

**GOVERNMENT OF PAKISTAN  
MINISTRY OF COMMERCE  
ISLAMABAD**

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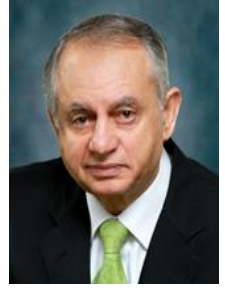


**YEAR BOOK  
2020-21**

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



I am glad to note that Ministry of Commerce is to issue the Year Book for 2020-21 to highlight the activities of the Ministry. It is my privilege to head a Ministry which was not only created under the specific instructions of Quaid e Azam Mohammad Ali Jinnah but also functioned under his direct supervision, guidance and control. Heading such a Ministry is both an honor and a challenge.

2. The current geo-political situation of region has increased the sensitivity of the subjects dealt with by this Ministry and the requirements are critical in our national and foreign policy context. Thus, due diligence is required at each step. Ministry of Commerce has been working in collaboration with all stakeholders in dealing with the foreign countries. The Ministry continues to respond to the challenges in accordance with the policies of the Government. In addition to the subject of foreign trade.

3. Ministry of Commerce 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 milestones to harmonize regulatory regime and support the private sector.

4. I take this opportunity to acknowledge the diligence and dedication of the officers and staff of the Ministry who have dealt with issues of national importance in an effective manner. I am sure that this Year Book will be a valuable addition to the readers with an insight into significant issues confronting us today and also act as a source of information and reference.

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

## MESSAGE OF SECRETARY MINISTRY OF COMMERCE



In pursuance of Rule 25(2) of the Rule of Business of 1973, Ministry of Commerce has prepared Year Book 2020-21. This book contains information regarding objectives, functions, activities and achievements of the Ministry and its organizations. This publication is also recognition of public rights to information.

2. The Year Book provides information on the overall performance of the Ministry relating to the assigned functions. The Ministry was established on the specific instructions of Quaid-e-Azam Muhammad Ali Jinnah in 1947 and remains one of the oldest Ministries of the Federal Government. It continues to handle the functions relating to foreign trade. It also gives an overview 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, which come under the administrative control of Ministry of Commerce.

3. This publication focusses on the existing legal functions of the Ministry of Commerce and it is hoped that this publication will serve as a useful reference book for public, scholars and researchers.

**(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

## **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
- Diversification 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. China Wing**

The China Wing is responsible for trade promotion / diplomacy and taking market access initiatives related to China.

#### **c. World Trade Organization Wing**

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

#### **d. Trade Policy Wing**

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

#### **e. Export-Import Wing**

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

f. **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.

g. **Agro Wing**

Agro Wing makes policy of grains, meat, poultry, livestock, Horticulture, processed food, fisheries, analysis of domestic production and liaison with relevant ministries / departments.

h. **Non-Agro Wing**

Non-Agro Wing deals with critical analysis of issues of Non-Agro Products, makes policy on them, analysis of domestic production of NAPs sector and liaison with relevant ministries / departments.

i. **Services Wing**

Services Wing provide analytical support to Trade Diplomacy Wing on services, liaison with relevant trade bodies, chambers and associations, insurance policies related matters.

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. **HRM Wing**

Human Resource Management Wing deals with the Employees matter i.e. appointment, training, services matter & families members matter.

### **1.5.2. 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.

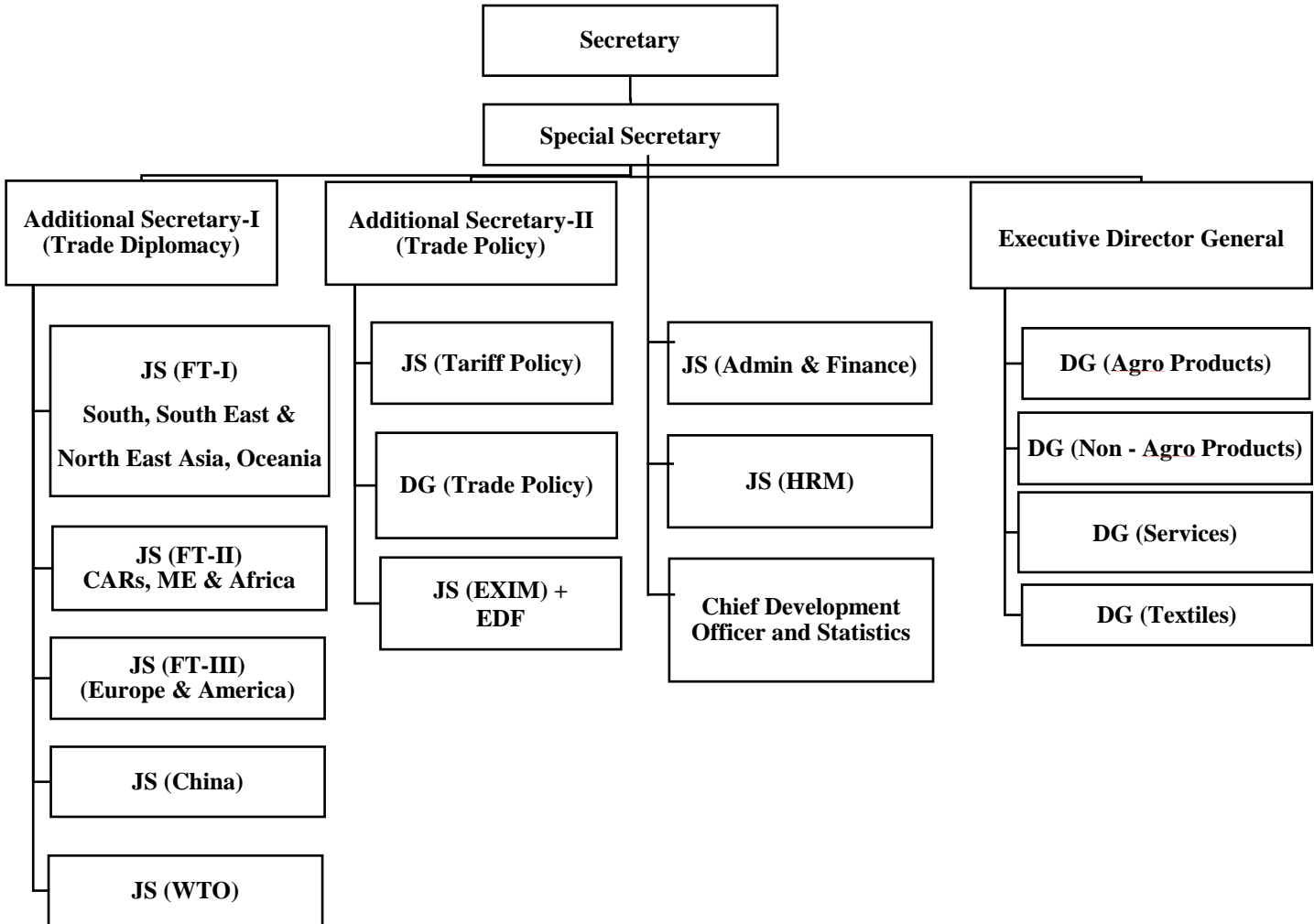


- 13) Faisalabad Garments City Company (FGCC), Faisalabad.
- 14) Karachi Garments City Company (KGCC), Karachi.
- 15) State Life Insurance Corporation of Pakistan (SLIC), Karachi.
- 16) National Insurance Company Limited (NICL), Karachi.
- 17) Pakistan Reinsurance Company Limited (PRCL), Karachi.
- 18) Liaison Office Afghan Transit Trade, Chaman / Quetta.

