)	190.24	202.12	6%
9)	Furniture (HS, 94)	102.61	185.56	81%
10)	Iron & Steel and Articles thereof (HS 72-73)	110.93	168.56	52%
11)	Cutlery (HS, 8211-15)	82.67	118.90	44%
12)	Aluminum and articles thereof (HS 76)	49.41	91.85	86%
13)	Auto parts (HS, 4011, 4013, 8483, 8507, 8708)	58.93	79.73	35%
14)	Salt (HS, 2501)	54.20	69.51	28%

15)	Paper, Paperboard and Articles Thereof (Hs 47-49)	41.86	52.97	27%
16)	Rubber (HS 40)	37.46	52.83	41%
17)	Marble & Granite (HS, 2515-16)	19.06	26.33	38%
18)	Glass & Glassware (70)	20.77	26.11	26%
19)	Gems and Jewelry (HS, 71)	7.19	20.87	190%
20)	Ceramic Products (HS 69)	6.15	10.16	65%

### 11.9. Development of State of Domestic Commerce:

With the support of the Ministry of Commerce, provinces have to draft their own provincial strategies on domestic commerce. These strategies will form part of the proposed National Domestic Commerce Policy being prepared in consultation with the public and private sector stakeholders. These strategies cover the following important aspects of the domestic commerce:

- I. Developing districts on commercial and economic grounds.
- II. Improving commercial and investment climate.
- III. Improving commercial practices through effective and necessary regulations and addressing regulatory imbalances.
- IV. Integrating domestic commerce and linking it with international trade.
- V. Market reforms strategy.
- VI. Integrated program on skill and entrepreneurial development.
- VII. Integrated institutional approach among various organizations.
- VIII. Ensuring consumer protection.
- IX. Institutional mechanism for business facilitation and development.

### 11.10. Draft National Domestic Commerce Policy

Domestic Commerce constitutes a vital part of the national economy, contributing nearly 41 % to the GDP and 28 % to employment with sizable share in the total investment. Its scope includes subject like availability of factors of production, a conducive regulatory and policy framework, access to affordable credit and insurance facilities, fast modes of transportation, improved warehousing, storage facilities and diverse means of communication. However, growth in the sector is marred by a host of issues and challenges. Based on inputs from the public and private sector, the Ministry of Commerce has drafted National Domestic Commerce Policy to address the long standing issues in the sector, thus paving the way for sustainable economic growth. The draft policy covers the following important areas of the domestic commerce:

- I. Enterprise Productivity & Modernization
- II. Small & Medium Enterprise (SME) Development
- III. Retail & Wholesale Sector
- IV. Local Brand Development
- V. Transport
- VI. Storage & Warehousing
- VII. Real Estate
- VIII. Agriculture & Mining
- IX. Mining and Quarrying
- X. Provincial Trade Support Framework
- XI. Skill Development

### 11.11. Capacity Building/Training of the Provincial Government Officer:

In collaboration with Pakistan Institute of Trade and Development (PITAD), Non-Agro Product Wing of the Ministry conducted a week long Capacity Building Training Program on Domestic Commerce for the officers of Provincial Governments. The Module of the training program included the following:

- I. Significance of Domestic Commerce in Pakistan's Economy.
- II. Trade development in Pakistan—Collaboration between Federal Government and Federating unites.
- III. Linkages of Domestic Commerce with Trade and Investment.
- IV. Role of the Competition Commission of Pakistan in Domestic Commerce.
- V. Industrial sector analysis with focus on SMEs.
- VI. Marketing & Branding at Domestic Commerce level.
- VII. State of Domestic Commerce in provinces and Provincial Domestic Commerce Strategy.
- VIII. Regulatory Framework facilitating Domestic Commerce.

### 11.12. Skill Development Training:

The Gems and Gemological Institute of Pakistan (GGIP), Peshawar, a public sector skill development institute under the administrative control of the Ministry of Commerce, conducted the following skill development training courses in gemology and gem cutting in the financial year:

S. No	Training Course	Number of Participants
1.	Prime Minister's Kamyab Jawan Program	28 students
2.	Gemology (Self Finance)	20 students
3.	Gems cutting (Self Finance)	31 students
	<b>Total</b>	<b>79 students</b>

## 12. WTO WING

### 12.1. Overview:

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 164 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.

### 12.2. 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
- Framework Agreement on Cross Border Paper less Trade
- Accession of new Members to WTO
- SDGs on behalf of Ministry of Commerce
- Admn/Coordination/Misc. reference, etc

### **12.3. Following activities have been performed in FY 2019-20:**

#### **12.3.1. e-COMMERCE POLICY FRAMEWORK OF PAKISTAN**

Pakistan's National Electronic (e) Commerce Policy was approved by its cabinet on October 1, 2019 as part of the overall "Digital Pakistan" policy launched under the vision of the Prime Minister. The policy



aims to create an enabling environment for holistic growth of E-Commerce across all sectors of the country, while protecting the interest of consumers and sellers with special focus on development and promotion of youth and SMEs and for making Pakistan significant player of the regional and global digital economy. The framework provides guidelines on key components of the E-commerce including regulatory environment, financial inclusion and digitization through payment infrastructure, empowering youth and Small and Medium Enterprises, consumer protection, taxation, telecom infrastructure, logistics. A national E-commerce council (NeCC) headed by the Advisor to Prime Minister on Commerce and Investment was notified to oversee implementation of policy framework and, where necessary to coordinate and resolve any matters among the provinces or between provinces and the Federation. In January 2020, the Ministry of Commerce organized a massive public private consultative workshop to develop an implementation plan for the national e-commerce policy. The first two meetings of the NeCC were held on 14<sup>th</sup> January and 18<sup>th</sup> June 2020. SECP issued merchant on boarding guidelines. SBP increased payment limit for freelance services in information and communication technology to USD 25000 per individual a month

### **12.3.2. Implementation of Trade Facilitation Agreement**

Implementation of TFA was carried on during 2019-20 and meeting of National Trade and Transportation Committee were held. Categorically; Pakistan was ahead of its peers with an accumulative compliance of 79.0% to provisions of WTO's Trade Facilitation Agreement while the average accumulative compliance of the developing countries is at 70.3% and total average rate of implementation of TFA commitments by all WTO members is 69.7%.

### **12.3.3. Geographical Indications (Registration & Protection) Act,2019**

Commerce Division and Intellectual Property Organization (IPO) of Pakistan drafted the first ever Geographical Indications (Registration and Protection) Bill which was approved by the parliament and was notified.

Geographical Indications (GI) identify the products that have a specific geographical origin and possess qualities or reputation attributable to their place of origin. Pakistan is likely to benefit immensely from such an initiative by introducing its products all over the world.

### **12.4. Mini Ministerial Conferences**

Pakistan Permanent Mission to the WTO participated in the following at the WTO Mini Ministerial in Davos from 21 to 24 January 2020 to defend Pakistan's position on various negotiating elements and to put forth Pakistan's stance on all current issues of importance at the WTO:

#### **12.4.1. Participation in World Economic Forum (Davos – 2020)**

The World economic forum was held from 21-24 January, 2020 at Davos during which following developments were held:

- Bilateral meetings with key EU Ministers present in Davos for lobbying for GSP Plus and discussing bilateral Trade and Investment. Advisor on Commerce met EU President of the Parliament, EU Trade Commissioner, Trade and Economy Ministers from Denmark, Czech Republic, Slovak Republic, and Netherlands.
- Pakistan Mission to the WTO successfully lobbied for GSP plus through various meetings with almost all EU member states' Ambassadors in Geneva and those present in Davos.
- Advisor also met several other heads of state, members of parliament or Ministers such as from U.K, U.S, E.U, Senegal, Afghanistan, Japan, Turkey, Australia, Brazil and Norway, leading private sector companies such as Marubeni, Ali Baba, Sumitomo Corp etc. Major issues of trade

and investment were discussed during these meetings, including Pakistan's Look Africa Policy, potential Road shows in Eastern Europe etc.

- Met Minister of Economy of Turkey for two bilateral meetings to highlight issues and future roadmap for engagement on potential cooperation.
- Bilateral engagements were made with many members including EU to secure and extend GSP+ status.

## **12.5. Active Negotiations**

### **12.5.1. Agriculture:**

- Pakistan actively participated in negotiations on Agriculture in the special session of the Committee on Agriculture.
- Cosponsored the Statements in Agriculture negotiations related to on issues of DS, SS measures Special Safeguard Measures (SSM) at the Agriculture negotiations.
- Participated in meetings in various configurations bilateral consultations etc. facilitator led processes in order to safeguard Pakistan's interest in issues such as Domestic Support (DS), Export Restrictions (ER), Special Safeguard Measures (SSM), Public Stockholding (PSH), Export Competition (EC) and Market Access (MA). Meetings were held in various formats and configurations, such as bilateral consultations, in small group configuration and in open ended format, as was felt necessary by each facilitator. The Mission participated in these meetings in different configurations to safeguard the interests of Pakistan.
- Defended Pakistan interest on food securities through diplomatic engagements and engagements on the proposal for export restrictions by Singapore

### **12.5.2. Fisheries:**

Participated actively in the negotiations to defend the rights of Developing Countries on Special and Differential Treatment, artisanal fishing, small scale fishing and the development of fisheries industries in developing countries.

## **12.6. Other Committee Meetings**

- Participation at TNCs (Trade Negotiation Committees) and General Council meetings and made statements on Appellate Body crisis, WTO Reform, Special and Differential Treatment for development and other issues to safeguard Pakistan's interest at the WTO.
- In preparation of the 12<sup>th</sup> Ministerial Conference which is expected to be held in November-December 2021 in Geneva, negotiations for various disciplines are ongoing at the WTO and the Pakistan has been actively participating in the trade negotiations in various disciplines of the Doha Development Agenda.

## **12.7. Trips Waiver**

- Pakistan has along with other like-minded countries co-sponsored a proposal on a temporary waiver from certain obligations under the TRIPS agreement to combat Covid19. The waiver is sought in order to ensure easy, affordable and equitable access to Covid19 vaccines for the prevention, treatment and diagnosis of Covid19.
- Outreach and other diplomatic activities have been conducted to garner support for the proposal. Several meeting in various configurations were held with capital based public and private entities, Missions of other WTO members in Geneva, the WTO Secretariat, NGOs, think tanks etc. to gain support and submitted written submissions to answer questions and make proposal to discuss the issue.

## **12.8. Contribution Through Co-Sponsored Papers**

- Special and Differential Treatment is one of the fundamental pillars of WTO. Pakistan collaborated with China and many other developing members to co-sponsor a Paper on Special and Differential Treatment to promote development and inclusiveness for developing countries, to safeguard the central principle of Development at the WTO (WT/GC/W/765/Rev.2)
- Cooperation and drafting of joint paper on industrial subsidies and reform with China to be tabled as a contribution to the emerging discussion on the WTO reform.
- Cosponsored the proposal on the launch of selection process for Appellate Body (AB) membership by Mexico and 119 WTO members.
- Pakistan has cosponsored and supported various proposals in the WTO alongside many likeminded members on various trade related issues to safeguard and highlight Pakistan's interests – both long-term in terms of policy and those immediately at hand. For instance, on safeguarding fundamental principles in WTO reform, market economy discussions, trade and health related initiative, trade and environment initiatives

## **12.9. Support of Various Issues at the WTO**

- Pakistan Supported the reinvigoration of the Work Program on Electronic Commerce at the WTO under the Ministerial Conference declaration
- Supported the stance of developing countries, led by Panama, in the Committee on SPS and Trade in Goods, on the issue of MRLs in EU's SPS measures
- Pakistan through Mission to the WTO has played active role in support of WTO Reform by developing countries including S Africa, Caribbean, ACP and other countries
- Pakistan Supported countries in resisting punitive measures in the proposal on Transparency introduced by Developed countries

## **12.10. Multi Party Interim Arrangement (MPIA)**

- Pakistan has joined the Multi Party Interim Arrangement (MPIA) along with members such as EU, Australia and China to have an alternate dispute resolution system till the Appellate Body crisis is resolved. MPIA will have a pool of 10 arbitrators, whereas 13 members have nominated their candidates for the position of an arbitrator including Pakistan. It has been actively engaging with other MPIA members to secure Pakistan's candidature in pool of arbitrators.
- Made statements at General Council and Davos mini Ministerial in support of the EU's proposal for Interim Arrangements for an Appellate mechanism in the interim while the AB is in crisis.

## **12.11. Outreach Activities**

- Negotiation and discussion with members on resolving Appellate Body deadlock.
- Approaching the relevant agencies for Technical Assistance including TBT, TFA etc.
- Discussions and Consultations with Advisory Centre on WTO Law (ACWL) and WTO and other relevant organizations to secure capacity building positions for Pakistani officers
- During the selection process of the DG WTO the Pakistan engaged and had outreach with different members to understand/ assess position of various candidates in light of Pakistan's interests.
- Securing chair of various WTO bodies and committees etc. Pakistan has secured the Chair for Import Licensing Committee. This has been achieved after many years. In addition, Pakistan is actively engaging in diplomatic efforts to secure at Ambassadorial level for the next chair such as the CTD.