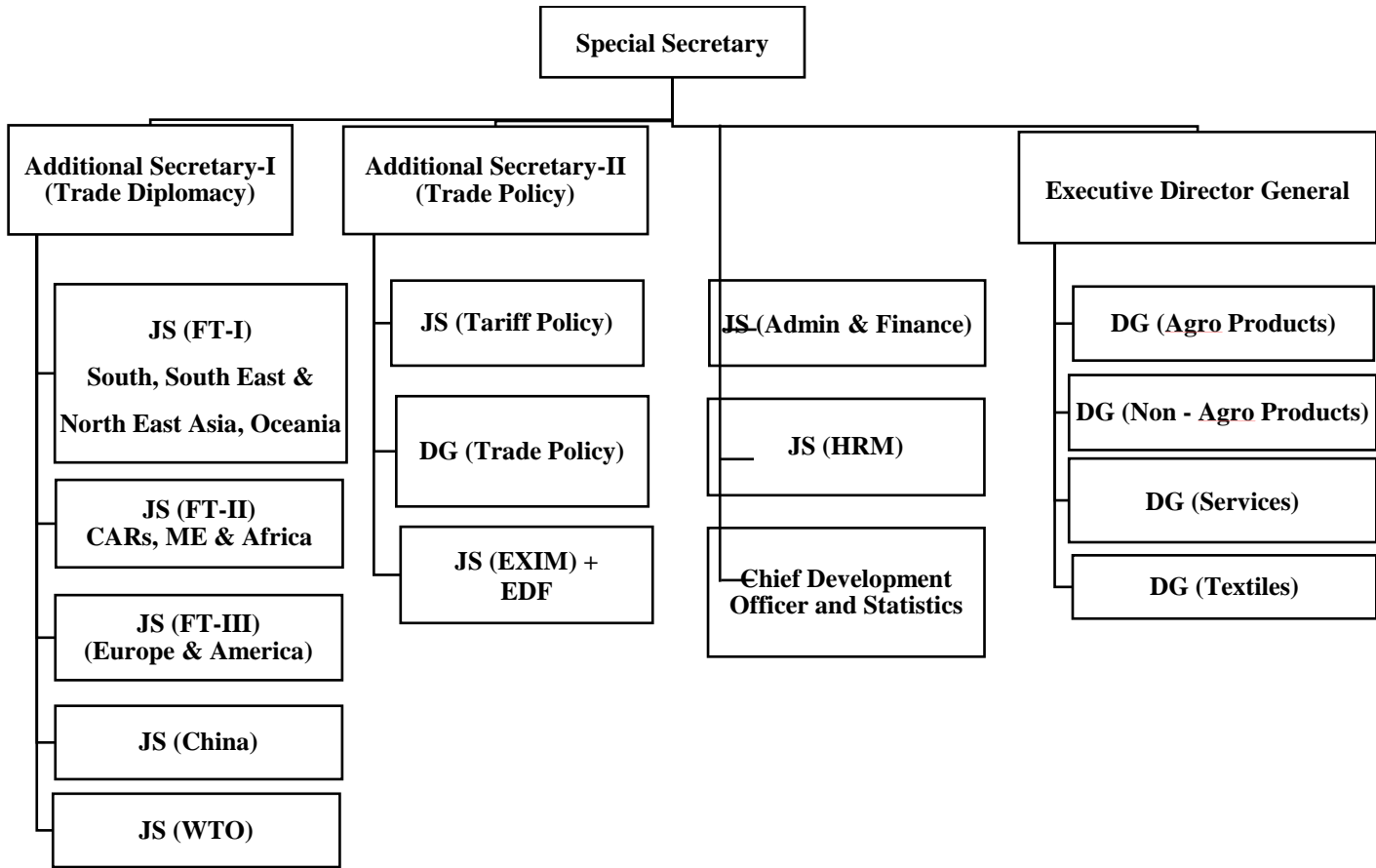
# 1. ORGANOGRAM

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

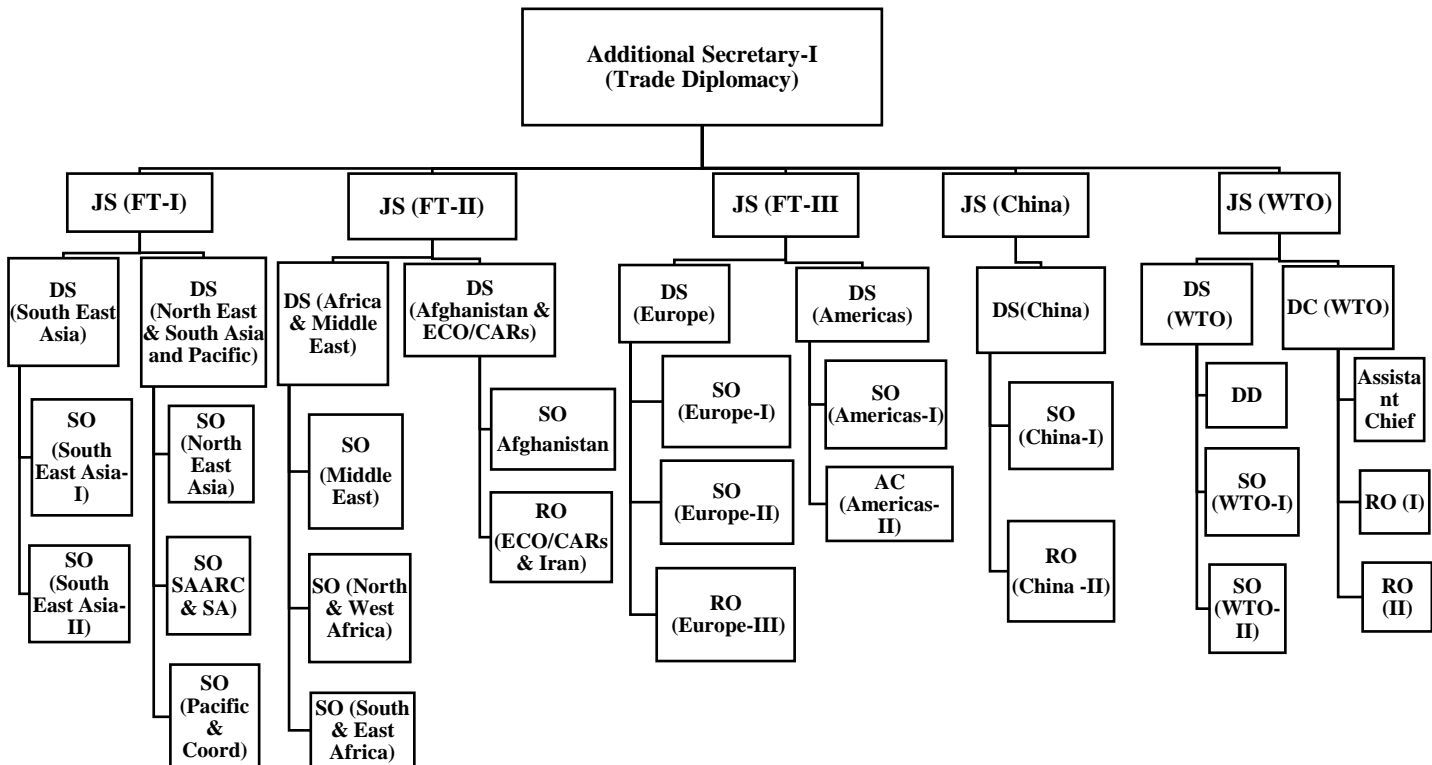
## (i) Organogram at Wings Level



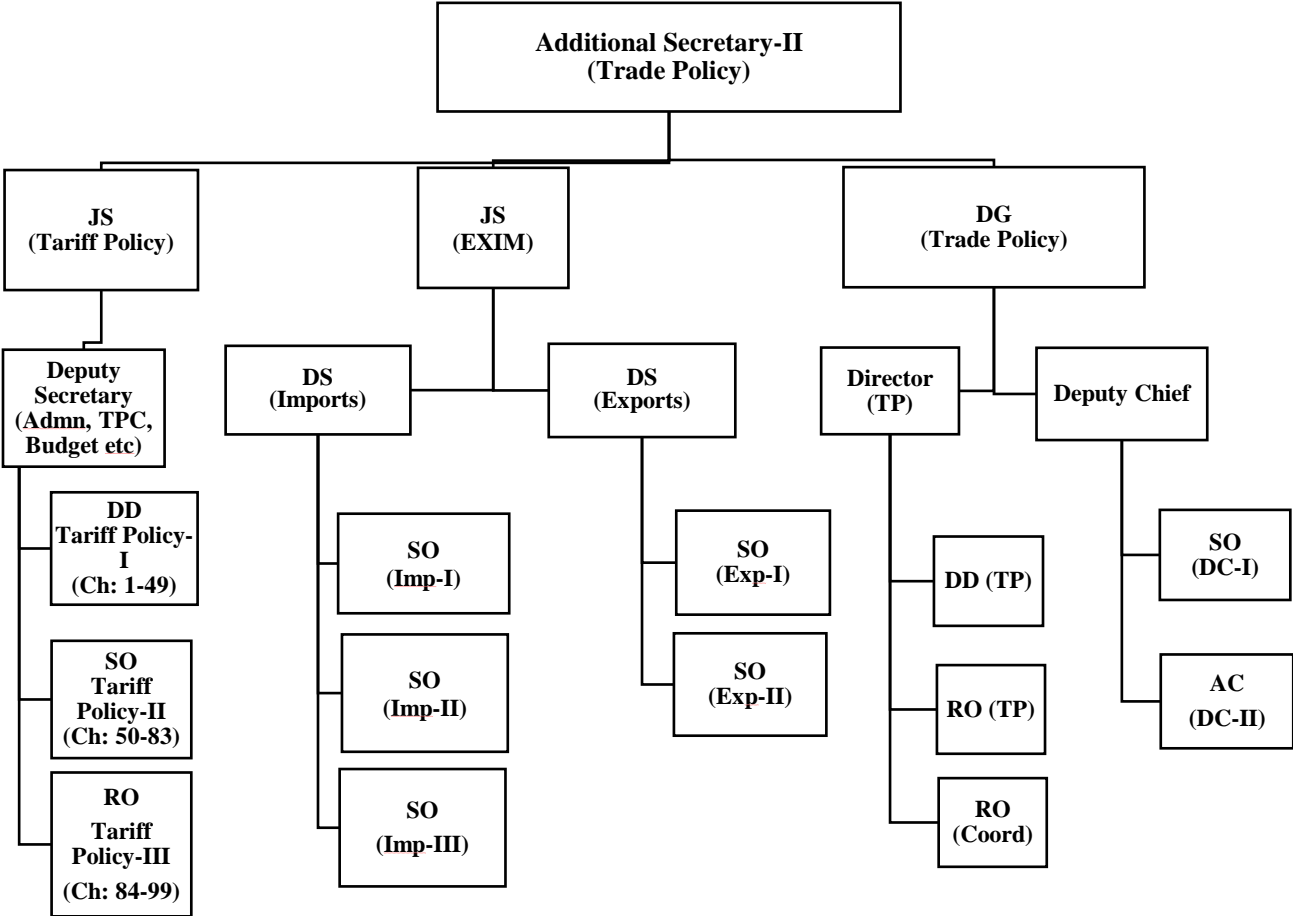
**(ii) Special Secretary**



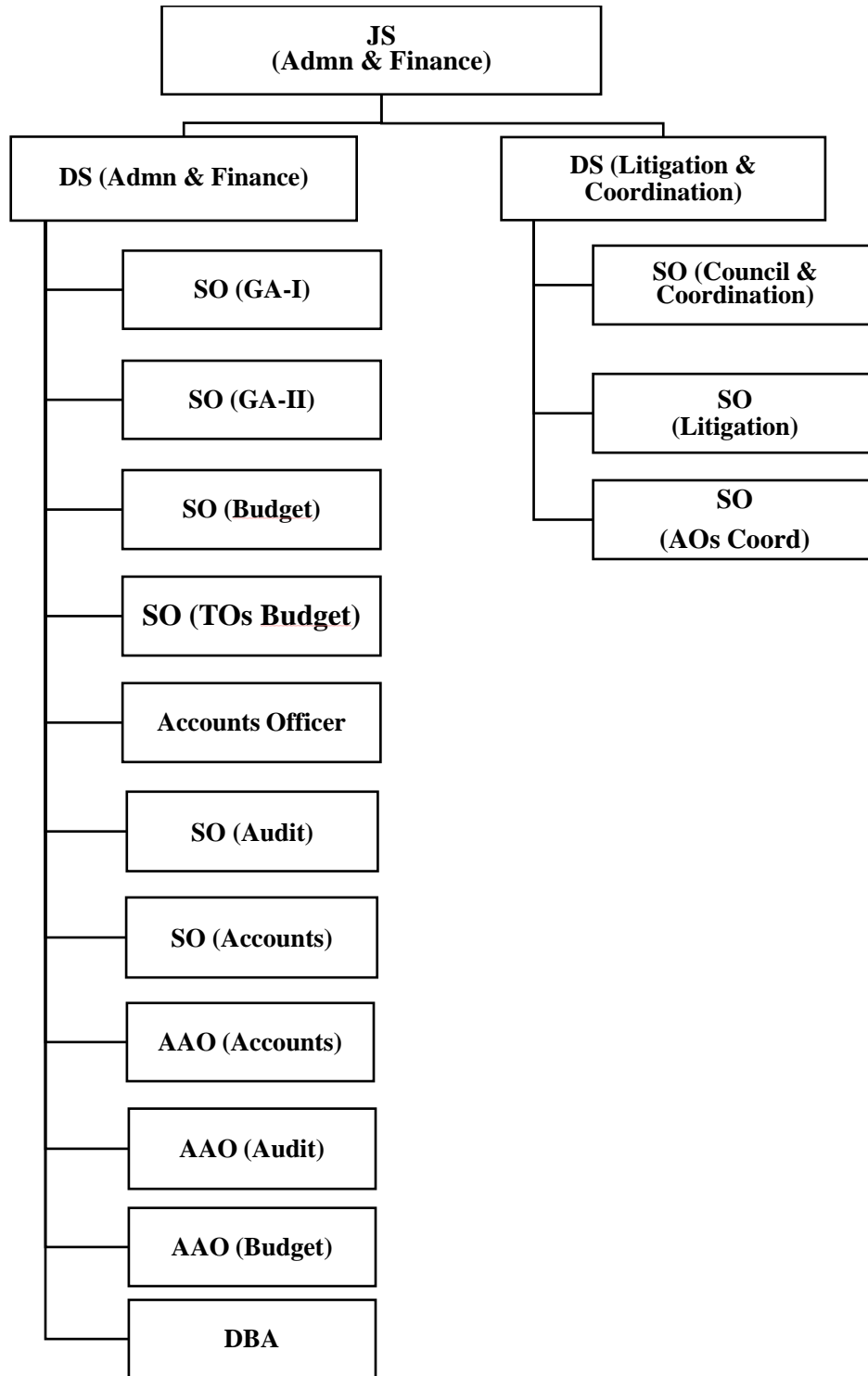
**(iii) Organogram Trade Diplomacy Wing**



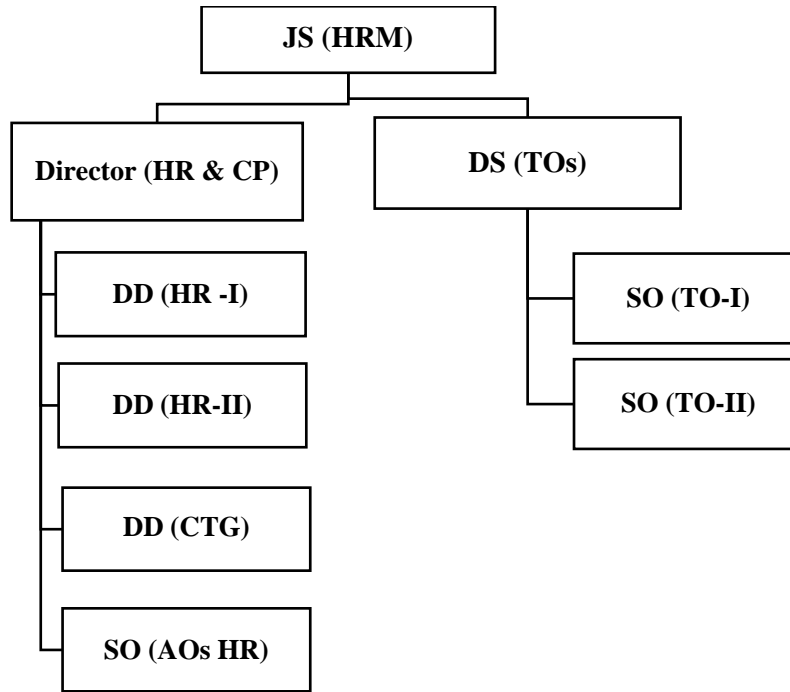
**(iv) Organogram Trade Policy Wing**



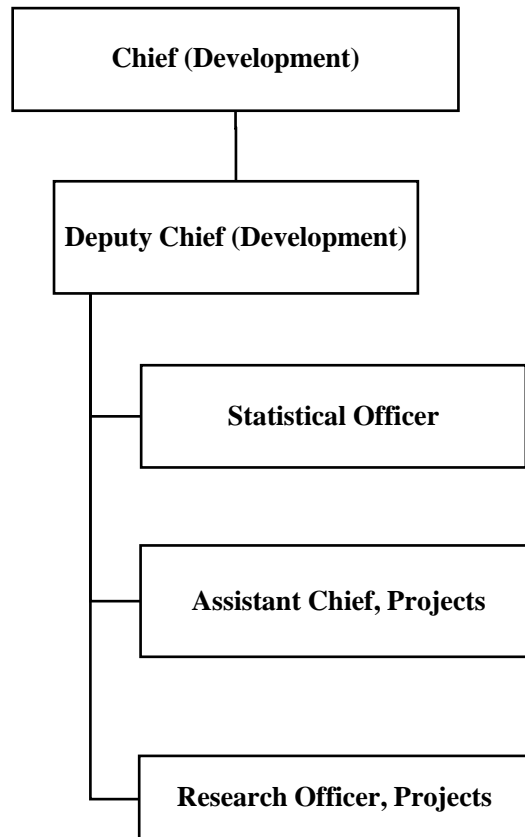
**(v) Organogram (Admn & Finance) Wing**