## **12.12. Bilateral and Small Group Consultations on Trade, Investment and WTO Issues**

- Held bilateral meetings with other Ambassadors of various countries to lobby for and forge convergence on issues especially on issues of mutual interest.
- Held bilateral meetings with senior officials of international organizations such as WTO, ITC, UNCTAD and other think tanks to present Pakistan's position.
- Participation in small group consultations on Development, Fisheries and Investment facilitation with the chairs of respective groups and met with coalition coordinators
- Pakistan engaged in consultations for TRQ apportionment, separately with the delegations of the EU and the UK, held under the Article XXVIII of the GATT, as a result of Brexit. Various rounds of consultations were held with both the EU and UK.
- Pakistan regularly consulted ACWL for obtaining legal opinion in various trade subjects and for the legal drafting. ACWL provided its legal drafting and advice on the exchange of letters between Pakistan and EU and similarly for letter of agreement between Pakistan and UK. Legal opinions and advices were received on the Afghanistan transit trade and PS issues.

## **12.13. Other Miscellaneous Activities at WTO**

- Pakistan Permanent Mission to the WTO provided input on *renegotiation of the Afghan-Pakistan Transit Trade Agreement (APTTA) with Afghanistan*. Several meetings were held and a detailed legal opinion and negotiating position was prepared to enable the Ministry in its discussions with the Afghan side. The Mission was successful in preparing a strategy to secure Pakistan's strategic, political and economic objectives.
- Preparation of a comprehensive strategy and *on securing the Basmati GI tag for Pakistan rice in the EU*.
- Attending other seminars, webinars and conferences organized by various organizations such as South Centre, CUTS International, ITC, IISD, etc and preparing for meetings and reports
- The Mission also provided comments on several matters, laws, prospective agreements including the D-8.

## **12.14. Other Research and Consultation Initiatives at WTO**

Other than the above, the Mission has also embarked on a new initiative to independently engage leading academics and think tanks in leading Universities and organizations across Pakistan, the U.K, and Geneva. The main objective is to conduct independent analyses and research and consult stakeholders in Pakistan in order to contribute in an informed way to the Mission's and the Ministry of Commerce's efforts and policies on various issues such as Investment, Agriculture, e-Commerce, Fisheries, and Cotton etc. Experts belonging to PIDE, SDPI Islamabad, Universities of Cambridge, IDS Sussex, LSE, Oxford, the ILO, WTO, UNCTAD, South Centre, Third World Network and other institutions are likely to be involved. The research and analyses so conducted will be shared with the MoC and will form part of the larger strategic policy making background papers.

## **12.15. Promotional Trade and Investments**

### **12.15.1. ISPO fair in Munich**

Pakistan Permanent Mission to the WTO assisted Pakistan Sports Goods Manufacturers & Exporters Association in meeting with Swiss buyers at the ISPO fair in Munich which is the leading trade fair for sports business professionals that took place in February 2019.

### **12.15.2. Nuts and Dried Fruits**

In June 2019, the Mission showcased Pakistan's nuts during the 66th session of the specialized section on standardization of dry and dried products organized by the United Nations Economic Commission for Europe.

### **12.15.3. WTO Open Days**

On 16<sup>th</sup> June 2019, Pakistan participated at the WTO open day's event with a stand of Pakistani foods. The event was to reach out to international communities in Geneva to create awareness of Pakistan culture through food tasting. The WTO welcomed close to 3,000 visitors who enjoyed guided tours of its building, gained insights into the work of the WTO, tasted the national cuisines of a range of WTO members.

### **12.15.4. World Cotton day 2019**

- Pakistan had a stall where it showcased its cotton production chain with its textile related industry and products World Cotton day 2020
- Pakistan Permanent Mission to the WTO organized Pakistan's participation in the second World Cotton Day. This year the event was held in a virtual mode because of the COVID-19 pandemic.
- The Mission participated in the virtual mode, by sharing videos of prominent personalities and continuing awareness and promotion of cotton on the social media, using the #World Cotton Day hashtag, in coordination with the WTO Secretariat and the Ministry of Commerce.

### **12.15.5. Mangoes promotion**

Since 2017, in coordination with TDAP, Mission promoted mangoes within Swiss major retailers, restaurants and the international diplomatic community.

## **13. DEVELOPMENT WING**

### **13.1. Functions**

#### **13.1.1. Public Sector Development Program (PSDP) Section:**

- 1) Implementation of the Project Management Policy and ECNEC Guidelines of Project Management notified by Planning Commission.
- 2) Coordination with Planning and Finance Divisions, Executing Agencies and other stakeholders for preparation and implementation of PSDP funded projects of M/o Commerce.
- 3) Technical input / preliminary appraisal in process of PC-Is preparation before submitting to relevant competent fora for consideration/approval.
- 4) Monitoring of PSDP projects both under implementation and completed through PC-III & PC-IV, PC-V respectively
- 5) Preparation of Briefs and replies for APCC, DDWP, CDWP, ECNEC, National Assembly and Senate Questions on PSDP of M/o Commerce.
- 6) Assist the Project Directors/PMU in preparation and submission of PC-I, PC-II, PC-IV, PC-V, New Item Statements (NIS) / Budget Orders (BO), release of funds and other administrative and financial matter pertaining to preparation and implementation of PSDP projects.

#### **13.1.2. Statistics Section:**

- 1) Focal Section of M/o Commerce for compilation / provision of international trade data Compilation/Maintaining Pakistan's country-wise, commodity-wise/ group-wise international trade data on monthly basis.
- 2) Provision of trade (Exports & Imports) data by Commodity-wise, country-wise as per requirements of all concerned Wings of M/o Commerce.
- 3) Preparation of monthly summary of trade and group-wise circulation within Ministry.
- 4) Providing necessary trade data within Ministry for preparation of reply to the questions of National Assembly, Senate and Standing Committees.

- 5) Providing external trade Statistics to Secretary Commerce for discussion / participating in Economic Coordination Committee (ECC).
- 6) Providing external trade data to Advisor Office on requirements.

### **13.2. Overview of PSDP Projects:**

M/o Commerce approved/implemented the following PSDP funded projects:

- 1) Expo Centre Peshawar
- 2) Expo Centre Quetta

#### **13.2.1. 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. The project achieved physical progress of 58% and financial progress of 53%.

#### **13.2.2. Expo Centre, Quetta**

CDWP approved the project in its meeting held on 26th September, 2019 at an estimated cost of Rs. 2500.00 million. Authorization letter of the project was issued in October, 2019. M/s Pakistan Expo Centres Pvt. Ltd. is in possession of a 50 acres' piece of land for construction of Expo Centre provided by Govt. of Balochistan in November, 2018. During the financial year (FY 2019-20) an amount of Rs. 100.00 million was allocated for the project in PSDP 2019-20, which was surrendered back in May, 2020.

**PART-II**

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

## 14. TRADING CORPORATION OF PAKISTAN

### 14.1. (Activities of the Corporation for the Year 2019-20)

#### 14.1.1. Prime Minister's Performance Delivery Unit (PMDU) TASKS 2019-20.

In order to improve governance and service delivery of various Divisions/Ministries, the Prime Minister's Office devised a composite tasking document containing proposed interventions, with timelines, in the shape of specific institutional interventions for improving the governance and service delivery paradigm. TCP implemented the requisite tasks within the due time frame as per following details:

S.No.	Tasks	Action required	Implementation Status
1)	Framing/updating the Recruitment Rules.	Recruitment Rules, whether afresh or which need to be updated, for all identified or left-over positions shall be framed at all levels within <b><u>60 working days</u></b> .	<b><u>Implemented within stipulated time.</u></b>  With the approval of the TCP's Board of Directors, vide Board Resolution dated 20-05-2020, recruitment rules for all the posts have been framed and accordingly incorporated in the Trading Corporation of Pakistan (Pvt.) Limited Recruitment Rules (as amended), 2005.
2)	Filling of all vacant positions laying in the recruitment ambit of the Min/Div/Attached Departments.	All vacant positions falling in the recruitment ambit of the Ministries/Divisions or its attached departments shall be filled in within <b><u>120 working days</u></b> adhering to the manner prescribed, except those which are either coming in restructuring process or meant for promotion.	<b><u>Implemented within stipulated time.</u></b>  Recruitment process against the two vacant positions, viz. Chief Internal Auditor and Company Secretary has been finalized.
3)	Timely disposal of enquiries pending.	All enquiries initiated under E&D Rules, pending at any level beyond three months, shall be finalized on merit and submitted to concerned quarters within <b><u>90 working days</u></b> . All Heads of the Organizations shall issue strict instructions in this behalf and ensure compliance.	<b><u>Implemented within stipulated time</u></b>  Only one inquiry was pending which has since been finalized.
4)	Archiving of old files / record & auction of condemn machinery, equipment, vehicles, furniture etc.	All Heads of Organizations shall ensure within <b><u>90 working-days that</u></b> : a. Entire record including old files is properly archived as per procedure. b. All types of condemnable machinery/ equipment/vehicles/ furniture, as per identified list or any if left-over, is auctioned as per procedure.	<b><u>Partially implemented within stipulated time</u></b>  Physical archiving of old record/files has been completed, whereas disposal of junk items is in process for auctioning, which hopefully would be completed within extended period of time during the next Financial Year.



#### **14.1.2. Prime Minister's Performance Delivery Unit (PMDU) Complaints 2019-20.**

In order to improve public service delivery and make grievances redressal mechanism more efficient and responsive in all Ministries/Divisions and their attached department, the Prime Minister's Performance Delivery Unit (PMDU) has designed and introduced. Information & Communication Technology (ICT) based system i.e. Pakistan Citizen Portal.

During the year 2019-20, seventeen (17) complaints have been received on the dashboard of TCP from Pakistan Citizen Portal, out of which eight (8) complaints pertained to TCP, which were resolved/closed/dropped in the light of relevant rules/regulations and decided on merit for possible provision of relief to the citizens. The remaining complaints pertained to other different departments / authorities which were forwarded to them accordingly.

#### **14.1.3. Legal Cases/ Achievements.**

During the year 2019-20, thirteen (13) cases (appeals/reviews etc.) got disposed of by different Law Courts in favor of TCP. The detail of each category is as under:

- 1) No. of Civil cases = 09
- 2) No. of Service matters = 04

#### **14.1.4 During the year 2019-20, some other achievements were made, the details are stated below:**

- 1) The Judgment Debtor (M/s. Freight Services) in a pending Execution has satisfied the decree in favour of TCP by depositing an amount of **Rs.6,810,081/-** along with mark-up as full and final payment in TCP's account.
- 2) The Judgment Debtor (M/s. Burki Cotton & Others, Arifwala, Sahiwal) in a pending Execution has satisfied the decree in favour of TCP by depositing an amount of Rs.1,606,972/- along with mark-up as full and final payment in TCP's account.
- 3) The Judgment Debtor (M/s. National Cotton Factory, Uch Sharif, Rahimyar Khan) in a pending Execution has satisfied the decree in favour of TCP by depositing an amount of Rs.760,506/- along with mark-up as full and final payment in TCP's account.
- 4) TCP recovered an amount of Rs.1,500,000/- from the Judgment Debtor (M/s. Ravi Traders) in a pending Execution at Gwadar and deposited in TCP's account.
- 5) TCP recovered an amount of Rs.600,000/- from the Judgment Debtor in Suit No.346/1990 – TCP vs. M/s. Rais Bashir Ahmed Cotton Ginners, Sadiqabad and deposited in TCP's account.
- 6) On the directions of Hon'ble Court in Rent Execution No. 14/2019 in Rent Case No. 248/2018 – TCP VS. M/s. Studio One (Tenant) before VIth SCJ, Karachi (East) TCP's demised premises viz. Godown No. E-36, E-38 & E-39 centered at Korangi Godown got vacated and handed over to TCP through Court Bailiff and Police aid after preparation of inventory and submitted its compliance report to the Court.
- 7) Execution Application No.45/2007 filed by TCP against City District Government Karachi (CDGK) has been allowed by the Court and directed to Nazir, High Court of Sindh to release the decretal amount of Rs.4,572,798/- along with markup to TCP.

#### **14.1.5 Recoveries/Receivables.**

During the year 2019-20, TCP received an amount of Rs. 2,922.916 million from M/s. NFML towards sale proceeds of Urea.

During the year 2019-20, TCP received an amount of Rs. 2,550.000 million from M/s. USC towards Sale proceeds of Sugar.

#### 14.1.6. Sale Proceedings/Deliveries.

During the year 2019-20, TCP issued two (02) Delivery Orders amounting to Rs. 3,635.550 million in favor of M/s. NFML for Sale of 100,987.500 MT Imported Urea.

During the year 2019-20, TCP issued Delivery Order amounting to Rs. 1,452,416/- for Sale of 69.150 MT Sweeping Urea.

During the year 2019-20, TCP issued two 02 Delivery Orders for sale of Jute Bags amounting to Rs. 6,417,098/-.

#### 14.1.7. Import of Urea.

As per decision of ECC of the Cabinet vide case # ECC-109/13/2019, dated 03rd April 2019, TCP imported 100,972 MT Urea, to meet the requirement of Kharif Crop. Two ships namely MV “Iron Lady” and MV “Gravity” carrying 50,073 MT and 50,899 MT urea arrived at Karachi Port on 21-07-2019 and 28-07-2019, respectively. The discharging of urea from 1st vessel commenced on 22-07-2019 and completed on 20-08-2019, whereas, 2nd vessel MV “Gravity” arrived on 29-07-2019, commenced discharging on 31-08-2019, and completed discharging on 28-08-2019 the details are as under: -

Sr. No.	Name of Vessels	Date of Arrival	Quantity (MT)
1)	M.V IRON LADY	22-07-2019	50,073.00
2)	M.V GRAVITY	28-07-2019	50,899.00
<b>Total</b>			<b>100,972.00</b>

Due to efficient and professional handling of vessels, TCP earned a substantial amount of US\$ 61,403.12 and saved all demurrages on vessels.