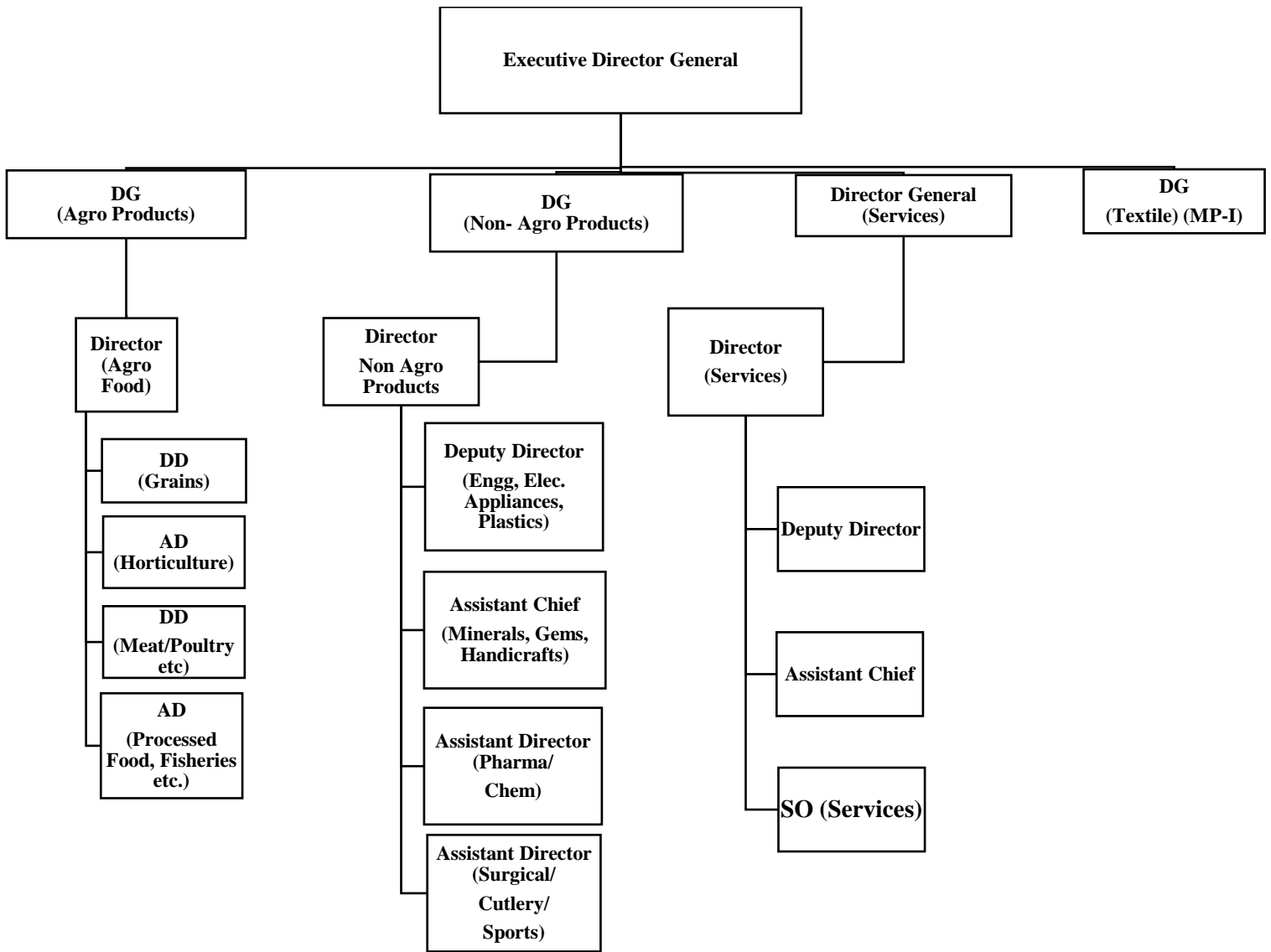
**(vi) Organogram HRM Wing**



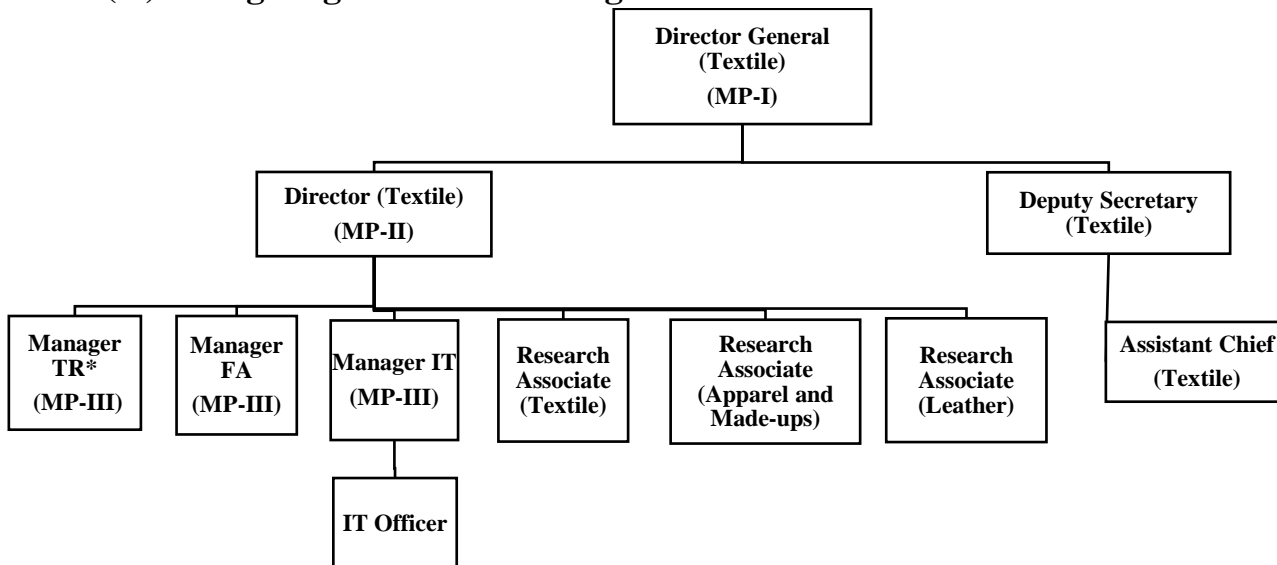
**(vii) Organogram Development Wing**



**(viii) Organogram Executive Director General**



**(ix) Organogram Textile Wing**



### 3. HRM WING

#### 3.1. Human Resource Management Wing

The HRM Wing is responsible for overall human resource management and financial administration of main Ministry. HR Section's is responsible for better management of the human resource and capacity building of officer and staff. Posting, transfers, career planning, promotions, pay fixation and other services matters are dealt in HR Sections.

#### 3.2. Achievements

Ministry of Commerce HR Sections has performed entire assigned task efficiently and effectively, within the available resources and allocated budget of FY 2020-2021. 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	00
2)	Promotion cases of official BS-01 to BS-18	14
3)	G.P Fund Advance	50
4)	House Building Advance	55
5)	Motor Car/Motor cycle Advance	40
6)	Nomination of Foreign/ domestic training of officers / officials including attached organization of Ministry of Commerce	Total 24 nomination including Officers /Officials of Ministry of Commerce and its Attached Departments, Subordinate Officers were made out of which 20 were domestic training.

#### 3.2.1. Human Resource

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

BS	Sanctioned posts
22	3
21	5
20	17
19	24
17/18	73
Total	122

##### 3.2.1.2. Sanctioned Strength of Officials of Main Ministry

BS	Name of Post	Sanctioned post
17/18/19	Private Secretary	12
16	Assistant Private Secretary	56
16	Superintendent	10
16	Translator	01
16	Assistant	90
16	Statistical Assistant	01



14	Steno-typist	71
13	Grading Inspector	02
12	Data Entry Operator	02
11	Marketing Inspector	01
11	Upper Division Clerk	31
11	Receptionist	01
09	Lower Division Clerk	46
07	Draftsman	01
01	Khidmatgar	01
04/05	Staff Car Driver	30
04	DMO	01
04	Photo State Operator	01
04	Dispatch Rider	06
03	Daftry	03
03	Qasid	07
01	Naib Qasid	140
01/02	Regular Frash	06
01	Chowkidar	03
01	Sweeper	04
	<b>Total</b>	<b>527</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 and Malaysia for various Training Programmes, Seminar, Workshops, Courses, Master Degree Programmes and long/short term Training Programmes. These International Training facilities are offered through Economic Affairs Division, Planning Development & Special Initiative Division, World Trade Organization, Geneva and other Government and non-Government Organizations.

During the Financial Year 2020-2021, Ministry of Commerce sent 04 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)
- Pakistan Manpower Institute, (PMI), Islamabad
- Pakistan Institute of Management, (PIM) Lahore, Karachi, Islamabad
- Pakistan Planning and Management Institute (PPMI), Islamabad

- National School of Public Policy, Lahore.
- National Defence University, Islamabad.

During the Financial Year 2020-21, Ministry of Commerce sent 20 officers /officials for different local Trainings.

### **3.3.3. TOs SECTION**

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 (TOMEC) 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 focussed 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 favours the candidates having exposure to trade, who would undergo one-month 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) 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 blocs and Free Trade Areas.

In order to better coordinate, synergize and strengthen Pakistan’s trade diplomacy and lobbying efforts in the economic blocs, and in line with the focus of the Government on Economic diplomacy and to enhance the economic outreach under the Prime Minister’s economic Outreach Initiative, it is proposed that Commerce Division may be allowed to create the seventeen (17) additional posts of Trade Officers and up gradation of the post of Trade Investment Officer, London (BS-19). This proposal has been worked out on the basis of existing trade potential as well as the political significance of the proposed countries and the geographical presence in the region.

#### 4. ADMN & FINANCE WING

##### 4.1. Budget

Finance Division allocated Indicative Budget Ceiling (IBC) of recurrent budget Rs.6597.882 million in respect of Commerce Division under demand No.31 Main Ministry, demand No. 32 Trade Missions abroad and attached departments demand No. 33 attached department of Textile Division merged in Ministry of Commerce during the Financial Year 2020-21. Budget Orders/NISs and Fund Centre Forms of the Main Ministry, 12 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 unites of Commerce Division is given below:

<b>(Rs. In Millions)</b>		
<b>Sr. No</b>	<b>Departments</b>	<b>Budget Grant</b>
1.	Main Ministry	621.953
2.	Export Development Fund (EDF), Islamabad	1,493.45
3.	National Tariff Commission (NTC), Islamabad	222.921
4.	Directorate General of Trade Organization Islamabad	38.72
5.	Trade Dispute Resolution Organization Islamabad	30.828
6.	Trade Development Authority of Pakistan	1,404.59
7.	Pakistan Institute of Trade and Development Islamabad	68.209
8.	Liaison Office Afghan Transit Trade Chaman	1.714
9.	Pakistan Cotton Standard Institute Karachi	74.713
10.	Pakistan Cotton Standard Institute Multan	34.459
11.	Pakistan Cotton Standard Institute Sukkur	43.052
12.	Textile Commissioner Organization Karachi	42.227
13.	Textile Commissioner Organization Faisalabad	1.073
14.	All Trade Missions abroad	2,519.97
	<b>Grand Total</b>	<b>6597.882</b>
15.	DLTL	<b>10000.00</b>

Re-appropriation cases in respect of 55 Trade Missions, 12 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 2020-21.

#### 5. EXIM WING

##### 5.1. 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:

##### 5.2. Imports

The functions assigned to the Wing on import side are;

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

### **5.3. Exports**

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

- Coordination with President and Prime Minister Secretariat
- To coordinate with Directorate General Trade Organizations to seek views/comments for President's Secretariat and Prime Minister's Office regarding requests by Chambers/Associations.
- Preparation of draft speeches for President and Prime Minister.
- Providing briefs, guest lists and other information regarding call group to President / Prime Minister in coordination with Chambers / Associations.

#### **5.3.1. Airport protocol passes**

- To recommend request of the exporters for issuance of protocol passes after the examination of the requisite documents and criteria.
- Sector specific consultations.
- To provide information & facilitation to Trade Associations, Chambers and Government Departments on these specific export sectors.
- To provide policy input/views/recommendations for the development of export sectors.
- To liaise and coordinate with sector specific Trade Associations for policy implementation. To address grievances / problems of the relevant Exporters / Associations recommending policy / procedural amendments.