#### 14.1.8. Rent Received.

An amount of Rs. 3,268,242/- received against rent from Residential Colonies at TCP’s Pipri and Landhi Godowns. An amount of Rs.207,252,156.26 has also been received against the rent of TCP’s Pipri, Korangi and Landhi Godowns.

#### 14.1.9. Issuance of Authenticity Certificate.

Issuance of Authenticity Certificate for export of Brown/Parboiled/White Rice to European Union Countries during the year 2019-2020, details are as under: -

Total Export (MT)	Value in USD	Inspection Fee (Rs.)	No. of Authenticity Certificates Issued
311,242.032	255,436,116.821	50,652,000/=	1093

#### 14.1.10. Issuance of Inspection Certificate.

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 USD	Inspection Fee (Rs.)	No. of Inspection Certificates Issued
182.00	151,060	32,000	01

#### 14.1.11. Dividend.

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

Balance of General Reserve as on 30 <sup>th</sup> June 2019	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 <sup>th</sup> June 2020	Rs. <u>7,500</u> million

#### 14.1.12. Stocks Lying TCP's Godowns as on 30-06-2020

##### 14.1.12.1. Stock Position at 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 record.

##### 14.1.12.2. Stock Position at Landhi Godown:

S. No.	COMMODITY	STOCK POSITION	REMARKS
1)	Dunnage Gunny bags	3.5 MT	As per book record

##### 14.1.12.3. Stock Position at Korangi Godown:

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

#### 14.2. Corporate Social Responsibility

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 "Plant 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 will prepare

around 800,000 seed balls and scattered majority of them at different sites during the monsoon season from August to November 2019.

## **15. STATE LIFE INSURANCE CORPORATION OF PAKISTAN**

### **15.1. Individual Life Business – Pakistan’s Operations:**

First year gross premium income under Individual Life policies during the year 2020 was Rs. 13,838 million as compared to Rs.12,725million in the year 2019, showing anincrease of 8.75%. Gross renewal premium was Rs. 91,227 million in FY 2020 whereas it was Rs.89,190million in FY 2019, resulting an increase of 2.28%.

### **15.2. Individual Life Business – Overseas Operations:**

Overseas business, first year gross premium under Individual Life policies, during the year 2020 was Rs. 221 million as against Rs. 182 million in the year 2019, showing an increase of 21.4%. Gross renewal premium in FY 2020 was Rs. 2,016 million as compared to Rs. 2,095 million in 2019, showing a decline of 3.80%.

### **15.3. Group Life Business:**

Premium under Group Life policies during the year 2020 was Rs. 4,137 million excluding experience refund/ERF as compared to Rs. 3,778 million in the corresponding year, showing increase of 9.50%.

### **15.4. Health insurance business:**

Premium under Health and Accident Insurance business during the year 2020 was Rs. 7,975 million excluding experience refund/ERF as compared to Rs. 4,805 million in 2019, showing a remarkable increase of 66% mainly due to health insurance policies undertaken for the Prime Minister’s Health Insurance Programs as follows:

#### **15.4.1. Federal Sehat Sahulat Program**

The Federal Government’s Sehat Sahulat program formally known as the Prime Minister National Health Program has been implemented in more than 68 districts across Pakistan and provides protection against catastrophic health expenditures to the poor segment of the society

Under this scheme, a total of 403,000+ patients have been provided the health care services up to Rs. 60,000 for secondary procedures and Rs. 300,000/- for tertiary procedures from 450+empaneled hospitals across Pakistan.

State life has incurred more than Rs. 9 billion of claim in lieu of the provided services

As per recent third party satisfactory survey, more than 97% of the families have shown satisfaction upon the services provided under the program.

The program is perceived to be expanded in all districts of Pakistan. The Corporation is targeting more than 50 million individuals who would be provided the insurance coverage against catastrophic health care expenditure. Universal coverage in FATA, Thar parker and AJK have been implemented.

Further, the coverage has been extended to cover all the disabled persons and registered transgender community of Pakistan. Plans are underway to expand the scheme to cover 100% population of Gilgit-Baltistan and Islamabad.

#### 15.4.2. Sehat Sahulat Program – KP

The Social Health Protection Initiative (SHPI) which started in 4 districts of Khyber Pakhtunkhwa has been extended to all the districts of KP province. The target population of beneficiaries which was 2.1 million families has been further expanded in 2020.

The program has entered new phase where the hospitalization coverage under this program has been increased to Rs. 40,000 per person for secondary procedures and 400,000 for tertiary care treatments. The program also provides maternity and tertiary transport and funeral expenses.

State life has won the competitive bidding for extension of coverage to 100% population of KP, where more than 7 million families would be covered. This scheme has a worth of around 100 billion in the next five years. However, universal health insurance would be implemented zone wise (each zone consisting of 4 to 6 districts and thus 100% population would be covered).

So far, more than 276,000 admissions have taken place under the scheme in more than 140+ hospitals of KP. Under the new phase, inter district portability has been extended across Pakistan which will enable the patients of KP to seek health care coverage across State Life's network of more than 450+ hospitals.

#### 15.5. Investment Portfolio and Investment Income:

The balanced composition of the investment portfolio helps State Life earn a good rate of return, the benefit of which is ultimately passed on to the policyholders. Below are the year wise details of investment income earned by the Corporation.

(Rs. in Billion)

Year	Investment Income	Growth Rate %
2019	95.80	36.32%
2020	105.60	10.23%

#### 15.6. Life Fund:

State Life's huge Life fund clearly reflects the confidence and trust of policyholders in its business. Below are the year wise details of the Life fund.

(Rs. in Billion)

Year	Life Fund	Growth Rate %
2019	996.40	14.03%
2020	1,128.15	13.22%

#### 15.7. Annual Profits Remitted to Government:

The profit after tax attributable to Shareholders for financial year 2020 was Rs. 4.206 billion as compared to Rs. 1.984 billion in 2019. Consequently, an amount of Rs. 2.386 billion (FY 2019: 399 million) has been transferred to Ledger Account "D" Solvency reserve on the advice of Appointed Actuary and the profit available to shareholders is Rs. 1.820 billion (2019: 1.585 billion).

#### 15.8. Amounts Paid to Policyholders:

The Corporation has been successfully fulfilling its contractual obligations since its inception. The table below provides total claims paid to the policyholders over the last two years.

(Rs. in Billion)

Year	Amount paid to Policyholders	Growth Rate %
2019	57.16	7.32%
2020	64.94	13.61%

#### 15.9. sBonus Allocated to Policyholders:

State Life has been successfully meeting the expectations of policyholders who generally demand a good return (Bonuses) on their policies. It is worth mentioning here that SLIC is the only life insurance company that is distributing 97.5% of its Actuarial Surplus to policyholders as compared to only 90% distributed by the private life insurance companies of Pakistan.

(Rs. in Billion)

Year	Cost of Bonus	Growth Rate %
2019	68.56	12.25%
2020	75.97	10.81%

#### 15.10. Financial Rating

PACRA has assigned Insurer Financial Strength rating of 'AAA' to State Life. This is the highest possible rating an insurer can achieve. It reflects the Corporation's exceptionally strong capacity to meet policyholder and contractual obligations

State Life has successfully maintained the rating to date.

#### 15.11. Key Profitability Ratios:

	2020	2019
<b>Profit before tax / Gross Premium</b>	4.96%	2.48%
<b>Profit after tax / Gross Premium</b>	3.52%	1.76%
<b>Earnings per share - Pre-Tax (Rs.)</b>	137.78	72.74
<b>Earnings per share - After Tax (Rs.)</b>	97.78	51.61
<b>Cash Dividend per share (Rs.)</b>	39.57	31.33

#### 16. PAKISTAN EXPO CENTRE, LAHORE

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 operational and development works of the Company are as under:

##### 16.1. Operational Activities:

Regarding Operations of the Company in the last 10 years; 480 Events have been successfully held at Expo Centre Lahore till March, 2020 which includes 300 Exhibitions and 180 Corporate Events. During FY 2019-20, 47 events were held at Expo Centre Lahore.

In March 2020, at the beginning of Corona virus pandemic in Pakistan, Deputy Commissioner Office Lahore unilaterally acquired the facility of Expo Centre Lahore for the provision of health services to Corona Virus (COVID-19) patients. In accordance with the decision of meeting held on April 10, 2020 at Deputy Commissioner Lahore Camp Office, the Management of Pakistan Expo Centres Private Limited is providing its full support on 24/7 to the Healthcare department in the facility management services which includes HVAC, Electricity, Water Supply, Security & Surveillance, Janitorial, Housekeeping, Maintenance and all kind of administrative support for the smooth functioning of this field hospital/vaccination center since March 2020 to date.

Pakistan Expo Centres Private Limited raised its invoices as per the existing approved tariff of the facility to Deputy Commissioner Office Lahore and Specialized Healthcare Department, Government of the Punjab for the usage of Expo facilities which includes the Cost of Utilities, HR support for the functioning of facility, cost of plant & machinery, maintenance cost and other overheads except the damages to the facility.

The Management of Expo Centre Lahore is providing its full support on 24/7 since March 2020 to date for the smooth functioning of Corona virus Hospital/ Vaccination Centre despite the fact that no payment were made to Expo Centre Lahore for its services/facilities. Quite unfortunately, maintenance work of Expo Centre Lahore has suffered since the establishment of Corona virus Hospital and Vaccination Centre.

Expo Centre Lahore is in operations since May 2010 on self-sustaining basis and meeting all its operational expenditures from its operational revenues. The Centre is not getting a single penny from any Government for its Operational expenditures. The Company never defaulted in its history on account of payment to creditors, contractors, utility companies, employees and loan repayments. Likewise, there were no bad debts in the history of the company. This Financial discipline was possible due to one of the main reason that all the stakeholders followed the terms and conditions defined by the Company regarding usage of Expo Centre Lahore facility and made all the payments to the Company in accordance with its approved tariff for its various facilities. Expo Centre Lahore was the successful business model in which Government without any financial burden was generating trade activities for economic growth.

## **16.2. Development Works:**

About the development projects of the Company, presently the Company is engaged in the construction works of Expo Centre Peshawar and also started the initial work of Expo Centre Quetta.

Regarding Expo Centre Peshawar, it is a matter of satisfaction that the physical activity on the project of Expo Centre Peshawar is in progress. The major development activities on the project are as under:

NESPAK as Consultant has been engaged and completed major designing of the project.

- 1) Geotechnical Surveys are completed.
- 2) Boundary wall of the Expo facility is completed.
- 3) Work on Gatehouses and Security towers is also completed.
- 4) Foundations of both the Exhibition Halls are completed.
- 5) Fabrication and Erection of steel structure of both exhibition halls are completed.
- 6) Works related to infrastructure like Road Works, Drain under Roads, Drain under Walkway, Sewerage Collection System and Water Supply Distribution System are in progress.

Against the approved cost of Rs. 2,500 Million for Expo Centre Peshawar; the Company has received and incurred Rs. 1,690 Million up to June 30, 2020. During FY 2019-20, the allocation from PSDP was Rs. 300 Million for Expo Centre Peshawar which could not be released to the Company. Low allocations and delays in the release of funds are affecting the physical progress of the project due to which cost escalation is

expected. However, the project can be completed by June 30, 2022 subject to the timely availability of desired funding.

Regarding Expo Centre Quetta, on March 19, 2018, CDWP approved PC-1 of Expo Centre Quetta at the cost of Rs. 2,500 Million. Subsequently, on September 25, 2019, CDWP approved the feasibility of Expo Centre Quetta and on March 09, 2020; Ministry of Commerce issued the administrative approval of the project. During the FY 2019-20, the allocation from PSDP was Rs.100 Million for Expo Centre Quetta which could not be released to the Company. Project completion timelines are two years subject to the timely availability of desired funding.

## **17. INTELLECTUAL PROPERTY ORGANIZATIONS OF PAKISTAN**

During the year 2019-20, IPO-Pakistan has taken a number of initiatives to improve service delivery and to strengthen the IPR regime in the country. These includes automation of official processes, upgradation of legal frame work, provision of online IP registration, capacity building of law enforcement agencies, establishment of technology innovation support centers, all over the country and strengthening the institutional linkages. Moreover, parliament passed the GI Law on 1<sup>st</sup> march 2020. These initiatives were not only appreciated by the stakeholders within the country but were also acknowledged by the international community. Resultantly, Pakistan's global IP ranking improved from 109<sup>th</sup>, in 2016 to 78<sup>th</sup>, in 2020, in Global Competitiveness Report and from 119<sup>th</sup>, in 2016 to 104<sup>th</sup>, in 2020, in Global Innovation Index.

A brief description of major activities undertaken during 2019-20 is as follows:

### **17.1. Automation:**

- i. **Implementation of E-Office:** the implementation of Internal Correspondence (IC) module has been successfully completed at IPO HQs Islamabad and Regional office Lahore, Karachi based Registries in 2019.

### **17.2. Online Filing System with Online Payments**

IPO-Pakistan developed and launched online filing system (on February 21, 2020) for submission of IP Applications online along with online payments. As of now, five trademark forms (TM-1, TM-11, TM-16, TM-55 and TM-57) can be submitted online along with their online payment. Video Tutorial and Guides about online filing system were also made available on IPO website during FY-2019-20.

### **17.3. Upgradation of IP Legal framework:**

To meet the global IP requirements, IPO Pakistan in consultation with relevant stakeholders revised the existing IP legislations on 'Patent, Trademark Copyright and Industrial Designs'. The same were sent to the Federal Government for the consideration of the parliament.

### **17.4. Formulation of GI Law:**

Intellectual Property Organization of Pakistan (IPO) is creating an effective IP environment by addressing shortcomings in the legislative framework. To attain this purpose legislative protection of Geographical Indication in the form of Geographical Indications Protection and Registration Act, 2020, has been enacted by the Parliament on 11<sup>th</sup> March, 2020 and subsequently published on 31<sup>st</sup> March, 2020.

### **17.5. IP Registration and Management:**

During 2019-20, Trade Mark Registry received a total of 37,036 trademark applications and granted 30,173 registrations of trademarks. IPO-Pakistan has successfully brought down the examination related backlog from seven months to one month. Patent Office received 913 applications and issued acceptance of



346 Patents. A total of 490 applications for registration of Industrial Design were received and 411 registrations were granted. Copyright office received 5,991 applications and granted 1,985 registrations.

#### **17.6. Establishment of Technology Innovation Support Centres (TISCs):**

IPO-Pakistan has established 47 TISCs in the leading universities, R&D institutions and Chambers of Commerce in Pakistan in 2019-20. These would promote innovation and provide a unique network for the promotion of IPRs in the country. These Centres provide access to more than 9 million databases.

#### **17.7. Strengthening of Institutional Linkages:**

Being the custodian of the innovation and knowledge-based economy, IPO- Pakistan has always followed a whole of the government approach. In this regard, IPO Pakistan strengthened its institutional linkages with the relevant stakeholders to promote IPRs, such as Higher Education Commission, Punjab Information and Technology Board (PITB), Federal Board of Revenue and twenty-three leading universities of Pakistan. During 2019-2020, IPO signed MoU with Securities and Exchange Commission of Pakistan (SECP), 11<sup>th</sup> March, 2020.

#### **17.8. IPR Enforcement:**

To strengthen the enforcement network seven IPR Enforcement Coordination Committees have been established in 2019-20. These committees had have provided a platform for strengthening the government and business collaborations for resolving IPR disputes etc. Thus the representations from Provincial Food and Health Departments, local Chambers of Commerce and Industries and law enforcement agencies have been ensured on the committees.

#### **17.9. Events/Awareness Activities for 2019-2020**

Intellectual Property Academy aims to raise awareness about the importance of IPR's as an instrument for financial and economic growth advancement. Pakistan is committed to support socio-economic and cultural development while encouraging entrepreneurship as well as access to areas of economic, and linking it to technology and innovation through IPRs, even during the current pandemic. In this regard IPO-Pakistan keep holding IPR awareness campaigns with Academia, Business community and other relevant institutions. A brief account of these activities held during FY 2019-20 are as follows:-

S/No	Section Wise	*Northern Region	**Central Region	***Southern Region	Total
1)	Academia/Universities	33	14	21	70
2)	Business Associations/Industry	9	2	13	24
3)	R&D Institutions	3	7	4	14
4)	Other (including Enforcement Agencies)	6	9	3	20
	<b>Total</b>	<b>51</b>	<b>32</b>	<b>41</b>	<b>128</b>

#### **18. NATIONAL TARIFF COMMISSION**

National Tariff Commission (the Commission) an autonomous “Investigation authority” and “Quasi-Judicial Body” established under the National Tariff Commission Act, 1990 now replaced by the National Tariff Commission Act, 2015. Functions of the Commission are to provide assistance to domestic industry

with the primary objective of improving domestic industrial growth and competitiveness, providing remedy to domestic industry from unfair trade practices and surge in imports. All such proceedings are carried out in conformity with the World Trade Organization (WTO). The Commission advises exporters facing trade defence actions by other WTO members. The Commission also advises the Government on issues related to Pakistan's industry competitiveness, promotion of exports and customs tariff rationalization. The following Laws have been enacted by the Federal Government and administrated by the National Tariff Commission: -

- (a) The National Tariff Commission Act, 2015,
- (b) The Antidumping Duties Act, 2015,
- (c) The Countervailing Duties Act, 2015, and
- (d) The Safeguard Measures Amendment Act, 2015

Functions of the National Tariff Commission (“Commission”) under section 8 of the National Tariff Commission Act, 2015 shall be to advise the Federal Government on;

- (a) tariff and other trade measures to: -
  - (i) provide assistance to the domestic industry; and
  - (ii) improve the competitiveness of the domestic industry.
- (b) trade remedy actions being faced by domestic producers and exporters;
- (c) rationalization of tariff and proposals for tariff reform;
- (d) removal of tariff anomalies; and
- (e) any other matter relating to tariff or trade measures that the Federal Government may refer to the Commission.

In addition to the functions specified in sub-section (1), the Commission shall also perform such functions with respect to international trade and other matters that may be assigned to it by the trade remedies laws or any other law for the time being in force.

Where the Federal Government has adopted the recommendations of the Commission in whole or part, the Commission shall periodically review the effect of such recommendations and in consequence of the review may give further recommendations to the Federal Government.

The Commission shall advise, where possible, the domestic exporters and producers facing trade remedy investigations abroad.

The Commission shall assist the Federal Government at the World Trade Organization dispute settlement body in respect of matters pertaining to the Trade Remedy Laws, WTO Covered Agreements and disputes under other trade agreements.

The Commission may undertake research to facilitate effective implementation of Trade Remedy Laws and tariff rationalization, in a manner to be prescribed.

In recent past, the Honorable Prime Minister of Pakistan and the Federal Cabinet of the Government of Pakistan approved National Tariff Policy 2019-2024. This policy will be implemented through Tariff Policy Board. The Tariff Policy Centre (Technical) is created in the Commission to act as Secretariat to this Tariff Policy Board. The Commission will make proposals for the Tariff Policy Board to:

- (i) simplify the tariff slabs on the principle of cascading;
- (ii) gradually reduce the tariffs on raw materials, intermediate and capital goods;
- (iii) gradually reduce the additional customs duty and regulatory duties;
- (iv) ensure that the difference in the rates of tariff for the commercial importers and the industrial users of raw materials, intermediate and capital goods will be eliminated to reduce misuse of such differentials and to provide access to such essential materials for SMEs; and

- (v) provide time-bound protection to the nascent industry, which will cover the payback period of financing and investment.

**18.1. Anti-dumping Investigations:**

	<b>Anti-dumping investigations (during 2019-20)</b>	
	<b>No. of Achievements</b>	<b>Case Name</b>
Initiation of Investigation	01	• Yellow Chrome Pigment
Preliminary Determination	01	• Cold Rolled Coils/Sheets/Strips
Final Determination	01	• Cold Rolled Coils/Sheets/Strips
<b>Total</b>	<b>03</b>	

**18.2. Protection to domestic industry:**

<b>Description</b>	<b>Protection Cases (during 2019-20)</b>	
	<b>Case Name</b>	<b>No. of Achievements</b>
Initiation of Cases	Steel Sector (Long and Flat Products)	1
	Crank Shaft	1
	Waste and Scrap of Brass	1
	Interlining/Bukram	1
	Laminated Board	1
	Auto Air-Conditioner Compressor	1
	Automotive Parts	1
	Steel Bars	1
	Sack Kraft Paper Bags	1
	Pakistan Association of Printing and Graphics Arts Industry (PAPGAI) request for tariff Rationalization	1
	Study on Smuggling of Fabrics	1
Aluminum Caps	1	
	Styrene Acrylic Emulsion	1
	Waste and scrap of brass	1
Public Hearings	Steel Sector (Long and Flat Products)	1
	Crank Shaft	1
	First Aid Bandages	1
	Waste and Scrap of Brass	1
	Interlining/Bukram	1

	Laminated Board	1	
	Aluminum Caps	1	
	Styrene Acrylic Emulsion	1	
	Waste and scrap of brass	1	
Recommendation sent to Ministry of Commerce	Steel Sector (Long and Flat Products)	1	
	Crank Shaft	1	
	Waste and Scrap of Brass	1	
	Interlining/Bukram	1	
	Laminated Board	1	
	Auto AC compressor	1	
	Steel Bars	1	
	Pakistan Association of Printing and Graphics Arts Industry (PAPGAI) request for tariff Rationalization	1	
	Aluminum Caps	1	
	Styrene Acrylic Emulsion	1	
	Waste and scrap of brass	1	
	<b>Total</b>		<b>75</b>

### 18.3. Assistance to Government at WTO

Case Name	No. of Achievements
Provision of assistance to Government for Dispute under WTO DSB on Antidumping Duties Imposed on BOPP film Imported from China, Oman, UAE and Saudi Arabia	1

### 18.4. Assistance to Exporters

Case Name	No. of Achievements
Provision of assistance to Pakistani exporters of Carbon Steel Welded Pipes in anti-dumping case of Carbon Steel Welded Pipes in Canada.	1
Assistance provided to the local industry manufacturing Clear Float Glass in “Sunset Review of anti-dumping duties imposed by India on imports of ‘Clear Float Glass’, originating in or exported from Pakistan, Saudi Arabia and UAE”.	1

### 18.5. Tariff Proposals

Description	Tariff Proposals Accepted (2019-20)	
	Achievements No of (Accepted Tariff Lines)	Industry
Customs duty (CD) proposals (1st Mini Budget 2018-19)	34	<ul style="list-style-type: none"> <li>• Chemicals</li> <li>• Textile</li> <li>• Machinery parts</li> </ul>
Customs duty (CD) proposals (2 <sup>nd</sup> Mini Budget 2019-20)	60	<ul style="list-style-type: none"> <li>• Minerals</li> <li>• Chemicals</li> <li>• Plastic</li> <li>• Rubber</li> </ul>

		<ul style="list-style-type: none"> <li>• Textile</li> <li>• Machinery Parts</li> </ul>
Regulatory duty (RD) proposals (2 <sup>nd</sup> Mini Budget 2019-20)	30	<ul style="list-style-type: none"> <li>• Chemicals</li> <li>• Textile</li> <li>• Footwear</li> <li>• Glass</li> <li>• Machinery parts</li> </ul>
Regulatory duty (RD) on Exports proposals (2 <sup>nd</sup> Mini Budget 2019-20)	10	<ul style="list-style-type: none"> <li>• Steel waste and scrap</li> <li>• Led waste &amp; scrap, articles and parts</li> </ul>
Customs duty (CD) proposals (Main Budget 2019-20)	1638	<ul style="list-style-type: none"> <li>• Minerals</li> <li>• Chemicals</li> <li>• Plastic</li> <li>• Rubber</li> <li>• Wood pulp</li> <li>• Textile</li> <li>• Glass</li> <li>• Iron and Steel</li> <li>• Engineering sector</li> </ul>

#### 18.6 Consultation with domestic industry/ outreach Seminars:

Description	Consultation with domestic industry (2019-20)	
	Date	Participant Industry/ Sectors
Lahore	January 16, 2020 & February 13, 2020	<ul style="list-style-type: none"> <li>• Chemical industry</li> <li>• Paper and paper Board Industry</li> <li>• Paper Industry</li> <li>• Pakistan Association of Printing and Graphic Arts Industry (PAPGAI)</li> <li>• Pakistan Electronic Manufactures Association (PEMA) /Home Appliances industry</li> <li>• Lahore Chamber of Commerce and Industry (LCCI)</li> </ul>
Islamabad	January 23, 2020	<ul style="list-style-type: none"> <li>• Glass Industry</li> <li>• Cement Industry</li> <li>• MDF Board Industry.</li> </ul>
Karachi	February 10-12, 2020	<ul style="list-style-type: none"> <li>• FPCCI</li> <li>• Iron and Steel Sector</li> <li>• Pakistan Business Council</li> </ul>

## 19. TRADE DEVELOPMENT AUTHORITY OF PAKISTAN

TDAP has taken following activities/initiatives during 2019-2020:

- Reorganization of TDAP
- Trade Promotion (Exhibitions and Delegations)
- Trainings
- International Collaborations
- Seminars
- Establishment of Domestic Commerce Cells
- Export Order Verification
- Other Initiatives

### 19.1. Reorganization of TDAP:

TDAP restructured itself in order to perform all 48 mandated functions of TDAP Act through a sectoral focus rather than generalized marketing approach. The main objective of the restructuring was to create a hybrid structure with parallel administrative and functional reporting for smooth execution of TDAP functions. Following Sectoral Divisions have been created to perform assigned functions related to their respective sector/sub-sectors:

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

#### 19.1.1. Trade Promotion:

##### International Exhibitions

Name of Division	No. of Exhibitions
Engineering & Mineral Division	34
Agro Food Division	13
Textile & Leather Division	17
Services Halal & New Opportunity Development Division	02
General	01

#### 19.1.2. Trade Delegations:

Incoming Trade Delegation		
Delegation	Country	Date
China National Textile and Apparel Council (CNTAC)	China	01-07 July 2019
Visit of Italian Fashion Designer, Ms. Stella Jean to Northern Areas of Pakistan	Italy	25-31 August, 2019

Two Member Russian Trade Delegation on Ready to Wear Garments from Trade Centre LLC	Russia	15-20 September,2019
German Business Delegation specializing in Textile Technology organized by German Pakistan Chamber of Commerce and Industry	Germany	11 - 15 November, 2019
Visit of Chinese Delegation to Pakistan	China	13-15 November, 2019
Visit of Ms. Stella Jean, Italian Fashion Designers to Pakistan – Karachi for participation in Fashion Pakistan Week	Italy	(23-25, October, 2019.
TDAP and Animal Quarantine Department invited the Department of Veterinary Services, Ministry of Agriculture and Agro – Based Industry, Malaysia to inspect meat processing establishments in Pakistan.	Malaysia	13th – 28th July, 2019
Ministry of Agriculture and Fisheries	Japan	11 July to 31 August 2019
IAF Convention	Various countries	11 to 15 November 2019
German Delegation	Germany	11 to 15 November 2019
Trade Delegation Mauritius	Mauritius	October 2019
Trade Delegation	Egypt	October 2019
Italian Chef visited Pakistan in November 2019 for the promotion of Pakistani Food in Italian market.	Italy	November 2019
Russian quarantine inspectors visited Pakistan in January 2020 and inspected the establishment of rice exporters to lift the ban on import of rice from Russia	Russia	January 2020
<b>Outgoing Trade Delegation</b>		
Visit of Pakistan Fisheries Exporters to Thailand and Vietnam.	26th - 31st August, 2019	Vietnam and Thailand

### 19.1.3. Mango Diplomacy:

TDAP dispatched Mangoes to our Missions at Russia, Italy, Uzbekistan, Tajikistan, Romania, Bulgaria, Greece, China, Czech Republic and UAE where Mango Promotion were organized by these Missions to promote Pakistani Mangoes.