#### **5.3.2. Matters pertaining to PIF&D, DGTO, Chamber of Commerce & Industry, Trade Associations, EPZ, PHDEC and PTB.**

- To coordinate with trade bodies, DGTO, TDAP, PIF&D and Export Processing Zone Authorities.
- To address grievances/problems of the relevant Organizations and recommending policy/procedural amendments as per the mandate of Ministry of Commerce.
- To coordinate and facilitate annual meetings and other events on behalf of Ministry of Commerce.
- Mentoring export promotion initiatives like exhibition/fairs/trade Delegations through TDAP and Trade Missions abroad,
- Processing the cases regarding relaxation, clarification and authorization of the above commodities.
- Interpretation and implementation of regulatory matters of Export Policy Order.
- Dealing with the operational matters of the Pakistan Horticulture Development & Export Company.
- Preparation of summaries for ECC of the Cabinet regarding export of products on restricted or banned list.
- Coordination with relevant stakeholders regarding quality certification/ standard and inspection etc.
- Resolution of issues of Tobacco Board like price fixation & grading of tobacco, cess collection etc.

### 5.3.3. Liaison with EDF Secretariat

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

### 5.3.4. Activities

Besides the disposal of day to day work according to the functions listed above, the following important activities related to improvement of work in Exim Wing were carried out during the current financial year (2020-21):

#### 5.3.4.1. Import Wing

The Details regarding Import Wing are as follows.

- 456 receipts were processed and 341 letters have been issued by this section including import authorization for the release of various goods after seeking approval of the same from the Prime Minister office/ Federal Cabinet regarding permission for Post-Shipment Inspection (PSI) of machinery, permission for import of Jet fuel and import of chemical by commercial importer on the recommendation of Ministry of Narcotics Control etc on one time basis besides submission of answers to the Senate and National Assembly questions.
- 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.
- Special assignment of managing quota distribution for import of sugar of total three hundred thousand metric tons was successfully handled with the Imp-II section.
- Measures have been taken to eliminate chances of utilization of fake/ forged import authorization, which include authentication of genuineness of import authorization is verified and issued by this Ministry for the concerned departments. Approximately, 35 cases have been processed for conveying the verification of genuineness of the import authorization issued by this Ministry.

The Strategic Trade Policy Framework (STPF-2020-21) generally and para-16 of the Import Policy Order (2020) specifically provides for import of brand new duty free cars or locally assembled cars of engine capacity not exceeding 1350cc by the disabled persons for their personal use to overcome the physical disability. Further, three-wheeler motorcycle in new condition are allowed to be imported. 119 authorizations to disable persons to import brand new duty free cars of locally assembled cars of engine capacity not exceeding 1350cc have been issued on recommendation of concerned provincial and Federal Government in 2020-21. Moreover, Income bracket for disabled persons has been increased from the current maximum Rs. 100,000 to 200,000 per month. A disabled persons who has imported a duty free car and / or purchased a locally manufactured car at concessional rate of duty/taxes during last ten years.

<b>List of SROs Related to Import Policy Order issued during FY 2020-21</b>		
<b>Sr. No</b>	<b>SRO. No.</b>	<b>Subject</b>
1	SRO 7228(1)/2021 Dated 10-06-2021	Import to entities or countries sanctioned under the United Nations. Security Council Resolutions shall be subject to the provisions of SROs issued in Pursuance to the United Nations (Security Council) Act, 1948 by Ministry of

		Foreign Affairs, from time to time, in respect of goods, technologies and materials specified therein.
2	SRO 558(1)/2021 Dated 16-04-2021	To facilitate soap manufacturing industry, the Import Policy Order (2020) condition of addition of Red Dye import clearance of Palm Stearin Oil has been withdrawn/eliminated.
3	SRO 483(1)/2021 Dated 16-04-2021	In order to stop spread of HIV/Aids, a ban has been imposed on Import of Conventional Syringes (2ml, 2.5ml, 3ml, & 5ml)
4	SRO 46(1)/2021 Dated 19-01-2021	To facilitate operational efficiency of Pakistan Navy, import of Turbine Fuel Aviation High Flash (JP-5) has been allowed by Naval Headquarters, as and when required, through third parties.
5	SRO 1225(1)/2020 Dated 18-11-2020	Regulation of import of Radiation Apparatus in line with the Pakistan Nuclear Regulatory Authority law.
6	SRO 902(1)/2020 Dated 25-09-2020	Import Policy order, 2020
7.	SRO 883 (I)/2020 Dated 15-09-2020	Regulations concerning import of animal and animal products, in accordance with the guidelines of the Organization of Animal Health (OIE).

#### 5.3.4.2. Export Wing

Export Wing of the Ministry of Commerce has conducted the following activities during fiscal year 2020-21:

<b>List of SROs Related to Export Policy Order issued during FY 2020-21</b>	
<b>Sr. NO</b>	<b>Activities/Initiative</b>
1	Amendments made in Export Policy Order, 2016 to allow export of surgical and N-95 masks vide SRO 75(1)/2020 dated 25-08-2020.
2	Amendments made in Export Policy Order, 2016 to allow export of Tyvek suits vide SRO 899(I)/2020 dated 24-09-2020.
3	Export Policy Order, 2020 notified vide SRO 901(1)/2020, dated 25.09.2020
4	Amendments made in in Para 7, subparagraph 5 of Export Policy Order, 2020 dated 26.10.2020
5	Amendments made in Schedule-II of Export Policy Order, 2020 with regards to export of mangoes and kinnow vide SRO 1334(I)/2020, dated 14-12-2020
6	Decision on cases of non-payment of freight subsidy/penalty on sugar exports in consultation with the office of the Attorney General of Pakistan, vide Order dated 08.03.2021.
7	Amendment in Para-14 of Export Policy Order, 2020 to remove the condition of Minimum Export Price on single-use surgical instruments vide SRO 539(1)/2021 dated 05-05-2021
8	Amendment made in Export Policy Order, 2020 with regards to export to countries under United Nations sanctions vid SRO 729(1)/2021 dated 10.06.2021

### **5.3.4.3. Recommendation for Airport Passes**

As per policy of Aviation Division, this Ministry recommends names of the leading exporters with export performance USS 15.00 million in the preceding year and forward request of Presidents and Vice Presidents of trade associations and chambers. Protocol passes for a total 66 exporters were recommended to Aviation Division.

### **5.3.4.4. 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 2020-21:-

- Honorable President of Pakistan meeting with Sahiwal Chamber of Commerce & Industry.
- Honorable President of Pakistan meeting with Sialkot Chamber of Commerce & Industry.
- Rawalpindi Chamber of Commerce & Industry invitation to Honorable First Lady to grace the "International Women Day" as a Chief Guest.
- Honorable President of Pakistan meeting with All Pakistan Anjman-e-Tajran, Sindh, Karachi.
- Rawalpindi Chamber of Commerce & Industry invitation to Honorable President of Pakistan to grace the "Ambassador Dinner" as Chief Guest.
- Islamabad Chamber of Commerce & Industry invitation to Honorable President of Pakistan as Chief Guest at "ICCI Award Ceremony", at Aiwan-e-Sadr.
- Rawalpindi Chamber of Commerce & Industry invitation to Honorable President of Pakistan to attend the "International Rawal Expo-2020" as Chief Guest on 06-08-2020 through video link.
- Honorable President of Pakistan meeting with Delegation of Stationary Industry on 15<sup>th</sup> August, 2020.
- Honorable President of Pakistan meeting with Delegation of Karachi Electronic & Mobile Dealers Association on 17<sup>th</sup> August, 2020.
- Honorable President of Pakistan meeting with Delegation of All Pakistan Anjuman-Tajran Sindh on 17<sup>th</sup> August, 2020.
- Islamabad Chamber of Commerce & Industry invitation to Honorable President of Pakistan to grace the "3<sup>rd</sup> ICCI Achievement Awards" on 03-09-2020.
- Rawalpindi Chamber of Commerce & Industry (RCCI) has invited the Honorable President of Pakistan as Chief Guest for "Virtual International Expo-2020" on 06-08-2020 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 on 25<sup>th</sup> August, 2020.
- 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 on 03-09-2020 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 on December-2020.
- Honorable President of Pakistan meeting with Peshawar Chamber of Small Traders and Small Industry (PCSTSI) on 22-03-2021.
- Honorable President of Pakistan meeting with Lahore Chamber of Commerce and Industry on 05-05-2021.
- Honorable President of Pakistan meeting with Federation of Pakistan Chamber of Commerce and Industry (FPCCI) on 19-05-2021.
- Honorable President of Pakistan meeting with Sarhad Chamber of Commerce and Industry.
- CEO Club Pakistan request to Honorable President of Pakistan as Chief Guest in launching of bestselling book "100 performing CEOs & Companies of Pakistan" edition (2020-21) at President House for Top CEOs (Wealth creators), Chairmen & Entrepreneurs.
- Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) has invited the Honorable Prime Minister of Pakistan to grace the "12<sup>th</sup> Achievement Awards Ceremony" as Chief Guest on December-2020

- Lahore Chamber of Commerce & Industry has invited the Honorable Prime Minister of Pakistan to grace the “Annual Ambassadors dinner 2021” as Chief Guest.
- Honorable President of Pakistan meeting with Hairpur Chamber of Commerce and Industry on 16-08-2021.
- Honorable President of Pakistan meeting with Young Presidents Organization (YPO).
- Pakistan Soap Manufacturers Association (PSMA) has invited the Honorable Prime Minister of Pakistan to grace the “Annual Function of PSMA, Karachi” as Chief Guest.

#### 5.3.4.5. Appeals against orders of DGTO

<b>APPEALS Heard AND FINALIZED BY THE CABINET COMMITTEE</b>	
<b>S#</b>	<b>TRADE BODIES/ASSOCIATIONS</b>
1	Pakistan China Joint Chamber of Commerce & Industry
2	German-Pakistan Chamber of Commerce & Industry
3	Woman Chamber of Commerce & Industry, Hazara Division
4	Mirpur Chamber of Commerce & Industry
5	Khairpur Chamber of Commerce & Industry
6	Pakistan Solar Association
7	Hyderabad Chamber of Commerce & Industry
8	Kurram Chamber of Commerce & Industry
9	Pakistan Leather Garment Manufacture and Exporter Association
10	Mr. Khalid Tawab & Others
11	Indenters Association of Pakistan
12	Karachi Women Chamber of Commerce and Industry South
13	All Pakistan Textile Mills Association
14	Pakistan Tyre Importer and Dealer Association
15	Pakistan Waste Product Association
16	All Pakistan Aluminum Utensils Manufacturer Association
17	All Pakistan Fertilizer Dealer Association
18	Sheikhupura Chamber of Commerce & Industry

## 6. **FT-I WING**

Engagements of Pakistan with its trading partners in Asia Pacific region falls in the domain of FT-I Wing. In financial year 2020-21 the following such engagements were carried out:-

### 6.1. **Pakistan-Japan**

After six Sessions of Japan-Pakistan High Level Economic Policy Dialogue (JPHLEPD), another forum of bilateral engagement, Monitoring Committee, was established between the two countries as cross institutional mechanism to resolve issues faced by the business community of both sides. The first meeting of the Committee has been held on 26<sup>th</sup> November, 2020 wherein both sides shared the willingness to promote discussions to facilitate and further strengthen bilateral trade and address issues pending on both sides.

The 7th Session of Japan-Pakistan High Level Economic Policy Dialogue (JPHLEPD) was held in March, 2021 during which the discussion held in the last session was recalled and new proposals for pressing trade and economic issues between the two countries were shared.



<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
<b>2020-21</b>	175.8	1,138.6	1,314.4	(-)962.8

### 6.3. Pakistan-South Korea

Pakistan and South Korea held the 3rd Meeting of Joint Trade Committee on 6th January, 2021 to discuss avenues to expand the bilateral trade and investment linkages and the prospects of preferential trading arrangement.

<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>
<b>2020-21</b>	<b>187</b>	<b>861</b>	<b>1048</b>	<b>(-)674</b>

### 6.4. Pakistan-Thailand

The negotiations for Pakistan Thailand Free Trade Agreement (PATHFTA) started in 2015 and so far 9 rounds of negotiations have been held. An inter-sessional video conference with the Thailand side on the progress of PATHFTA negotiation was held on 17th March, 2021. During the session, both sides decided to hold the meetings of the Working Groups for resumption of negotiations.

<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
<b>2020-21</b>	173.5	689	862.5	-508

### 6.5. Pakistan-Sri Lanka

The 7th Session of Pakistan Sri Lanka Commerce Secretary Level Talks was held on 18th February, 2021, wherein both countries renewed the resolve to further deepen bilateral ties and work on technical issues by reviving the platform of Joint Working Groups.