### 19.1.4. Trade Facilitation Centre:

The TDAP has established “Trade Facilitation Centre” at regional offices of Islamabad, Lahore, Peshawar and Quetta with the basic purpose to resolve issues of the industry and to facilitate export as well as to plan the way forward in export development.

## 19.2. Trainings:

### 19.2.1. 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 “National Exporters Training Program” (NETP) in September 2019 for Pakistani exporters. TDAP has planned to organize 24 sessions in all major and second tier cities of Pakistan. Details of completed session during July-June 2019-20 are as under:

Session	Date
NETP Karachi	17 <sup>th</sup> September 2019
NETP Lahore	14 <sup>th</sup> October 2019
NETP Islamabad	7 <sup>th</sup> January 2020
NETP Peshawar	8 <sup>th</sup> January 2020
NETP Sukkur	12 <sup>th</sup> March 2020

### 19.3. International Collaborations:

#### 19.3.1. Pakistan Goes Global:

TDAP is collaborating with the World Bank - Pakistan Goes Global team for support on following initiatives:

- (i) Establishment of 10-year institutional development plan for TDAP
- (ii) Establishment of sectoral mapping /value chain development plans
- (iii) One stop shop for exporters, to connect global buyers with local sellers by adopting international best practices of TPOs around the world

In order to maximize the participation of our exporters, World Bank has also agreed to facilitate on following:

- Trade Fairs participation internationally.
- Execution of Ministry of Commerce initiative namely Country Branding

The main components of the project are as follows:

Component	Title
Component 1	Investing in the Enabling Environment for Exporting
Component 1.1	Investing in Institutional Strengthening for Export Competitiveness
Component 1.2	Investing in export promotion infrastructure.
Component 2	Investing in firms' export capabilities
Component 2.1	Export Readiness Program (ERP)
Component 2.2	Institutional strengthening of SMEDA

#### 19.3.2. Pakistan Africa Trade Development Conference (PATDC)

In order to enhance trade and increase outreach to major African economies, the Ministry of Commerce launched “Look Africa Initiative”, which envisaged various measures to enhance trade with Africa. In 2019, the Ministry of Commerce relocated/opened six new Commercial Sections in Africa taking the total number to ten, to cover the top ten economies of Africa. Under the “Look Africa Policy initiative”, MOC in collaboration with TDAP organized the Pakistan – Africa Trade Development Conference (PATDC) in Nairobi, Kenya, from 30-31 January 2020, which is first of its kind.

The objective of this initiative was to bring the businessmen from Africa & Pakistan under one roof to explore ways to enhance trade and remove trade barriers. The PATDC comprised of two parts - the conference and the B2B meetings, which was to facilitate interactions of Pakistani delegates with African buyers through dedicated collaborative endeavors business to business meetings were scheduled on the 30<sup>th</sup> and 31<sup>st</sup> of January 2020 at the Kenyatta International Convention Centre (KICC). From Pakistan, eighty-nine (89) companies across the following sectors participated in the B2B sessions and more than two hundred



and forty-six (246) African delegates from across 26 African countries took part in B2B meetings with their counterparts from Pakistan.

### 19.3.3. Pakistan Turkey Business Forum

On the auspicious occasion of the visit of the President of the Republic of Turkey His Excellency Recep Tayyip Erdogan, the Ministry of Commerce and Trade Development Authority of Pakistan organized Pakistan Turkey B2B Networking Session on 13<sup>th</sup> February, 2020 at the Kehkashan Hall of Serena Hotel in Islamabad. The objective of this initiative was to bring the businessmen from Turkey & Pakistan under one roof to explore ways to enhance trade and investment. B2B matchmaking was organized between 58 Turkish companies and approximately 200 Pakistani counterparts including representatives of FPCCI.

## 19.4. Seminars

### 19.4.1. China Pakistan Free Trade Agreement Phase II:

S#	Name of the City	Date	Targeted Chamber/ Associations	Targeted Sectors as per 313 items list
1.	Karachi	10 Jan. 2020 (Fri)	FPCCI, KCCI, WCCI, APTMA, KCA, TMA, PLGMEA, PRGMEA, PTA, REAP, APFVEMA, PAKFEA, APGJMEA, APMEPA, PAAPAM, PAMA, PEMA, PPMA, PCMA, PC&DMA, PFMA, PYMA, PCMEA, HP&SAP, APCA, APCMA, APBUMA, PKSEA, PHMA and others	Textiles (Yarn, Readymade Garments, Home textile, Towels, Engineering, Autoparts, Agrofood (Seafood, Meat, prepared food, confectionery), Carpets and Rugs, Light Engineering, Leather, Cosmetics, Chemicals, Plastic, Electronics, Home Appliances, Footwear, Jewelry and Precious stones, Gloves, Cement
2.	Islamabad	15 Jan. 2020 (Wed.)	FPCCI, ICCI, RCCI, WCCI, & Trade Associations based at Islamabad and Rawalpindi	Textiles (Yarn, Readymade Garments, Home textile, Towels, Engineering, Autoparts, Agro-food ( Seafood, Meat, prepared food, confectionery), Carpets and Rugs, Light Engineering, Leather, Cosmetics, Chemicals, Plastic, Electronics, Home Appliances, Footwear, Jewelry and precious stones, Gloves, Cement
3.	Lahore	21 Jan. 2020 (Tue)	LCCI, WCCI, APTMA, KCA, TMA, PLGMEA, PRGMEA, PTA, REAP, APFVEMA, APGJMEA, APMEPA, PAAPAM, PAMA, PEMA, PPMA, PCMA, PC&DMA, PFMA, PYMA, PCMEA, HP&SAP, APCA, APCMA, APBUMA, PKSEA, PHMA and others	Textiles (Yarn, Garments, Home textile, Towels, Engineering, Autoparts, Agro food ( Seafood, Meat, prepared food, confectionery), Carpets and Rugs, Light Engineering, Leather, Chemicals, Plastic, Electronics, Home Appliances, Footwear, Jewelry, Gloves

4.	Peshawar	17 Feb. 2020 (Thur.)	Sarhad Chamber of Commerce & Industry Women Chamber APCEA and other Trade Associations	'do'
5.	Faisalabad	25 Feb. 2020 (Wed)	FCCI, APTMA, TMA, PLGMEA, PRGMEA, PGMEA,	'do'
6.	Quetta	02 March 2020	QCCI, QSCCI, PFVA and other Trade Associations	'do'

#### 19.4.2. Others:

Sukkur	20 <sup>th</sup> February 2020	Financial assistance and incentives by financial institutions for the development of SMEs	SMEs
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#### 19.5. Establishment of Domestic Commerce Cell

TDAP Established Domestic Commerce Cell on following Stations:

TDAP offices	Detail of Focal Officers
Islamabad	Mr. Muhammad Ishaq Shinwari, Director TDAP, Islamabad Telephone No. 051-9201660
Peshawar	Mr. Atlas Khan, Director TDAP, Peshawar Telephone No. 091-92171660
Quetta	Mr. Noor Ali Achakzai, Deputy Director/Incharge TDAP, Quetta Telephone No. 081-9202562
Gilgit (G.B)	Ms. Sumera Muneeb, Deputy Director TDAP, Gilgit (G.B) Telephone No. 05811-920484
Mirpur (AJK)	Syed Asad Hussain, Assistant Director TDAP, Mirpur (AJK) Telephone No. 05827-927716
Lahore	Ms. Muneeba Nawaz, Assistant Director TDAP, Lahore Telephone No. 042-99230640

#### 19.6. Export Order Verification:

After the onset of the Covid 19 Pandemic in March, there was a complete lockdown imposed by the government. Many exporters, industrialists had due export orders. TDAP left no stone unturned in facilitating the exporter and the industrialists get their export orders verified and giving them NOC to execute their orders with strict compliance of the SOP. Following is the summary of the export order verification:

Total Number of Cases Verified till June 2020	2587
Number of Cases Verified in Sindh Region	891
Number of Cases Verified in Punjab	1691
Number of Cases Verified in Gilgit	01
Number of Cases Verified KPK	04

## SUMMARY OF EXPORT ORDER VERIFICATION

SECTOR	PUNJAB						SINDH		BALOCHISTAN		KP		GB	ISD	AJK	TOTAL
	Lahore	Faislabad n	Multa		GUJRAW	Others	Karachi	others	Quetta	others	Peshawar	others				
			Sialkot													
	262	298	46	925	160	0	891	0	0	0	3	0	0	1	1	2587
Textile	190	295	42	92	10	0	758	0	0	0	1	0	0			1388
Leather & Leather Garments	30	0	2	225	0	0	49	0	0	0	0	0	0			306
Engineering	8	2	0	0	100	0	66	0	0	0	0	0	0			174
Pharmaceuticals	0	0	0	0	0	0	0	0	0	0	0	0	0			0
Autoparts	6	0	0	0	2	0	0	0	0	0	0	0	0			8
Surgical Goods	0	0	0	352	0	0	0	0	0	0	0	0	0			352
Sports Goods	4	0	0	243	3	0	0	0	0	0	0	0	0			250
Machinery and Transport equipment	1	0	0	0	0	0	0	0	0	0	0	0	0			1
Chemicals	0	1	0	0	0	0	0	0	0	0	0	0	0			1
Mineral&Metals	1	0	0	0	24	0	0	0	0	0	1	0	0			26
Other	18	0	0	13	18	0	0	0	0	0	1	0	0			50
Agro Food	2	0	0	0	0	0	3	0	0	0	0	0	0			5
Rice	0	0	0	0	0	0	0	0	0	0	0	0	0			0
Sea Food/Meat	0	0	0	0	0	0	2	0	0	0	0	0	0			2
Fruit & Vegetable	0	0	1	0	0	0	8	0	0	0	0	0	0			9
others	2	0	1	0	3	0	7	0	0	0	0	0	0			13
<b>Total</b>	<b>262</b>	<b>298</b>	<b>46</b>	<b>925</b>	<b>160</b>	<b>0</b>	<b>891</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2587</b>

### 19.7. Other Initiatives:

- **E-Commerce Policy Framework**

TDAP is one of the key stakeholders in E-Commerce Policy Framework. The implementation phase of the Policy is under process and Services Division, TDAP is involved in meetings and discussions with various partners including SMEDA, SBP, FBR and Associations.

- **Development of E-Portal:**

The developing of a matchmaking e-portal to exhibit, market and connect Pakistan's companies from all sectors with regional and international buyers/investors is under process. The plan is in initial stage of planning and may be launched at the end of this year.

- **Innovators' Conference and Services Expo:**

An Innovators' Conference is planned wherein innovations from all sectors shall be presented and competed upon. The purpose of the conference is to promote innovation and bring forward the hidden talents of the country working in any of the sectors of the economy. The Conference is planned along with Services Expo which would primarily focus upon IT and IT enabled Services, being major contributors to the Services Trade.

### 20. TEXTILE COMMISSIONER'S ORGANIZATION (TCO)

The textile Commissioner's Organization (TCO) according to the British rule created office of Textile Commissioner in India to develop industry. It existed as all India till 1947. After partition its offices in Karachi and Chittagong was declared as Textile Commissioner of Pakistan, however, in 1961 it was upgraded to Textile Adviser level and merged with IP&S under Ministry of Industries. In 1974 as per Cotton Control Act, it was revived as Textile Commissioner's Organization (TCO) as an attached department of Ministry of Industries. It is the only Technical Advisory/Recommending Body equipped with the professional Textile Engineers in the Federal Government on all Textile related matters.

The performance of the Textile Commissioner's Organization for the period 01-07-2019 to 30-06-2020 is given as under;

### **20.1. Stitching Machine Operator’s Training program (SMOT):**

Stitching Machine Operators Training (SMOT) Scheme was launched in June 2006 by the Ministry of Textile Industry under Textile Skill Development Board (TSDB) and the Textile Commissioner’s Organization as its Secretariat. The concept was to attract Textile Industry to organize in house training programs in garment units, support them on cost sharing basis and motivate them to keep on running training scheme for availability of skilled workforce.