Pakistan also held its first ever Trade and Investment Conference in Colombo, Sri Lanka on 24th February, 2021 on side-lines of visit of the Prime Minister of Pakistan to Sri Lanka. The event proved to be a huge success and the leading businessmen from both countries attended the conference. During the visit of the Prime Minister, the Investment Promotion Agencies of both countries also signed MoU on Investment Promotion.

As a follow up of the 7<sup>th</sup> Session of Commerce Secretary Level Talks, the 2<sup>nd</sup> meeting of the Joint Working Group on Trade, Investment and Auto Sector was held on 21<sup>st</sup> May, 2021 wherein the technical aspects of the outstanding issues between the two sides were discussed.

<b>Aggregate Bilateral Annual Trade with Sri Lanka</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>	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
<b>2020-21</b>	275.08	79.62	354.7	(+)195.46

## 6.6. Pakistan Indonesia

To broaden the scope of existing Preferential Trade Agreement (IP-PTA) and to explore the possibilities for expansion of the Preferential Trade Agreement into a Free Trade Agreement, the technical teams of the two countries initiated the process of negotiation under the platform of Joint Negotiation Committee (JNC) in 2019. The 2<sup>nd</sup> meeting of the Joint Negotiation Committee between Pakistan and Indonesia was held on 28<sup>th</sup> -29<sup>th</sup> April 2021 as a follow up of the process started in 2019 and a step forward towards further cementing the bilateral ties between the two countries.

<b>Aggregate Bilateral Annual Trade with Indonesia</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>	130.5	2148.3	2278.8	-2017.8
<b>2016-17</b>	138.8	2318	2456.8	-2179.2
<b>2017-18</b>	313.3	2,544	2857	-2230.4
<b>2018-19</b>	167.3	2,372	2538.8	-2204.2
<b>2019-20</b>	111.5	2106.1	2217.6	-1994.6
<b>2020-21</b>	149	3015.1	3164.1	-2866.1

## 7. FT-II WING

### 7.1. Africa Region

Total bilateral trade between Pakistan and Africa was US\$ 4.39 billion in 2020-21. Exports were US \$1.37 billion, while imports were US \$3.02 billion in 2020-21. The details are provided below:

#### **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>
2014-15	1796.368	1529.436	3325.80
2015-16	1487.129	1656.119	3143.25

2016-17	1281.382	1919.376	3200.76
2017-18	1514.608	2744.163	4258.77
2018-19	1384.51	2919.972	4304.48
2019-20	1480.37	2705.94	4186.31
<b>2020-21</b>	<b>1372.57</b>	<b>3025.31</b>	<b>4397.88</b>

## **7.2. 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.

### **7.2.1. 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

#### **7.2.1.1. Webinars/online consultative sessions**

After the on-set of Covid-19 and consequent restrictions on physical trade related activities, Ministry of Commerce, Trade Development Authority of Pakistan and Trade & Investment Officers abroad have organized around forty two (42) webinars on specific countries and products, to inform Pakistani business community regarding trade regulatory regimes in African countries and potential sectors/products for exports to specific African markets, in which African experts explained and guided Pakistani exporters.

#### **7.2.2. Visit of Standard Organization of Nigeria Delegation**

A delegation of Standards Organization of Nigeria (SON) visited Pakistan in November 2020 to perform audit and inspection of a Gujranwala based manufacturer of composite gas cylinders, M/s. Burhan Gas Company. The delegation visited Ministry of Commerce on 13th November 2020, where the delegation was briefed by Ministry of Commerce, Engineering Development Board, Pakistan National Accreditation Council and Pakistan Council of Scientific and Industrial Research. The audit and inspection was successful and approved by SON.



### **7.2.3. Visit of Trade Delegation from Tanzania**

A four-member business delegation from Tanzania, headed by the President of Tanzania Chamber of Commerce, Industry and Agriculture visited Pakistan in November 2020. The delegation visited multiple government and private organization in Karachi, Lahore and Islamabad and visited Ministry of Commerce on 30th November 2020. This marked the first official business delegation from Tanzania to Pakistan in approximately thirty years.



### **7.2.4. Participation in 38th international Khartoum fair**

Pakistan officially participated in 38th International Khartoum Fair, held in Khartoum from 21st to 29th January 2021. A sizeable delegation of Pakistan consisting of seventeen companies participated in the event, which marked the first physical participation by Pakistan in a Trade Fair since the onset of Covid-19 pandemic.



### 7.2.5. Visit of Pharmaceutical Delegation from Kenya

A Pharmaceutical delegation from Kenya visited Pakistan in February 2021 to inspect Pharmaceutical exporting companies of Pakistan. The delegation also held a meeting with Drug Regulatory of Pakistan and Ministry of Commerce, where they were briefed about current status and achievements of Pakistani Pharmaceutical industry, especially since the emergence of Covid-19 pandemic. The inspections of Pharmaceutical manufacturing units were performed successfully.



### 7.2.6. 1st meeting of Kenya-Pakistan Joint Trade Committee

1st meeting of Kenya-Pakistan Joint Trade Committee (JTC) was held on 7th April 2021 virtually. This marked the first major economic engagement with Kenyan government since the 3rd meeting of Joint Ministerial Commission in 2004. Mr. Johnson Weru, Principle Secretary, State Department for Trade and Enterprise, Kenya and Mr. Muhammad Sualeh Ahmad Faruqi, Federal Secretary, Ministry of Commerce, Pakistan co-chaired the meeting.

The Kenyan side informed that they will support the creation of bilateral linkages between Pakistan and East African Community (EAC) and initiation of negotiations on Preferential Trade Agreement of Pakistan with the EAC.

Meeting was attended by Senior Government Officials from both sides discussing various avenues to enhance mutual cooperation in trade and investment. The two sides agreed to enhance cooperation through Mutual Recognition Agreements (MRA) addressing harmonization of technical regulations and standards, Pakistan's Mango and Citrus exports to Kenya and MoUs for collaboration in Pharmaceutical & Health sectors and Customs cooperation.



### 7.3. ECO & CARS REGION

Pakistan's total trade with CARs, Afghanistan and Iran stood at US\$ 2295.32 million in 2020-21, with exports of US\$ 1163.62 million and imports of US \$ 1131.70 million. The Trade Statistics are given as under:

#### BILATERAL TRADE OF PAKISTAN WITH Afghanistan, Iran and CARs (US\$ MILLION)

Years	Pakistan Exports	Pakistan Imports	Total Trade
2014-15	1974.47	582.61	2557.08
2015-16	1607.96	629.85	2237.81
2016-17	1402.99	665.57	2068.56
2017-18	1435.64	862.38	2298.02
2018-19	1419.9	990.86	2410.76
2019-20	966.39	921.84	1888.23
<b>2020-21</b>	<b>1163.62</b>	<b>1131.70</b>	<b>2295.32</b>

Source: FBR/PRAL

### 7.3.1. Signing of Memorandum of Understanding (MoU) on Establishment of Pak -Uzbekistan Joint Working Group on Trade and Economic Affairs (10th September,2020)

Uzbek Delegation, headed by Uzbek Deputy Prime Minister on Investments and Foreign Trade, visited Pakistan on 10<sup>th</sup> September,2020. The other delegates included Deputy Minister of Transport, First Deputy Minister (*Secretary*) for Investments and Foreign Trade, First Deputy Minister for Foreign Affairs, Chairman of State Owned Company "UzAuto", Director of Investment Promotion Agency under the Ministry of Investments and Foreign Trade of the Republic of Uzbekistan, Head of the Department and Ministry for Investments and Foreign Trade. The delegation had a meeting with the Advisor to the Prime Minister on Commerce and Investment on 10<sup>th</sup> September, 2020 in Ministry of Commerce. From Pakistani side, meeting was attended by Secretary Commerce, Chairman Board of Investment, Secretary Board of Investment and Additional Secretary Ministry of Foreign Affairs. During the meeting, two sides also signed the MoU for Establishment of a Joint Uzbekistan-Pakistan Working Group on Trade and Economic Affairs.



### 7.3.2. 7<sup>th</sup> Meeting of Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) 17<sup>th</sup> November, 2020 Kabul

The 7<sup>th</sup> Meeting of Afghanistan Pakistan Transit Coordination Authority (APTTCA) was held on November 17, 2020 in Kabul. The meeting was jointly inaugurated by Mr. Abdul Karim Malikyar, Acting Deputy Minister for Industry and Commerce Affairs, Islamic Republic of Afghanistan, and Mr. Muhammad Sualeh Ahmed Faruqi, Secretary Commerce, Ministry of Commerce, Islamic Republic of Pakistan. During the meeting, the two sides discussed revision of Afghanistan Pakistan Transit Trade Agreement (APTTA 2010).





### **7.3.3. Third Virtual Session Of The Joint Working Group On Cooperation In The Field Of Trade Between The Republic Of Azerbaijan And The Islamic Republic Of Pakistan 24<sup>th</sup> December,2020**

The third session of the Joint Working Group on cooperation in the field of trade between Azerbaijan and Pakistan was held virtually on 24<sup>th</sup> December, 2020 at 1400 Hrs. The Azerbaijani delegation was headed by Mr. Rovshan Najaf, Deputy Minister of Economy of the Republic of Azerbaijan. The Pakistani delegation was headed by Mr. Muhammad Sualeh Ahmad Faruqi, Secretary Commerce of the Islamic Republic of Pakistan. The two sides pledged to cooperate to enhance trade and to mitigate tariff and non-tariff barriers in order to give impetus to bilateral economic relations.



### **7.3.4. 8<sup>th</sup> Meeting of Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) 28-30<sup>th</sup> December, 2020 Islamabad**

The 8th Meeting of Afghanistan Pakistan Transit Coordination Authority (APTTCA) was held from 28-30th December, 2020 at Islamabad. The meeting was jointly inaugurated by Mr. Abdul Razak Dawood, Advisor to the Prime Minister of Pakistan on Commerce and Investment and Mr. Nisar Ahmad Faizi Ghoryani, Minister of Industry and Commerce of Afghanistan. During the meeting, the two sides discussed revision of Afghanistan Pakistan Transit Trade Agreement (APTTA 2010).



### 7.3.5. 1<sup>st</sup> Meeting of Pak-Uzbekistan Joint Working Group on Trade and Economic Affairs 1<sup>st</sup> February, 2021 Tashkent

Mr. Abdul Razak Dawood, Advisor to the Prime Minister on Commerce and Investment led a delegation to Uzbekistan to have 1<sup>st</sup> meeting of Joint Working Group on Trade and Economic Affairs and Tripartite Working Group on the implementation of the Trans-Afghan Railway construction project, from 1<sup>st</sup> February, 2021 to 4<sup>th</sup> February, 2021.

During the 1<sup>st</sup> meeting of the Joint Working Group, both sides have expressed the desire to enhance bilateral trade relations between the two countries. In this regard, the two sides discussed streamlining bilateral phyto- sanitary standards, enhancing banking cooperation, working on rail and road connectivity matters and establishment of off dock terminal. The two sides showed resolve to enter into Preferential Trade Agreement (PTA). It was highlighted in the meeting that private sector is quintessential for bilateral trade, therefore the two side resolved to have cooperation in shipping, textile, engineering and IT sectors. The Uzbek side invited Pakistan Business Delegation to stage a Joint Exhibition in Tashkent in June, 2021.

Both side also discussed the possibility of establishment of Joint Cargo Company by private sector, which can mitigate connectivity issues. The two sides also discussed to revive the Joint Business Council, and assured that bilateral engagements like Inter Governmental Commission will be held more frequently.



### 7.3.6. Signing of Additional Protocol for Extension of Afghanistan Pakistan Transit Trade Agreement (APTTA 2010) for a Period of Three Months 1<sup>st</sup> April, 2021

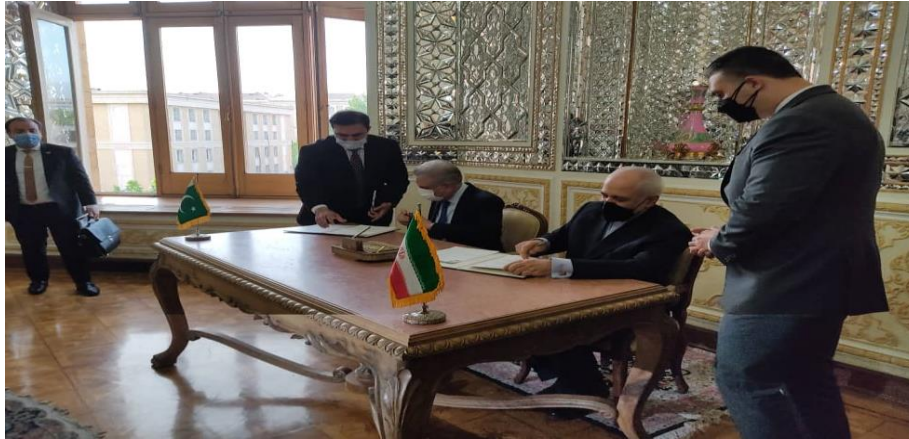
Afghanistan Pakistan Transit Trade Agreement (APTTA 2010) expired on 11<sup>th</sup> February, 2021 after completing a period of ten (10) years. On consensus, the two sides decided to extend the agreement for a period of three months beyond 11<sup>th</sup> February, 2021 by signing an additional protocol to the agreement. Furthermore, the Agreement has been further extended for a period of six (6) months beyond 11<sup>th</sup> May, 2021.



### 7.3.7. Signing of Memorandum on Understanding on Establishment of Border Sustenance Marketplaces with Iran. 21<sup>st</sup> April, Tehran

The Foreign Ministers of Iran and Pakistan signed the MoU on establishment of Border Sustenance Marketplaces, at Tehran on 21<sup>st</sup> April 2021, during the visit of the Foreign Minister to Iran for establishment of Joint Border Marketplaces. It was agreed in the MOU, to establish the pilot projects of Border Sustenance Market Places at:

1. Chegdi-KohakPanjgur District,
2. Mand-PishinKech District and
3. Gabd-Rimdan Gwadar District



### 7.3.8. Virtual Business Forum between Pakistan and Azerbaijan 29<sup>th</sup> April, 2021

Pakistan and Azerbaijan organised a Pak-Azerbaijan Business Forum on 29<sup>th</sup> April, 2021. The forum was held in a video conference format, in collaboration with AZPROMO. Business firms operating in pharmaceutical, surgical, agro food, textile and light industry sectors participated in the forum.

**Trade Development Authority of Pakistan**

**“Business Forum between Pakistan and Azerbaijan”**

**29<sup>th</sup> April 2021**  
**Thursday**  
**12:00<sup>NOON</sup>(PST)**  
**11:00<sup>AM</sup>**  
**(Baku Time)**

**Pakistani Speakers**

*Opening Remarks*  
**Mr. Muhammad Sualeh**  
Ahmad Faruqui  
Federal Secretary Commerce  
**Mr. Ahsan Ali Mangi**  
Secretary of TDAP  
**Investment in Pakistan**  
Board of Investment  
**Trade Opportunities in Pakistan**  
Trade Development Authority of Pakistan

**Azerbaijan Speakers**

*Opening Remarks*  
**H.E. Mr. Ali Ali Alizade**  
Ambassador of Azerbaijan Republic to Pakistan Islamic Republic  
*Opening Remarks*  
**H.E. Mr. Bilal Hayee**  
Ambassador of Pakistan Islamic Republic to Azerbaijan  
**Mr. Yusif Abdullayev**  
Head of AZPROMO

*Moderator*  
**Mr. Zohrab Gadirov**  
Investment promotion department director of AZPROMO

### 7.3.9. 2<sup>nd</sup> Meeting of Pak-Turkmenistan Joint Working Group on Trade 5<sup>th</sup> May, 2021

The second session of the Pak-Turkmenistan Joint Working Group on trade was held virtually on 5<sup>th</sup> May, 2020 at 1200 Hrs. The Turkmen delegation was headed by Mr. Merdan Annagulyyev, Co-chair Head of Department of Foreign Economic Relations, Ministry of Trade and Foreign Economic Relations of Turkmenistan. The Pakistani delegation was headed by Mr. Muhmmad Humair Karim, Additional Secretary (Trade Diplomacy),

Ministry of Commerce of the Islamic Republic of Pakistan. The two sides pledged to cooperate to enhance trade and to mitigate tariff and non-tariff barriers in order to give impetus to bilateral economic relations.

#### 7.4. MIDDLE EAST REGION

Pakistan's regional trade with Middle East stood at **US\$ 12002.18 Million** in 2019-20 with exports amounting to **US\$ 2235.72 million** and imports standing at **US\$ 9766.46 million**. The details are given as under:

<b>BILATERAL TRADE OF PAKISTAN WITH MIDDLE EAST</b>			<b>(US\$ MILLION)</b>
<b>Years</b>	<b>Pakistan Exports</b>	<b>Pakistan Imports</b>	<b>Total Trade</b>
2014-15	2212.91	14335.01	16547.92
2015-16	1835.56	9947.97	11783.53
2016-17	1592.73	12025.1	1592.73
2017-18	1625.54	14269.03	1625.54
2018-19	1902.23	14594.74	16496.97
2019-20	2314.07	10309.85	12623.92
<b>2020-21</b>	<b>2051.19</b>	<b>11773.63</b>	<b>13824.82</b>

Source: FBR/PRAL

##### 7.4.1. A Joint Review Meeting between Ministry of Commerce, Government of Pakistan And Gulf Cooperation Council Secretariat:

A Joint Review Meeting was held today between Ministry of Commerce, Government of Pakistan and Gulf Cooperation Council Secretariat. Mr. Hamad Al-Bazai, General Coordinator for FTA Negotiations, GCC Secretariat led the discussion from GCC side and from Pakistan side head of the delegation was Mr. M. Humair Karim, Additional Secretary, Trade Diplomacy, Ministry of Commerce. Both sides welcomed resumption of Free Trade Agreement (FTA) negotiations and discussed various aspects of the FTA negotiations. Pakistan and GCC agreed to work towards a comprehensive FTA including trade in goods & services. It was further decided that the technical teams from both sides will meet in the near future to build upon the discussions held in the Joint Review Meeting.



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

Pakistan Pavilion for Expo 2020, Dubai was handed over to Pakistan on 1st June, 2021. The curtain raiser event for unveiling Pakistan Pavilion and its logo to the media was held in Karachi on 20th June, 2021. 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-months 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.



## 8. 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 to promote and facilitate trade in the regions are given below:

## 8.1. AMERICAN REGION:

### 8.1.1. 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). 8 TIFA Council meetings have been held so far.

TIFA Intersessional Meeting was held on 8<sup>th</sup> December, 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.

### 8.1.2. Record Bilateral Trade with US:

The Covid-19 pandemic had adversely affected global trade. Despite this, Pakistan's exports to the U.S. maintained upward trajectory and continued registering growth. In 2020-2021, total trade between Pakistan and the United States amounted to USD 7.86 billion with Pakistan's exports crossing the USD 5 billion mark for the first time in history. Imports from USA amounted to USD 2.71 billion.

### 8.1.3. Pacific Alliance:

Pacific Alliance is a trade bloc founded by Chile, Colombia, Mexico, and Peru. Pakistan is in the process of seeking Observer Status in the Alliance and has submitted a formal request with the Alliance Secretariat.

The region has achieved middle-income status and has a growing market for primary and manufactured goods, from which Pakistan can benefit much in due course if enhanced engagement with these non-traditional markets is undertaken. The Alliance has already granted observer status to more than 50 countries, including our regional competitors.

### 8.1.4. Pakistan-Argentina Joint Commission:

Ministry of Commerce participated in the 3<sup>rd</sup> Session of Pakistan-Argentina Joint Commission, held on 20<sup>th</sup> May, 2021. During the meeting, removal of tariff and non-tariff barriers to trade was extensively discussed and ways forward were agreed upon. An MoU on Trade Promotion is also under process between Ministry of Commerce, Pakistan and the Ministry of Foreign Affairs, Trade, and Worship, Argentina.

### 8.1.5. Trade Performance:

<b>Aggregate Bilateral Annual Trade</b>				
<b>Million \$</b>				
<b>(Source: FBR)</b>				
	<b>Exports</b>		<b>Imports</b>	
	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>USA</b>	3719.28	5149.33	2466.8	2711.91
<b>Canada</b>	273.6	319.95	488.4	606.91
<b>Mexico</b>	80.9	78.9	102.67	109.7
<b>Brazil</b>	67.9	83	749	1250.9
<b>Chile</b>	49.7	76.5	26.13	28.6

<b>Colombia</b>	30.4	40.8	1.54	1.26
<b>Argentina</b>	32.4	37.1	83.4	154.4
<b>Peru</b>	23.5	23.5	5.07	3.8
<b>Panama</b>	11.8	11.9	33	0.1
<b>Ecuador</b>	6.06	5.7	0.28	0.89

## 8.2. European Region

### 8.2.1. 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.

Under EU GSP Plus, 66% of Pakistan’s tariff lines have duty free access to EU market, with remaining 24% 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\$ 6.9 billion in 2013-14 to US\$ 8 billion in 2018-19 in pre Covid times and imports have increased from US\$ 4.545 million in 2013-14 to US\$ 4.588 million 2020-21. Currently exports to EU stand at US\$ 8.9 billion (including UK) and are recovering after pandemic situation. Substantial increase of exports has been witnessed in sectors such as garments & hosiery, home textiles, cotton fabrics and sports and surgical goods.

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.

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 biennial reviews concerning Pakistan’s compliance to the implementation of the 27 UN Conventions have been conducted and fourth has commenced.

Pakistan submitted its response on list of issues during September, 2020. Recently follow up questions were received and TIC, in consultation with all stakeholders, prepared responses and compliance with 27 UN Conventions & submitted the same to EU on 15<sup>th</sup> September, 2021.



### 8.2.2. Turkey:

- Pakistan and Turkey are conducting bilateral trade and economic relations under the High-Level Strategic Cooperation Council (HLSCC) which is the highest-level political consultations mechanism that Turkey has with other countries.
- On 13th February, 2020, Ministry of Commerce arranged Business to Business meetings with the visiting Turkish delegation in which 40 Turkish companies participated and around 450 meetings were held for possible Joint Ventures and to explore avenues of cooperation among the private sectors of both the countries.
- 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 Erodgan, President of Turkey and H.E. Imran Khan, Prime Minister of Pakistan.
- So far 6 meetings of the HLSCC have been held. The 6<sup>th</sup> HLSCC meeting was held on 13-14 February, 2020.
- The 7<sup>th</sup> HLSCC meeting is expected to be held in October, 2021.

### 8.2.3. Italy:

- Italian climbers, skiing, trekking and rafting clubs were approached to promote adventure tourism in Pakistan. Italian Team of climbers Headed by Ms. Tamara Lunger was sent to Pakistan for winter ascent of K2 in Dec 2020. The team aborted the ascent after Sadpara's tragedy. The team helped in creating hype among Italian tourists about Pakistani mountains.
- Pakistan was pitched as a destination for adventure tourism among Italian Alpine clubs, adventure sports clubs, tourism associations, tour operators etc. As a result, a number of tourist expeditions were sent to Pakistan and some of them were even recognized and appreciated by the Prime Minister of Pakistan.
- Some of these expeditions included:
  - Italian team for first ever winter ascent of K2. (Jan 2021)
  - Eight-member Italian skiing team to participate in winter sports and first ever winter traversing of Deosai Plains (and training of Pakistan Air Force Pilots and GB Reuse workers to conduct rescue operations on high altitude) (March 2021)
  - 13 Member tracking team to Swat valley to make travel book for international audience. (August 2021)
  - Travel Documentary by Italian National TV RAI-1 on tourism in GB (15 September 2021)
  - National Geographic team for documentary on Indus River (October 2021)
- Establishment of Pak-Italy Textile Technology Center at Faisalabad (3 December 2020). The Center will focus on technology upgradation and skill development in textile exports. The textile machinery for the center was secured free of cost from Italian Government/Italian trade Agency (ITA). The center is functional now in collaboration with National Textile University Faisalabad. Master Trainers were also arranged from Italy.
- Establishment of Pak-Italy Footwear Technology Center at Lahore (October 2020). The center focuses on upgradation of manufacturing and training facilities in footwear exports. The footwear machinery and testing laboratory equipment for the center was secured free of cost from Italian Government/Italian Trade Agency (ITA). It is functional now in collaboration with Pakistan Footwear Manufacturers Association. The master trainers for the center were also arranged from Italy.



## 8.2.4. Trade Performance:

Aggregate Bilateral Annual Trade				
Million \$ (Source: FBR)				
	Exports		Imports	
	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21
<b>UK</b>	1522.70	2024.99	601.79	465.38
<b>Germany</b>	1,265.19	1502.27	773.63	987.22
<b>Netherlands</b>	1,019.56	1243.55	613.27	507.91
<b>Sweden</b>	121.75	158.92	192.94	237.81
<b>Belgium</b>	553.23	635.90	265.49	346.21
<b>Switzerland</b>	12.92	14.04	267.14	323.29
<b>France</b>	366.43	411.86	396.06	407.77
<b>Spain</b>	828.91	874.56	169.29	211.21
<b>Italy</b>	730.96	786.73	520.89	485.77
<b>Hungary</b>	10.27	18.76	22.38	31.99
<b>Russia</b>	129.53	171.94	289.9	773.9
<b>Turkey</b>	263.56	273.58	354.35	475.54

## 9. CHINA WING

### 9.1. China-Pakistan

This Wing is latest addition in the Ministry of Commerce with a purpose to translate the Bilateral warmed at political level into a meaningful economic partnership.