The Phase-III of the Stitching Machine Operators Training (SMOT) Train 1800 unskilled Trainees within one year was approved during the 12<sup>th</sup> & 13<sup>th</sup> meetings of the Textile Skill Development Board convened on 14-01-2019 & 26-01-2019 under the chairmanship of Adviser. SMOT-III Program was launched w.e.f 20-03-2019 & 1965 Trainees were enrolled out of which 134 were dropped out & 1831 Trainees (57% of the Total Trainees are women) were passed out against the target of 1800. The target was achieved well before time on 16-02-2020. Most of the Trainees are employed in the Textile Industry. Duration wise details are as under:-

<b>Stages</b>	<b>Duration</b>	<b>Trainees Trained</b>
<b>SMOT-I</b>	2006-2008	3800
<b>SMOT-II</b>	2008-2011	4700
<b>SMOT-III</b>	2019- Continue	2388
<b>TOTAL</b>		<b>10,888</b>

### **20.2. SMOT COVID-19:**

The proposal regarding the stitching of Non-Woven Protective Isolation Clothing Gown under Textile Skill Development Board (TSDB) for safety/prevention of Doctors, Paramedical Staff, Healthcare workers & law enforcement Agencies was forwarded to M/o Commerce for approval.

### **20.3. Technical Assistance for Manufacturing of Cheaper Washable PPE:**

In connection to the government efforts to overcome/minimize effect of covid-19 TCO provided technical assistance for the research/development of cheaper washable protective isolation clothing Gown & Mask (FDA approved) as per WHO standards in collaboration with National Textile University (NTU) Faisalabad & Industrial stake holders.

### **20.4. Statistics & Data Base Centre at TCO Karachi:**

The Textile Commissioner’s Organization (TCO), Karachi is responsible for collection and dissemination of information relating to production, export of Textile raw material and finished products under General Statistics Act & SRO 11(KE)/79. Moreover, a functional and modern data management system is essential for research and providing commercial intelligence. This requirement has become essential in view of expanded function being assigned to the TCO for implementation of the Textile Policy including collection of data from various sources, preparation of analytical reports and monitoring efficiency of the incentives provided in the policy.

Therefore, a database center has been established in TCO to accomplish the above tasks and at present the following assignments are performed in the Database Center.

- Publication of annual report on performance of Textile Industry. The above report offers comprehensive overview and Statistical Data on Textile Industry of Pakistan.
- Launched TCO-01 Online Statistical Performa & in effect 60% of the mills are providing data on monthly basis through online Proforma.
- Mobile Version of TCO-01 online Statistics Proforma has been created. Now, the members (Textile Mills) can submit and view the status and progress of data / record though cell phones.
- Provision of Material/Statistics for Economic Survey of Pakistan for publication in annual Economic Survey
- Data is also provided to MIS Center, MoIP & for answering NA & Senate questions
- The data collected is compiled for publication of following reports in various formats:
  - 1) Monthly Textile Statistics Reports
  - 2) Yearly Textile Statistics Reports
  - 3) Published Annual Performance of Textile Industry booklet.
- Data is also provided to FBS for calculating GDP of the country.

## 20.5. Textile CESS Collection:

This Organization is also responsible for CESS Collection from the Textile Mills for the National Textile University, Faisalabad under President Order.11 of 1983.The CESS levied on Spinning & weaving Mills are as under:-

- 1) 1 Rupee per Spindle
- 2) 4 Rupees per Rotor
- 3) 20 Rupees per Power Loom

The Textile CESS collected and disbursed to National Textile University for the last (10) years is given as under:-

Year	Cess Assessment (Jan - Dec)	CESS Collected (PKR) (Jan - Oct)	Amount Disbursed to NTU (PKR) (Jan - Oct)
2012	9,288,995	10,846,131	19,730,080
2013	10,447,400	15,712,190	22,423,064
2014	11,000,000	11,493,536	24,000,000
2015	11,000,000	11,235,073	13,602,864
2016	11,000,000	10,050,978	5,617,540
2017	11,000,000	13,001,207	5,025,500
2018	11,250,000	11,288,300	6,500,600
2019	13,000,000	14,196,839	37,079,735
2020	11,250,000	10,406,132	7,888,578

## 20.6. Steps taken for enhancement of the CESS:

- 1) Through correspondence & visits, data of new mills & expansion of machinery for last five year has been acquired from relevant government organization. Like SECP, FBR, relevant provincial ministries
- 2) Reconciliation of the data with the Statistics Section of TCO to find out under declaration
- 3) Reconciliation of the data with information available on websites

- 4) Reconciliation of the data during physical survey by the officer & official of TCO was conducted throughout all the hub of Textile Industry, in effect many new mills & under declaring unit were identified and recovered pending amount since their establishment.

#### **20.7. Collaboration in 4<sup>th</sup> NED International Conference & 5<sup>th</sup> Dice Exhibition/Seminar:**

- TCO being the collaborating partner with NED University of Engineering & Technology (NEDUET) & DICE (Distinguish Innovation Collaboration Entrepreneurship) foundation USA, arranged 5<sup>th</sup> DICE & 4<sup>th</sup> NEDITC 2020, which preliminary targeted towards National & International academicians researchers, Industrial Experts, delegates, Representatives of professional bodies, industrial federation as well as students pursuing their professional education in the field of Textile.

#### **20.8. Establishment of Multi-skilled Textile Training Centre at POF Wah Cantt:**

On the direction of MOC as per request of the POF Institute of Technology, TCO prepared & submitted technical comprehensive proposal for establishment of Multi-skilled Textile Training Centre at POF Wah Cantt.

#### **20.9. Revival of Pakistan Textile City Limited (PTCL):**

- 1) As per directions of the worthy Federal Secretary (Textile Division), the Textile Commissioner's Organization facilitated and coordinated to conduct an audit for the revival of Pakistan Textile City Company (PTCL).
- 2) TCO with its limited resources provided all facilities to Pakistan Textile City including office space, transfer of record & also facilitated the Federal Commercial Audit.
- 3) After the completion of the audit of Rs. 3.647 Billion, TCO played vital role in the fact finding inquiry by MoC and also provided the valuable input for the revival of this mega project.

#### **20.10. Karachi Garments City Company (KGCC):**

- 1) TCO aggressively pursued the matter of KGCC and with patronage of worthy Secretary (Textile Division), it remained successful in acquiring the status of NPO from FBR, which saved Rs.680 millions of KGCC.
- 2) TCO has continuously perused the relevant Ministry of Sindh Government, in order to pave the way to initiate this highly Labour intensive and export oriented project.
- 3) On the advice of the then Secretary Textile, TCO disposed off Vehicle of KGCC after completion of codal formalities of PPRA.

#### **20.11. Retrieving of Plot No. H/9 measuring 1 Acre aimed to establish Textile Training and research Centre at SITE Super Highway, Karachi:**

- 1) The then Secretary, Textile Division advised TCO to retrieve the plot as it was encroached and illegally occupied by land mafia.
- 2) TCO took hectic measures despite of huge pressure from local influential people and retrieved 0.75 acre of plot. However, remaining 0.25 acre is under litigation.
- 3) It has been proposed that as the mega projects like Garment City and Textile City are on the stage of revival, the plot may be utilize for Research, Innovation, Training & Testing purpose for these Textile Clusters, for which PC-1 for Research, Innovation & Training Center has been prepared and will be

submitted to M/o Commerce shortly TCO also completed process for 1 Acre plot at Gujranwala to sale out through Privatization Commission.

#### **20.12. Resolved the Problem of Acute shortage of Hydrogen Peroxide:**

In order to review the factual position and to resolve the problem of acute shortage of Hydrogen Peroxide in the country, various meetings were convened with all stakeholders.

In this regard, a meeting with Associations (APTPMA & TMA) and Local Manufacturers on Shortage of Hydrogen Peroxide to Textile Industry were held on 06.08.2018 to ensure the adequate supply of Hydrogen Peroxide to Textile Industry by the manufacturers in effect the adequate supply has been restored.

#### **20.13. Establishment of Regional Office Faisalabad:**

In order to revive the sick units and for better interaction with Textile Industry, Textile Commissioner's Organization, Regional Office, Faisalabad has been established. Regional Office is playing an important role by conducting Physical, surveys to Textile Units for the (enhancement/enrolment of spinning & weaving sectors) Cess Collection and in implementing the SMOT-III Scheme.

#### **20.14. Textile Training Institute Management Board (TTIMB)**

The Textile Training Institutes Funded from EDF were placed under the administrative control of Ministry of Textile Industry vide Notification No.8(81)/TID/05/P-II dated 21-01-2008 entry at Serial No.29 A(9) (vii) of schedule II to Federal Government constituted a Common Governing Board titled as "Textile Training Institute Management Board" (TTIMB).

Textile Commissioner's Organization, Karachi is acting as a Secretariat of the Board. In order to discuss the issues faced by Textile Training Institutes, eight meetings of the TTIMB have been convened so far.

Physical Survey for the financial requirement/analysis of all seven (07) EDF institutes was carried out by the TCO officers and consolidated statement of the required Funds have been prepared and submitted to Textile Division for further necessary action.

#### **20.15. Technology Up-gradation Fund (TUF) Scheme.**

The Ministry of Textile Industry issued 'Technology Up-gradation Support' Order 2010 through Notification No.3(18)TID/10-P-I dated 5th April, 2010. According to the notification, the Federal Government will reimburse 50% of mark-up subject to a maximum of 5 percentage points p.a., whichever is less for projects exceeding investment of Rs. 10 million in machinery or technology. For projects with investment in machinery and technology not exceeding Rs. 10 million, the Federal Government may provide grant up to 20% of the capital cost for new Plant and Machinery only as "Investment Support". This support will be available to SMEs as defined under the SBP Prudential Regulations for SMEs. The scheme was effective from September 01, 2009 up to June 30, 2014. Disbursements under this Order will continue for the duration of loans till June 30, 2024. The repayment period shall not exceed ten years including grace period as may be allowed by the SBP.

The Textiles Policy states that the units availing the Technology Up-gradation Scheme would be required to establish that their investments will have at least one of the following characteristics:

- 1) Improve overall technological configuration of the sector;

- 2) Remove critical imbalances in the value chain; or,
- 3) Achieve compliance with international standards

TCO along with NTU was tasked by MINTEX to accomplish Inspection of machinery under TUF Scheme in compliance of instructions, TCO being TUF Coordinator issued inspection schedule and machinery inspection of Textile Mills was initiated w.e.f 29.01.2016. TUF schedule was issued on weekly basis to concerned inspection teams comprising of experts from Textile Commissioner's Organization, National Textile University (NTU) & concerned Association.

13000 applications of 130 Textile units situated at Punjab, Sindh, KPK & Baluchistan were physically inspected by the teams and after verification Inspection Reports pertaining to Spinning, Garments/Madeups, Processing/Knitting Units were forwarded to RDA Cell, MINCTEX & Sector wise Commissioning of Machines Certificates were issued to above Textile Units.

## **21. KARACHI GARMENTS CITY, KARACHI**

Karachi Garment City is a project of Ministry of Textile Industry is spread over an area of 300 acres of prime industrial land situated about 55 Kms from the city centre and located next to Arabian Sea Country Golf Club, in the vicinity of Port Qasim. The project is run by Board of Directors, Karachi Garment City Company (KGCC) comprising members both from public and private sectors. KGCC is registered with SECP as a Company under Section 43 of Companies Ordinance, 1984.

Initial planning, designing and preparation of engineering drawings of the project has been done by M/s. National Engineering Services Pakistan (PVT) Limited as consultants of Karachi Garment City Project. M/s. Deloitte Yousuf Adil, Chartered Accountants were external auditors of the company.

Karachi Garment City Project is planned to have state of the art infra-structure facilities such as roads network, communication system, security, water and drainage system, dependable industrial power generation plant, internationally standardized buildings and industrial plots to establish ISO 9000 compliant clothing and made up manufacturing factories. In addition, the project also envisages setting up of washing zone, training institute, library / research centre, testing laboratory, overhead and underground water tanks, effluent water treatment plant, firefighting plant, administration block & auditorium, dispensary, shops / banks, warehouses, container yard, transport / terminal parkings and mosques / parks etc.

Land Utilization Department (LUD), Board of Revenue, Sindh allotted 300 acres of industrial land at NC No. 98 of Deh Pipri, Karachi in the Port Qasim area to Karachi Garment City Company on 29<sup>th</sup> March, 2007 and an amount of Rs. 300 million received from Export Development Board (EDB), Government of Pakistan was paid to Government of Sindh on 23<sup>rd</sup> January, 2008, as full cost of land.