The Phase-II of the China-Pakistan Free Trade Agreement (CPFTA) is implemented since 1<sup>st</sup> 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 miss-declaration.

### 9.2. Achievements:

- (i) During the period 2020-2021, 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, 10 seminars/webinars were held in major cities of Pakistan including Karachi, Lahore, Islamabad, Peshawar, Quetta, Faisalabad, Sialkot, Hyderabad, Gwadar and Gilgit-Baltistan.
- (ii) Pakistan also participated in various exhibitions held in China through physical and online platforms like 3rd session of China-International Import Expo (CIIE) held in November, 2020 in Shanghai and 18th Session of China-ASEAN EXPO (CAEXPO), Nanning, capital city of Guangxi Zhuang Autonomous Region held in September 2021. The Honorable President of Pakistan also virtually addressed to the opening sessions of 3rd session of CIIE and 18th session of China-ASEAN EXPO (CAEXPO).
- (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 in FY (2020-21) 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 2020-21 as border could not open owing to COVID related restrictions of the Chinese side.

Year	Imports	Exports	Total Trade
2006-07	3,522	576	4,098
2007-08	4,696	685	5,380
2008-09	4,085	701	4,786
2009-10	4,410	1,154	5,564
2010-11	5,789	1,634	7,423
2011-12	6,710	2,193	8,903
2012-13	6,639	2,610	9,249.
2013-14	7,772	2,416	10,189.
2014-15	10,172	2,127	12,299
2015-16	12,105	1,669	13,774
2016-17	14,133	1,463	15,597
2017-18	15,745	1,741	17,486
2018-19	12,752	1,855	14,608
2019-20	11,965.7	1,745	13,710.7
2020-21	15,178.2	2,330	17508.2

## 10. TRADE POLICY WING

### 10.1. Post COVID-19 Consultations on Strategic Trade Policy Framework (STPF) 2020-25 :

The Ministry of Commerce held extensive post COVID-19 consultations with the private sector to gather their input and insight regarding export enhancement initiatives in the pandemic situation. All of their proposals were duly considered and incorporated in the updated draft Strategic Trade Policy Framework (STPF) 2020-25 (*pending approval of the ECC of the Cabinet*).

### 10.2. 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: Balochistan 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.

### 10.3. Revenue Mobilization, Investment & Trade (ReMIT) Programme:

Revenue Mobilisation Investment and Trade (ReMIT) is a 4 year long project (June 2020 – June 2024) which aims to promote and enhance international trade competitiveness of Pakistan. It covers three broad areas under its outputs namely; development of national priority sector strategies, trade policy and trade facilitation. The project is funded by FCDO and ITC is the implementation partner. A brief overview of the activities planned under ReMIT Program is as under:

- A. Output 1 - National Priority Sectors Export Strategy (NPSES):** Development of NPSES for select sectors is one of the key activities of ReMIT. The final NPSES, and its individual sector and functional strategies, will yield highly specific five-year action plans, which do not stop at simply identifying broad objectives, but go into detailed activities, targets, and impact measures, indicating what exactly needs to be done and by whom, within what time frame and with what resources. Ten sectors have been chosen for formulation of NPSES.
- B. Output 2 -Trade Policy:** The trade policy intervention aims to address non-tariff trade barriers (NTBs) faced by Pakistan businesses, especially SMEs, in accessing key markets for selected products with strong export and diversification potential. Six sectors have been selected for Non-Tariff Measures (NTM) Survey.
- C. Output 3: Trade Facilitation:** Under this intervention a Trade Facilitation Portal (TFP) will be established at the Trade Development Authority of Pakistan (TDAP). Trade regulation and procedures will be mapped and published through online National Trade Facilitation Platforms (in compliance with the WTO Trade Facilitation Agreement). TDAP has signed a Letter of Support (LoS) with ITC for the establishment of TFP. MOC has advised TDAP to coordinate with the ReMIT and Pakistan Single Window (PSW) teams to remove any similar features which may result in duplicate efforts and give special emphasis to incorporate new features in the Trade Facilitation Portal (TFP) which may be more beneficial for Pakistan's trade.

## **11. TARIFF POLICY**

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 the Commerce Minister/Advisor, with Minister for Industries & Production, Secretary Finance, Secretary Revenue, Chairman FBR, Secretary Commerce, Secretary Board of Investment, and Chairman NTC as its members. 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 promote business activities, in line with the requests received from the public and the private sectors, the Tariff Policy Board has taken numerous measures to rationalize the tariff structure for economic growth and development during the budget exercise for FY 2020-21, which are as follows:

- Reduced Additional Customs Duties from 7% to 6% in 20% CD slab (2423 Tariff Lines).
- Rationalized Tariff on items relevant to Tourism Sector as per request of Pakistan Tourism Development Corporation (PTDC) Rationalization of Tourism Industry (98 Tariff Lines).
- Rationalized Regulatory Duty on Tyres (6 Tariff Lines)
- Rationalized tariff structure of Textile sector as per study conducted by Tariff Policy Centre, Ministry of Commerce (625 Tariff Lines).
- Rationalized tariff on various items, as per individual requests received from various industries, in line with the objectives of the NTP (204 Tariff Lines).
- Reduced Customs Duty from 11% to 3% & 0% on items not locally manufactured (78 Tariff Lines).

- Rationalized tariff of Pharmaceutical sector as per request of Ministry of National Health Services, Regulations and Coordination (MoNHSR&C) and Pakistan Pharmaceutical Manufacturers Association (309 Tariff Lines of APIs and 44 Tariff Lines of Machinery)
- Rationalized tariff on flat products of Iron & Steel sector as per recommendations of Tariff Policy Centre (67 Tariff Lines).
- Reduced Customs duty from 3% to 0% on items not locally manufactured (196 Tariff Lines).
- Removed tariff on raw materials, used by the manufacturers of Covid-19 related items at the request of Ministry of National Health Services, Regulations and Coordination (35 Tariff Lines).
- Rationalized tariff structure of Auto Sector as per recommendations of Ministry of Industries and Production.

## **12. TEXTILE WING**

Textile and apparel industry occupies a pivotal position in Pakistan's economy contributing around 60% of total exports and 40% in industrial employment. It encompasses distinctive and self-reliant value-added production chain that is developed by its own industrial resources starting from Cotton to Ginning, Spinning, Weaving, Knitting, Processing, Finishing to Apparel and Home Textiles. Pakistan is 5<sup>th</sup> largest producer of Cotton, 2<sup>nd</sup> largest exporter of Cotton Cloth, 3<sup>rd</sup> largest exporter of made-ups articles and 12<sup>th</sup> largest exporter of value-added textile products.

The Federal Government has extended various facilitations to entire textiles and apparel value chain to boost exports. Resultantly, despite the fallout of COVID-19 pandemic, Pakistan total exports of textiles and apparel have shown an increase of 22.94% in FY 2020-21 as compared to corresponding period of previous year. The following measures were taken to restore the competitiveness of textiles value chain:

- a. Rs. 18.29 billion were released under duty drawback of textiles and non-textile sector schemes to mitigate liquidity crisis faced by the industry amid COVID-19
- b. Electricity was provided at US cents 7.5 / kWh for July-August 2020 and US cents 9 / kWh for rest of financial year 2020-21 to export oriented sectors including textiles and apparel
- c. RLNG has been rationalized at US\$ 6.5 / MMBtu for export oriented sectors including textiles
- d. Uninterrupted electricity and gas supplied to export oriented sectors including textiles. Further, RLNG was provided to export oriented industry in Punjab based textiles value chain.
- e. Import of Cotton from Afghanistan / CARs through Torkham Border allowed
- f. Additional Customs Duties and Regulatory Duties on 164 textiles greige and semi processed materials were withdrawn to encourage diversification
- g. Custom/Regulatory and Additional Custom Duties has been withdrawn for imported cotton with effect from January 15, 2020
- h. Withdrawal of Custom Duty and Additional Custom Duty on Cotton Yarn.
- i. Withdrawal of Regulatory Duties on Cotton Yarns.
- j. Import of Cotton from Torkham Border has been allowed
- k. Mark up of Long-Term Financing Facility (LTFF) has been continued at 5% to encourage installation of plants and machinery
- l. Mark up on Export Finance Scheme (EFS) has been continued at 3% to provide short term loans to the exporters
- m. Duty free import of textile machinery has been continued
- n. Market access of major textiles tariff lines Under China-Pakistan Free Trade Agreement (FTA) Phase-II
- o. Better Work Program (BWP) has been initiated with the International Labor Organization (ILO)

- p. Extension of Japan International Cooperation Agency (JICA) Project for Skill Development and Market Diversification for Garment Industry of Pakistan.
- q. Technical Cooperation Agreement with GIZ for proposed project of labor and environment standards for textile sector of Pakistan
- r. Third (draft) Textiles and Apparel Policy has been formulated and submitted to the competent authority for approval.

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).

During the year, various issues of prime importance were raised and to resolve the issues, proper analysis were carried out.

- a. Regional competitive energy rates to export oriented sectors including textiles and apparel
- b. Registration of five export oriented sectors to avail concessionary energy rates
- c. Decline in domestic cotton production and its impact on textiles and apparel value chain
- d. Import tariff rationalization to incentivize textile industry
- e. Policy Formulation to promote industrialization, enhance exports and generate employment
- f. COVID-19 pandemic and its impact on textiles and apparel value chain

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.

### **13. AGRO & SERVICES WING**

Ministry of Commerce has well-established functional units (Wings) each serving a particular purpose including Agro, Non-Agro, Services, and Textile Wing. 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. Product (Agro) 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 Agro-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 Agro-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.

## **13.1. Achievements and Tasks Performed by Agro-Wing (2020-21)**

### **13.1.1. 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.

### **13.1.2. Mango Export Development**

Working Group on Mango has been notified on 19th May, 2021 and 1<sup>st</sup> meeting of the Working Group on Mango was held on 28<sup>th</sup> May, 2021 to discuss 5 years export development and enhancement of mango plan. Moreover, a joint visit of the Ministry of Commerce and TDAP was made on 23<sup>rd</sup> April, 2021 to Jinnah International Airport to propose express cargo clearance project for fruits and vegetables.

### **13.1.3. 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 workplan 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.

### **13.1.4. Kinnow Festival**

Agro-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.

### **13.1.5. 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 Agro-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 many folds.

### **13.1.6. Potato Workplan**

Working Group on Potato has been formulated and notified on 19<sup>th</sup> May, 2021. Potato is also highly exported product of Pakistan. A concrete workplan has been formed for potato export development. Moreover, the formation of working group will help to jot down the issues in potato exports worldwide and respective action plans will be implemented to eradicate those highlighted issues.

### **13.1.7. Poultry Exports to Kuwait**

Due to the efforts of Agro-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 for fiscal year 2020-2021 and thereafter. Increase in exports will earn foreign exchange for Pakistan.

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

Due to the efforts of Agro-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. Increase in exports will earn foreign exchange for Pakistan.

#### **13.1.9. 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 from June 2021. 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.

#### **13.1.10. Economic Outreach Initiative**

Ministry of Commerce has been engaged with Prime Minister Office's launched Economic Outreach Initiatives (EOI) since February 2021. 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.

#### **13.1.11. Policy Intervention**

- a) Through STPF, MoC is creating enabling environment and focusing the exports through policy support, handholding, R&D, and project funding etc.
- b) Tariff rationalization has been done, and this exercise will be done in future.

#### **13.1.12. Budgetary Support**

- a) Projects related to supply chain are underway for fruits and vegetables. Through such projects consultants will be hired on need basis for fruit and vegetable farming, processing, and exports.
- b) Ministry of National Food Security & Research (MNFSR) introduced projects that are under consideration and will provide support to their main arms like DPP, AQD, and other activities.
- c) DLTL support is also provided to Agri Sector.

### **13.1.13. Inputs on SPS Measures**

Agro-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.

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

Due to the efforts of Agro-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. Increase in exports will earn foreign exchange for Pakistan.

### **13.1.15. Seafood Export**

Agro-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 Agro-wing, Ministry of Commerce is putting efforts to attain a good position in international market for Pakistani seafood products.

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

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

Agro-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.

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

Agro-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.

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

Agro-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.

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

Another salient contribution of Agro-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.



### **13.3. 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.

#### **13.3.1. 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.

#### **13.3.2. 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 as of January 21, 2021 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."

#### **13.3.3. 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.

### **13.4. 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 19-04-21
- 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

#### 14. **NON-AGRO WING**

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%

##### 14.1. **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.

#### **14.2. 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 from 21<sup>st</sup> to 25<sup>th</sup> September, 2020. 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.