### **21.1. Board of Directors**

After expiry of tenure of existing members of KGCC-Board on 31.10.2018, in pursuance of Public Sector Companies (Corporate Governance) Rules, 2013, The Federal Government has reconstituted and notified the Board of Directors of KGCC for a period of three years on 10 April 2019. Composition of the new Board is as follows:-

#### **Name of Director** **Independent Directors**

#### **Designation**

1) Mr. Baig Muhammad Majeed

Chairman/Director



- M/s. Oxford Knitting Mills Ltd. Karachi
- 2) Mr. Naseem Ahmed Farooqi, Director  
M/s. Amour Textiles (Pvt) Ltd, Karachi
- 3) Mr. Ali Ahmed, Director  
M/s. H. Nizamdin & Sons (Pvt) Ltd. Karachi

#### Ex-Officio Director

- 4) Secretary, Textile Division, Government of Pakistan or in his absence Additional Secretary/Joint Secretary. Commerce Division, Government of Pakistan Director
- 5) Secretary, Industries & Commerce Department, Govt. of Sindh or in his absence Additional Secretary, Industries & Commerce Department, Government of Sindh Director

#### Funding of Project as on 30.06.2020

KGCC has received a sum of Rs 472.93 million from Board of Administrators of Export Development Fund, Ministry of Commerce, Government of Pakistan to meet expenses of the project, as per following details:

Sr. No.	Receipt Date	On Account (Purpose)	Amount (Rs. in Million)
	27.03.2006	To set up KGC Project	50.00
	11.01.2008	To purchase project land	300.00
	08.03.2008	For Govt. levies, office expenses and mobilization etc.	30.00
	25.03.2008	For Govt. levies, office expenses and mobilization etc.	20.00
	29.05.2014	For Construction of Boundary Wall.	20.00
	15.06.2015	For Construction of Boundary Wall For lease and mutation charges	1.78 51.15
<b>Total</b>			<b>472.93</b>

All major expenses incurred until now such as cost of land, ground rent, consultants fees and bills, purchase of vehicles, ground breaking ceremony and recurring office running expenses etc. have been met from the EDF funds and profits earned on investing unutilized available funds as Term Deposit Receipts. Position of available funds (un-audited) as on 30 June 2020 is as under:

#	Details	Amount (Rs)
1	TDRs	40,000,000
2	Cash & Bank Balances	55,758,615
<b>Total</b>		<b>95,758,615</b>

#### 21.2. Exemption on Payment of Lease Charges

Ministry of Textile Industry and KGCC-Board of Directors time and again requested Chief Secretary, Sindh and Secretary, Industries & Commerce Department, Government of Sindh to grant waiver/exemption to Karachi Garment City from payment of lease and mutation charges on the plea that project is fully financed and owned by Government of Pakistan and entitled for such exemption under the relevant Act. Government of Sindh on 21.10.2019 has turned down our request for exemptions on provincial taxes i.e. stamp duty, registration fee and capital value tax amounting to Rs 557.57 million intimated on 21.11.2019 for registration of land in KGCC name.

### **21.3. No Profit Organization (NPO) Status**

KGCC applied for the approval as Non-Profit Organization (NPO) u/s 58(3) of the Part-I of the second schedule to the IT Ordinance 2001 on 02.07.2013.

KGCC got NPO status under section 2(36)(c) of the Income Tax Ordinance 2001 on 26.03.2019, which was valid upto 30.06.2019. On the basis of NPO status, KGCC acquired exemption u/s 159(1)(c) of the Income Tax Ordinance 2001 regarding non collection of Tax u/s 236K on the purchase of project land, which was also valid upto 30.06.2019. KGCC availed further extension twice in its NPO status under section 2(36)(c) and exemption u/s 159 since 30.06.2019, which was valid up to 30.06.2020.

### **21.4 Development Concept of Project**

KGCC–BOD has approved to hire NESPAK as engineering & architectural consultant for the development of project as per PPRA procedures.

In pursuance of appointment, NESPAK after discussion with KGCC has submitted following recommendations on 28.01.2020 yet to be considered and finalized by the Board;

- 1) Project to be developed in 5 phases (60 acres each)
- 2) Each phase to have one park, one mosque and one club/guest house
- 3) Each phase to have underground and overhead water tanks of appropriate capacity
- 4) Factory plot sizes: 1 ½ Acre 20%, 1 Acre 50% and ½ Acre 30%
- 5) Factory buildings on the pattern of FGCC and LGCC to be constructed as well
- 6) Establish treatment plant in 3rd phase of development

NESPAK to provide three options of master plan of the project Consultant's billings be on completion of each phase instead of overall project cost. Consultant has prepared three options of master plan along with layouts and salient features of each plan.

Consultancy agreement with NESPAK is yet to be formalized due to delay in holding of Board's meeting,

### **21.5. Code of Corporate Governance for Public Sector Companies**

The Securities and Exchange Commission of Pakistan vide SRO. 180(1)/2013 dated 08.03. 2013 notified Public Sector Companies (Corporate Governance) Rules, 2013 which are applicable to all public sector entities for the year ending June 30, 2014 and onwards.

As commercial operations of KGC project did not start during the year, it was practically not possible for the Company to frame / formulate all the required policies and implement all requirements under the Rules. Nevertheless, KGCC will file statement of compliance with SECP for the year 2019-20.

### **22. FAISALABAD GARMENT CITY COMPANY (FGCC)**

- 1) Faisalabad Garment City Company (FGCC) was established as Public Sector Company under Ministry of Textile Industry, Government of Pakistan, in 2006 and was registered under Section 42 of Companies Ordinance 1984 / Companies Act, on 8<sup>th</sup> May, 2006.
- 2) The mandate of the Company (FGCC) is to boost up exports of garment made-ups from Pakistan and to support garment manufacturers / exporters through training of skilled work force and infrastructure.

## 22.1. Exports from FGCC Rented Out Buildings:-

Detail of exports of garments manufactured by Industrial Units established in FGCC buildings is as under:-

Year	“A1” Building	“B1” Building	Total Export from FGCC about (Billions) PKR	Total Export about US Dollar (Million)
2010-11	0.7		0.7	8.1
2011-12	0.8		0.8	8.5
2012-13	1.0	0.3	1.3	13.1
2013-14	0.8	0.4	1.2	12.1
2014-15	0.9	0.4	1.3	12.7
2015-16	1.1	0.5	1.6	15.2
2016-17	1.3	0.6	1.9	18.4
2017-18	1.4	0.6	2	20
2018-19	7.2	4.0	11.2	70
2019-20	6	3	9	55

## 22.2. Revenue from FGCC Rented Out Buildings:-

Detail of revenue from rented out buildings is as under:-

Sr. #	Year	“A1” Building	“B1” Building	Million PKR
1	2010-11	13.52	0.000	13.52
2	2011-12	13.66	0.000	13.66
3	2012-13	15.97	6.200	22.17
4	2013-14	22.08	13.100	35.18
5	2014-15	24.2	14.190	38.39
6	2015-16	26.21	15.410	41.62
7	2016-17	28.82	16.780	45.60
8	2017-18	31.25	11.570	42.82
9	2018-19	33.852	17.298	51.15
10	2019-20	36.675	19.028	55.702

## 22.3. Training Centre

➤ A Female Exclusive Training Institute (FETI) established in November, 2017 which becomes operational in June, 2018 after meeting the prerequisite requirements. JICA has provided 58 stitching machines of different kinds which have been installed in the said institute under the supervision of JICA experts. Female Exclusive Training Center (FETI) FGCC, Faisalabad was inaugurated by his Excellency Mr. Abdul Razak Dawood, Advisor to the Prime Minister on Commerce and Textile on 20<sup>th</sup> March, 2019 and Mr. Kuninori MATSUDA, Ambassador of Japan to Pakistan also participated in this ceremony.

## 22.4 Day Care Centre:-

➤ A Day Care Centre has also been established with the support of Government of Punjab. This Day Care Centre has been inaugurated by her Excellency Mrs. Ashifa Riaz Fatyana, Minister Women Development, Punjab, Pakistan. Government of Punjab born its expenditures for one year and after one year the Day Care Center is managed by FGCC itself.

### **22.5. PSDP Project:-**

- FGCC possesses 38.9 acres land for construction of 08 (eight) buildings. Out of 08, only 02 buildings of six floors each have been constructed from PSDP grant of Rs. 590.818 million.
- Project titled "A3" & "B2" Buildings (Phase-II) construction of two Buildings from PSDP funds through M/o Commerce, Islamabad, from PSDP funds is in process. PC-1 prepared by Consultant Firm M/s HA Consulting, Lahore has already been submitted to Ministry of Commerce, Islamabad. Buildings are designed for SMEs.

### **22.6. Self -Finance Project:-**

- A self-finance Project "B3" Building Phase-III (6th Floors including Basement) for construction of one building with an estimated amount of Rs. 271 million from FGCC own resources (rental income from buildings). PC-1 prepared by consultant firm is ready and will be discussed in DWP meeting shortly.

### **22.7. Cash in FGCC Bank Accounts:-**

- An amount of Rs. 194 million is in FGCC bank accounts.

### **22.8. Green and Clean Pakistan Move:-**

- 7000 small trees have been planted under the vision of the Prime Minister under Green and Clean Pakistan move on 16 acres of land.

### **22.9. Others Achievements:-**

- Construction of By Pass Road (5 Km approx.) in front of FGCC is about to complete under the Annual Development Plan, Punjab on the request of FGCC.
- An auditorium with the capacity of 300 seats is also made operational in Admin Block of FGCC.
- A Medical Center is also functional in FGCC since 2015

## **23. LAHORE GARMENTS CITY COMPANY (LGCC), LAHORE.**

- The Government of Pakistan, in the Trade Policy 2003-04, had announced setting up of three Garment Cities in Karachi, Lahore and Faisalabad.

### **23.1. Legal Status of the Department /Organization**

- The Lahore Garment City Company was incorporated on 16<sup>th</sup> September 2004 under section 42 of Companies Ordinance, 1984 with Registrar Joint Stock Companies, City District Government Lahore. Total Area of LGCC is 19.34 Acres.

### **23.2. Major Function**

- The underlying objective was to reduce the capital outlay of Garment Manufacturers and provide them with a built up space, fully compliant and equipped with state of the art facilities where they can establish their units by avoiding the lengthy process of buying land and then constructing factories thereon.

### **23.3. Financial position:**

<b>From Export Development Fund (EDF) (May 2005)</b>	
Cost of Land (19.34 acres)	69.221 M
Establishment Cost of office	5.00 M
Operating Expenses(3 years)	28.779 M

<b>TOTAL</b>	<b>103.00 M</b>
Approved Cost (Original PC-I 25-02-06)	Rs. 497.64 M
Approved Cost (Revised PC- 14-06-11)	Rs. 586.88 M
<b><u>Year-wise Releases from PSDP</u></b>	
2006-07	150.00 M
2007-08	165.00 M
2008-09	147.64 M
2009-10	17.50 M
2010-11	0.00 M
2011-12	03.50 M
2012-13	89.00
2013-14	0.00 M
2014-15	No allocation
2015-16	No allocation
2016-17	No allocation
2017-18	No allocation
2018-19	No allocation
2019-20	No allocation
<b>Total Funds released</b>	<b>572.64 M</b>
<b>Funds yet to be released</b>	<b>14.24 M</b>

#### 23.4. Revenue Generation 2019-20

Rent of Buildings	Rs. 61.00 Million
Profit on deposit	Rs. 35.00 Million
<b>Total</b>	<b>Rs. 96.00 Million</b>
<b>Expenses</b>	
Administration Expenses	Rs. 21.00 Million
Depreciation	Rs. 21.00 Million
<b>Total</b>	<b>Rs. 42.00 Million</b>
<b>Net Savings</b>	<b>Rs. 54.00 Million</b>
<b>Total Rental Income (2014-20)</b>	<b>Rs. 344.00 Million</b>
<b>Payable Amounts</b>	<b>Rs. 70.00 Million</b>
<b>Available Amount</b>	<b>Rs. 274.00 Million</b>

### 23.5. Detail of Phase-I

Building Types	No. of Stories	Covered Area (Sqft)	Status
A	Basement + 5 stories	191,150	Completed & leased out
B	Basement + 4 stories	80,400	
C	Basement + 4 stories	41,100	
Multipurpose building, Hall & Lobby	Ground + 2 floors	34,960	
Security & Staff Residence		2,504	Completed
Misc Buildings(Pump Room, U/G water tank)		1,751	Completed
<b>Total</b>		<b>347,865</b>	

### 23.6. Achievements / Physical Progress of the Project:

- 1) The main factory buildings Category A,B, C and Admin/Auditorium (Multipurpose) buildings have been completed and leased out to M/s. Style Textile (Pvt) Ltd. First lease agreements of above buildings have been completed successfully. Now the rental income is @ Rs.17.50 per Sq ft per month on 10% annual escalation.
- 2) As the tenant of the buildings is mainly involved in exporting their product therefore the target of earning foreign exchange has also been achieved.
- 3) The Project is being managed by a Board comprising of Directors from public & private sectors and is providing the opportunity of public-private partnership.
- 4) Compliance of social, industrial and environmental standards has been provided in all the buildings which is facilitating to the client in fulfilling the compliance sector.
- 5) The project is generating employment opportunities 6000 persons (Males 80% - Females 20%) as the production in all the buildings has been started.
- 6) The project is also facilitating the textile sector for attaining sustainable growth.
- 7) US \$ 85 Million annual export.
- 8) In-house job training facilities of 403 workers
- 9) Annual trained of 300 un-skilled labours into skill workers.
- 10) Free pick & drop facility to the workers.

### 23.7. Present Progress

<p><b>Category-A Building</b></p> <p>Status= 100% Completed Leased out to the tenant</p>	
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**Category-B Building**

Status = 100% Completed

Leased out to the tenant



**Category-C Building**

Status = 100% Completed

Leased out to the tenant



**Admin (Multipurpose) building, & Auditorium (Hall & Lobby)**

Status = 100% Completed

Leased out to the tenant



**Security Staff  
Residence  
(LGCC Office)**

Status =100%  
Completed



**24. PAKISTAN COTTON STANDARD INSTITUTE (PCSI), KARACHI**





## **24.1. Introduction:**

Pakistan cotton is inherently of good quality. But, absence of quality control measures, improper handling and ginning practices non existence of a pricing system based on premium and discounts, non-implementation of recognized grading system leads to depreciation of the value of raw cotton and the resulting textile products and country is not getting real intrinsic value of its silver fibre from the international market.

Being cognizant of these problems, the Government decided to introduce standardization of cotton to bring it at par with the internationally accepted standards for improving the competitiveness of Pakistan's cotton as well as ensuring better returns to cotton growers, ginners, spinners, exporters and the national economy. Cotton Standardization (Amendment) Act 2009 was promulgated to establish Pakistan Cotton Standards Institute and to promote the quality control of cotton.

## **24.2. Policy Frame Work:**

Government of Pakistan realizing the importance and role of cotton sector in National economy is making serious and continuous efforts to meet the up-coming challenges which the International competition has forced for doing things properly and up to the International standards.

Textile sector of the country on which National economy heavily relies is demanding upon to control costs, reducing wastages and improving productivity levels in terms of quality, for attaining a valuable and sustainable position in the Global cotton market. Pakistan Textile sector direly needs for standardized and clean cotton.

Keeping in view the emerging competitive global market and the grant of GSP plus status to Pakistan by European Union, Pakistan has accordingly reorganized its policies focusing quality in order to fetch the real share from the international cotton market.

Henceforth in order to address the problem Government framed a policy to upgrade the Pak. cotton quality to bring it at par with international standards and in the light of government policy PCSI prepared a frame work to achieve result oriented goals through the implementation of cotton standardization system.

## **24.3. Vision /Mission and Goal:**

### **24.3.1. Vision:**

- 1) Enhancement of Pak cotton quality through cotton standardization program.
- 2) To bring Pak cotton at par with international standards.
- 3) To ensure real intrinsic value of Pak cotton and its made-ups from the international market.

### **24.3.2. Mission:**

- 1) Education/ Awareness Campaigns.
- 2) Proper picking and handling procedures.
- 3) Improved ginning practices.
- 4) Minimizing contamination.
- 5) Incentive Based Marketing System.

### **24.3.3. Goal:**

Enhancement of Pak Cotton Quality through the implementation of Cotton Standardization System to meet the challenges and requirements of quality in the national/ international market. For the production of high quality standardized and clean cotton following goals have been set:

- 1) Improvement of Picking/Handling/Ginning practices.
- 2) Instrumental Evaluation of Cotton.
- 3) Human Resource Development.
- 4) Incentive based marketing system.

### **24.4. Progress/ Activities during 2019-20:**

#### **24.4.1. Training Programs:**

##### **24.4.1.1. Cotton Selectors Training Course:**

Cotton Selectors Training Course is one of the popular programs and has fetched significant response from public & private sector. This is a four-week training program conducted at PCSI Head Office Karachi and Regional offices at Sukkur and Multan. One of the main objective of PCSI is to train new generation of skilled persons in the skills of Cotton Classing and Grading. PCSI is regularly conducting training programs in Cotton Grading/Classification and instrumental evaluation of cotton. The program provides ample opportunity to the participants to get training in the basic skills of cotton classification and grading. Till date over 2633 personnel have been trained through this program. During 2019-20, 70 participants benefited from the training programs.

#### **24.5. Cotton Fiber Testing Services:**

The Cotton Fiber Testing Laboratories established by PCSI in the districts of Sindh at Karachi, Mirpurkhas, Sanghar and Punjab at Rahimyarkhan, Bahawalpur, Multan, Vehari, D.G. Khan, Sahiwal, and Faisalabad are operational and providing high quality testing services to the stakeholders of cotton. This has laid a strong foundation for developing cotton quality culture in the country and help in shifting over the traditional cotton marketing system based on variety to a quality based marketing system on the basis of grade, staple length and other cotton fiber properties subject to premium and discount. These labs provide comprehensive range of testing facilities under one roof.

#### **24.6. Cotton Fiber Testing Services to National Textile University, Faisalabad:**

The Institute is also committed to facilitate the textile research institutions of the country through modernizing infrastructure and logistic support to undertake research and development work in the sector. PCSI Cotton Fiber Testing Laboratory, Faisalabad equipped with HVI 1000 classic & Shirley Analyzer Machines MK II UK is providing test house facilities to National Textile University, Faisalabad to facilitate researchers, scientists of the university beside its routine commercial testing services to the public and private sectors.

#### **24.7. Targets and Achievements during the year 2019-20**

The achievements made during the year 2019-20 for the production of standardized and clean cotton and to bring the Pak cotton at par with international standards are as follows:-

### 24.7.1. Education & Awareness Campaigns:

Education and awareness campaigns are being regularly held to create quality culture in the cotton sector. For the purpose in the year 2019-20 informative literature regarding proper picking, procedures, handling and ginning practices have been prepared in regional and national languages and provided/distributed to the stake holders of cotton & cotton trade in order to motivate them to adopt proper practices in order to bring positive change in the socio-economic affairs and thus quality of raw cotton.

### 24.7.2. Cotton Selectors' Training Course:

During 2019-20 despite the prevailing situation of Covid-19 Pandemic five Cotton Selectors Training Courses have been held at PCSI. Two Cotton Selectors Training Courses at Regional Office, Multan in the months of Sept. 2019 & Feb. 2020, Two Cotton Selectors Training Course at Regional office Sukkur in the month of Sept. 2019 & March 2020 and one Cotton Selectors Training Course at PCSI Head Office, Karachi in the month of July 2019. Through these courses 70 personnel from public and private sector have been trained in the skills of cotton classing and grading.

KARACHI	MULTAN	SUKKUR	TOTAL	UP-DATED
07	38	25	70	2633

Since the introduction of these training courses 2633 personnel have been trained till date.

### 24.7.3. Cotton Sample Tested at PCSI Laboratories:

PCSI Cotton Fiber Testing facilities provided to public and private sector and about 4940 samples have been tested at the Cotton Fiber Testing Laboratories of PCSI during 2019-20.

NO. OF LINT COTTON SAMPLES TESTED										
YEAR	Karachi	Multan	Sahiwal	Mirpur Khas	Sanghar	RYK	BWP	Vehari	Faisalabad	TOTAL
2019-20	1656	1061	148	126	787	876	257	55	65	4940

### 25.7.4 Seed Cotton Grade and Lint Cotton Standard Boxes:

480 boxes of Seed Cotton Grades and 810 Lint Cotton Standard Boxes were prepared for cotton season 2019-20.

S. NO	YEAR	SEED COTTON GRADE BOXES	LINT COTTON STANDARD BOXES
1.	2019-20	480(80 sets)	810(135 sets)

\*

One set comprises of Six Boxes

#### 24.7.5. On Farm/ Factory Demonstrations:

In order to increase the production of high quality clean cotton and to educate the cotton growers/ ginners about proper picking procedures and proper ginning practices on farm/ factory demonstrations are carried out at district level by PCSI Technical staff posted at Cotton Fiber Testing Laboratories at Sindh & Punjab. The detail of on farm / factory demonstration organized during 2019-20 is as follows:-

S. #	Demonstration	Punjab	Sindh	Total
1.	On Farm Demonstrations for Proper Cotton Picking and Handling Procedures	02	03	05
2.	On Factory Demonstrations for Proper Cotton Ginning Practices	02	10	12
<b>Total</b>		<b>04</b>	<b>13</b>	<b>17</b>

#### 25.7.6. On Farm Demonstrations (Punjab)

S. #	Date	Name Of Farm	Venue
01	23-10-2019	CRI Farm	Multan
02	24-10-2019	Rana Agri Farm	Dunya Pur, Multan.

#### 25.7.7. On Farm Demonstrations (Sindh)

S. #	Date	Name Of Farm	Venue
1	21-10-2019	Bashir Chuhan Cotton Farm.	Sukkur
2	22-10-2019	Zakir Cotton Farm.	Sukkur
3	12-12-2019	Ch. Muhammad Rafique Farm.	Chak 124 P, Rahim Yar Khan.

#### 25.7.8. On Factory Demonstrations (Punjab)

S.#	Date	Name Of Ginning Factory	Venue
1	23-10-2019	Golden Cotton Ginning Factory.	Multan
2	24-10-2019	Hafiz Ryaz Brother Cotton Ginners	Multan

#### 25.7.9. On Factory Demonstrations (Sindh)

S.#	Date	Name Of Ginning Factory	Venue
1	11-11-2019	Indus Cotton Ginning Factory.	Mehrab Pur
2	11-11-2019	Islam Cotton Ginning & Oil Mill.	Distt . Khairpur
3	09-12-2019	National Cotton Factory	Mirpur Mathelo, Ghotki
4	19-11-2019	S. S. D. Cotton Ginning Factory	Rohri, Sukkur
5.	19-11-2019	S. N. G. Cotton Ginning Factory	Rohri, Sukkur

S.#	Date	Name Of Ginning Factory	Venue
6.	14-11-2019	SK Cotton Ginning Factory	Saleh Put, Sukkur.
7.	20-11-2019	Star Cotton Ginning Factory	Sobo Dero, Khairpur.
8.	20-11-2019	Anmol Cotton Ginning Factory	Kanderio, Noshero Feroz.
9.	21-11-2019	Lal Cotton Ginning Factory	Kot Degi, Khairpur.
10	22-10-2019	Khan Cotton Ginning Factory	Mando Dero, Sukkur.

#### 25.7.10. World Cotton Day:

A global celebration of cotton and its stakeholders, from field to fabric and beyond. World Cotton Day was organized in collaboration with Pakistan Institute of Cotton Research and Technology on 7<sup>th</sup>. Oct. 2019 at Karachi.

The main aim behind the celebration of “World cotton day” was to give exposure and recognition to cotton and all its stakeholders in production, transformation and trade under one roof and develop long term international business relations for enhancing the prospect for increasing the production of cotton crop and expend its trade domestically and globally.

This was the unique international platform where PCSI officials briefed the participants regarding the quality control measures being adopted in Pakistan and reflected the importance of cotton as a global commodity.

#### 25.7.11. PCSI & KCA Collaborative Training Program:

PCSI arrange Two Calendar week Cotton Grading and Classing Course at Cotton Exchange Building, Karachi in collaboration with KCA every year. This year from 9<sup>TH</sup>. March 2020 to 20<sup>th</sup> March, 2020. Stakeholders, Exporters, Ginners, Brokers from all over the country participated in the course. PCSI technical officers (Cotton Classers) imparted the training. During the course there were practical as well as theoretical classes arranged for the trainees besides a visit each to textile mill and PCSI Cotton Fiber Testing Lab, **20 participants from public and private sectors attended the Course.**

#### 25.7.12. Organizational Resources:

As per provision of Cotton Standardization Ordinance 2002 PCSI has to acquire self-financing status and for the purpose MINTEX in compliance of Cabinet Decision vide S.R.O. No.1013(1)/2006, dated 29-09-2006 has fixed the Cotton Standardization Fee (CSF) at the rate of Rs.5 per pressed bale at the ginning stage.

It is pertinent to mention that during **2019-20** the Institute generated around **RS.18,81,685.00** as annual income through: -

- 1) Cotton Sample Testing Fee.
- 2) Training Courses Fee.
- 3) Cotton Standardization Fee (CSF)
- 4) Sale of Standard Boxes

S.NO.	Income generated	Amount in RS.	Total (Rs)
1.	<b>PCSI Head Office, Karachi.</b>		
	• Cotton Sample Testing Fee.	445500	
	• Training Course Fee.	25000	
	• Cotton Standardization Fee (CSF)	76820	
	• Miscellaneous	50550	
			<b>597870.00</b>
2.	<b>PCSI Regional Office, Sukkur.</b>		
	• Cotton Sample Testing Fee.	493950	
	• Training Course Fee.	125000	
			<b>618950.00</b>
3.	<b>PCSI Regional Office, Multan.</b>		
	• Cotton Sample Testing Fee.	409800	
	• Training Course Fee.	185000	
	• Sale of Standard Boxes	57000	
	• Miscellaneous	13065	
			<b>664865.00</b>
	<b>Grand Total in Rupees.</b>		<b>RS.18,81,685.00</b>

The above collected income is quite in-sufficient for meeting its establishment and operational expenditure. PCSI is being granted annual budget to meet its liabilities for establishment charges and operational needs.

#### 25.7.13. Issues and Challenges:

Pakistan Cotton is inherently of good quality but due to contamination and non-implementation of cotton standardization system the commodity is not fetching its real intrinsic value from the international market. To achieve the same, the only methodological approach is the implementation of Cotton Standardization (Amendment) Act 2009 for the production of high quality clean cotton with letter and spirit across the board. This has direct impact and immediate bearing on the entire chain of value addition till the final made-ups, thus providing substantial boost to the national exchequer.

#### 25.7.14. Future Out-look/Plans:

- 1) Implementation of amended Cotton Control Act, 1966 in the province of Sindh and Punjab to control contamination in cotton and mandatory marking of grade and staple length on each bale by the ginner.
- 2) To shift over the traditional cotton marketing system to a quality based marketing system on the basis of grade, staple length and other fiber properties subject to premium and discount.
- 3) Establishing a network of Cotton Fiber Testing Laboratories Equipped with HVIs at district level across the cotton belt.
- 4) Strengthening of PCSI with men and machine.
- 5) Launching of education/awareness campaigns to develop a quality culture in the country through print/electronic media and by conducting increased number of training courses.

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