#### **14.3. “Citrus Show 2021”—28.02.2021**

Trade Development Authority of Pakistan (TDAP), an attached organization of Ministry of Commerce, in collaboration with Sargodha Chamber of Commerce and Industry (SCCI), organised a “**Citrus Show 2021**” on 28-02-2021 at the Aiwan-e-Sadr to exhibit citrus varieties produced in the country particularly in Sargodha Division. The aim of the show was to introduce Pakistani Kinnow to the Ambassadors and officers of Diplomatic corps. It also provided an opportunity to Pakistani exporters and growers for networking with the existing and potential importers of Citrus.

#### **14.4. 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 current financial year:

<b>S. No</b>	<b>Training Course</b>	<b>Number of Participants</b>
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>

#### **15. WTO WING**

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. 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. WTO Wing along with Pakistan Permanent Mission to the WTO has performed following work in the year 2020-21.

### **15.1. Response to the pandemic**

Pakistan along with other likeminded countries have lobbied hard for the WTO to work on meaningful response to the current pandemic and a better preparedness for future pandemic.

Pakistan Permanent Mission to the WTO has managed to put Pakistan internationally as a country with capability and capacity to produce vaccines for the Covid19. On 14th April 2021, the CEO of Ferozsons Laboratories was invited to speak at the high Level WTO Event "COVID-19 and Vaccine Equity: What can the WTO contribute where International Pharmaceutical Companies such as Pfizer, BioNtech etc. also participated. Similarly, on 21<sup>st</sup> July 2021, Pakistan Participated at a joint WHO-WTO event to examine "Expanding COVID-19 vaccine manufacture to promote equitable access". Pakistan is also part of the few selected group of countries to frame the response of the WTO to the pandemic.

### **15.2. TRIPS waiver**

Pakistan along with a group of like-minded countries continues to support the proposal for waiver of select provisions of Trade Related Intellectual Property Rights (TRIPS). This waiver is meant to help global community in avoiding barriers to the timely access to affordable medical products including vaccines and medicines or to scaling-up of research, development, manufacturing and supply of essential medical products. Pakistan is leading several small group meetings, holding bilateral meetings almost every week to reach out to WTO members to convince them to support the waiver. 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 for this cause.

Successfully, the proposal has now been discussed at the WTO TRIPS Council on a text basis, aiming for an outcome. The waiver, if approved, will ensure easy, affordable and equitable access to Covid19 vaccines for the prevention, treatment and diagnosis of COVID-19.

### **15.3. Trade Negotiating Committee**

A Meeting of the WTO Trade Negotiating Committee at Ministerial Level has been held on 15th July 2021. WTO Wing, Ministry of Commerce in consultation with the relevant Ministries, conveyed its stance on fisheries subsidies, while registering its concerns regarding the interest of artisanal fishing industry in Pakistan and reiterated its stance to protect Special and Differential Treatment for developing countries.

Pakistan Stance:

- Pakistan is presently not providing any substantial subsidies to its fishermen.

- Pakistan has adopted a strong stance and has supported strict disciplines against subsidies provided by other members considering the importance of sustainable fishing and to make our fish exports competitive in the international market.
- We are supportive of special & differential treatment for developing countries and LDCs to cater for their developmental needs but sustainability of the fish should not be compromised.

#### **15.4. Active Negotiations**

In view of the MC12, Pakistan is actively engaged in the following areas of negotiations:

##### **15.4.1. Agriculture**

Participated in negotiations on Agriculture in different formats and configurations to safeguards not only the livelihoods of farmers but the Pakistans Agriculture sector in general. Several configurations and meetings on Domestic Support (DS), Export Restrictions (ER), Special Safeguard Measures (SSM), Public Stockholding (PSH), Export Competition (EC) and Market Access (MA) were attended by the Mission.

##### **15.4.2. Cairns Group Ministerial meeting**

The Cairns Group is a coalition of 19 agriculture exporting countries (members) which account for more than 25 per cent of the world's agricultural exports. Since the Group's establishment in Cairns, Australia, on 25-27 August, 1986, its members have continued to push for liberalization of global trade in agricultural exports. The Group is committed to achieving free and fair trade in agriculture that provides real and sustainable benefits for the developing world. On 23<sup>rd</sup> June 2021, Pakistan participated at the Ministerial meeting of the CAIRNS group. Pakistan made the following statement on our position at the current negotiations at the WTO.

Pakistan Stance:

- Pakistan stressed that all possible tools including Public Stockholding (PSH) and Special Safeguard Measures (SSM) should remain available to governments to exercise within reason to address food shortages and price volatilities.
- Pakistan emphasized that the development context must remain at the heart of multilateral trading system including in agriculture trade reforms. Special and Differential Treatment (S&DT) is one of the fundamental pillars of the WTO and is an unconditional, treaty-embedded right of developing countries. It cannot be diluted to a case by case approach or a needs-based grant. The challenges such as the pandemic, climate change, water scarcity and other possible future disasters, necessitate the preservation of policy space available with developing countries, especially under Article 6.2 of the Agreement on Agriculture, to continue to support their small farmers, to ensure domestic production, food security, and livelihoods. This is also important for the achievement of the Sustainable Development Goals (SDGs).
- Pakistan rely heavily on cotton production and its entire value-chain for livelihood for our farmers and the majority of our industrial production, employment and exports. The Hong Kong and Bali Ministerial decisions mandate an expeditious, ambitious, and specific outcome on cotton which is long overdue. Pakistan hopes for the fulfilment of these mandates in the interest of cotton farmers and its allied industries in affected countries.

##### **15.5.5. G33 Ministerial meeting**

G33 is a coalition of 47 developing countries, established prior to the 2003 Cancun Ministerial conference, that have coordinated during the Doha Round of World Trade Organization negotiations, specifically in regard to

agriculture. On 16th September 2021, Pakistan participated in the G33 Ministerial meeting and made following statement on our position at the current negotiations at the WTO.

Pakistan Stance:

- Significant reduction in the trade distorting domestic support is of topmost importance for Pakistan. We have been calling out the historical anomalies and imbalances in the Agreement on Agriculture, particularly, the AMS (Aggregate Measurement of Support) entitlements above De-Minimis for a long time. Pakistan consider that levelling the playing field by reducing and eliminating these entitlements would be the most credible starting point of the reform process in agriculture.
- Moreover, the challenges such as the pandemic, climate change, water scarcity and other possible future disasters, necessitate the preservation of policy space available with developing countries, especially under Article 6.2 of the Agreement on Agriculture. This is also important for the achievement of the Sustainable Development Goals (SDGs). Any reduction commitments on domestic support should follow these two principles.
- Domestic Support subsidies also lead to food insecurity, further exacerbated by the COVID-19 pandemic and the climate change. A balanced outcomes on tools such as Public Stockholding (PSH) to address food shortages, and Special Safeguard Measures (SSM) to counter import surges and price dips also remain high on Pakistan priority. Striking the correct balance in these outcomes that addresses concerns regarding distortion of global trade is important.

Pakistan also emphasized that the development context must remain central to the agriculture reform process. Therefore, Special and Differential Treatment (SDT) must not be diluted in anyway or made conditional upon other requirements. We must strive for its preservation and implementation in all the areas of negotiations under the Chair's draft text. In our view, SDT should be a non-negotiable element in any discussion.

#### **15.5.6. WTO reforms**

Pakistan Permanent Mission to the WTO is actively participating in the several meetings on the discussions on WTO reforms. Mission conveys Pakistan's position on safeguarding the interest of developing countries, consensus based decision making and transparency that will not be too costly for developing countries.

Pakistan supports reform that will ensure that:

- a. Fundamental principles and pillars of the organization including consensus based decisions, non-discrimination and S & DT for developing countries
- b. addressing the structural issue to restore the Appellate Body to maintain the multilateral mechanism
- c. transparency mechanism should not be burdensome

#### **15.5.7. Ministerial Conference (MC12)**

The topmost decision-making body of the WTO is the Ministerial Conference, which usually meets every two years. It brings together all members of the WTO, all of which are countries or customs unions. The Ministerial Conference can take decisions on all matters under any of the multilateral trade agreements.

The 12<sup>th</sup> Ministerial Conference is scheduled from 29<sup>th</sup> November, 2021 to 3<sup>rd</sup> December, 2021 at Geneva. WTO Wing and the Mission at Geneva are actively engaged in preparation for MC12 for a meaningful outcome.

Pakistan Position in all areas of negotiations is to safeguard Pakistan's interest, to uphold the Fundamental pillars of the WTO.

#### **15.5.8. Pakistan 5th Trade Policy Review (TPR)**

Pakistan's 5<sup>th</sup> Trade Policy review is scheduled to be held in March-April 2022. The objectives of the TPR are to contribute to improved adherence by all members to rules, disciplines and commitments made under the Multilateral Trade Agreements and where, applicable, the Plurilateral Trade Agreements, and hence to the smoother functioning of multilateral trading system, by achieving greater transparency in, and understanding of, the trade policies and practices of the members.

The Trade Policy Review Mechanism (TPRM) was an early result of the [Uruguay Round](#), being provisionally established at the Montreal Mid-Term Review of the Round in December 1988, agreed by Ministers in April 1994, placed the TPRM on a permanent footing as one of the WTO's basic functions and, with the entry into force of the WTO in 1995, the mandate of the TPRM was broadened to cover services trade and intellectual property.

The objectives of the TPRM, as expressed in the Marrakesh Agreement, include facilitating the smooth functioning of the multilateral trading system by enhancing the transparency of Members' trade policies. All WTO Members are subject to review under the TPRM.

Main deliverables of TPR:

- (i) Sharing of WTO Trade related Regulatory and ancillary data with WTO secretariat.
- (ii) WTO Secretariat Report
- (iii) Pakistan Country Report

Pakistan trade Policy will be reviewed at the WTO on 30<sup>th</sup> March, 2022 and 1 April 2022. WTO Wing, Ministry of Commerce is engaged with all the stakeholders in the country for collection of data and provision of information to the Mission at Geneva which is actively coordinating with WTO Secretariat for the data needed for the review and for the drafting of the Government report which will also be part of the review process.

#### **15.5.9. DS 538 - Pakistan — Anti-Dumping Measures on Biaxially Oriented Polypropylene Film from the United Arab Emirates**

Pakistan imposed Anti-dumping Duty (AD) ranging from 29.7% to 57.09% on import of Biaxially Oriented Polypropylene (BOPP) Film from UAE, China, Oman and Saudi Arabia in April 2012. The Dispute Settlement Body (DSB) established a panel pursuant to the request of the United Arab Emirates to examine, in the light of the relevant provisions of the covered agreements cited by the parties to the dispute.

Following the circulation of the Panel report in this case, the Pakistan in coordination with the ACWL filed an appeal on some of the findings and interpretations of the panel. The Mission at WTO aimed to defend the actions of the National Tariff commission (NTC) to impose trade remedies when necessary and therefore set a precedent for future investigation performed by NTC as well as developing countries at the WTO.

#### **15.5.10. Madrid Protocol**

Pakistan acceded the Madrid Protocol for International Registration of Trademarks on 24<sup>th</sup> February, 2021. The Madrid System gives trademark owners protection by protecting trademarks in 124 countries with just one application. Currently, the National Laws and Rules in the country are being gradually upgraded to bring Pakistan's domestic IP protection system in line with global best practices

This would provide an opportunity to local business, SMEs and entrepreneurs to protect their Trade Marks in 124 countries of the World.

#### **15.5.11. National Trade and Transport Facilitation Committee (NTTFC)**

NTTFC was established in 2001 with technical assistance of UNCTAD and the World Bank. NTTFC was then designated as the national committee for Pakistan under Article 23 of Trade Facilitation Agreement (2015) of the WTO. This Committee oversees the implementation of TFA and domestic matters pertaining to the same.

Committee meets regularly and twenty nine (29) meetings of NTTFC have been held till 30th June, 2021. Pakistan is 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%.

#### **15.5.12. Geographical indication (Registration and Protection) Act 2019**

Geographical indication law was approved by the federal Cabinet was approved by the federal cabinet and accordingly notified on 31<sup>st</sup> March, 2021. Geographical indication (GI) identify the products that have a specific geographical origin and possess qualities or reputation attributable to their place of origin.

Basmati was registered as first GI of Pakistan on 21<sup>st</sup> January, 2021. Further a list of ten (10) other products has been approved for Geographical Indication (GI). 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. The GI will serve as the potential economic tool to promote and enhance national and international trade by allowing premium price for Pakistan's products. The GI will also help Make in Pakistan products to empower further our branding, which is missing in our exports.

#### **15.5.13. Transports Internationaux Routiers (TIR)**

The Transports Internationaux Routiers (TIR) convention 1975 allows transit goods to proceed seamlessly across the national borders of its member countries on a single, mutually accepted customs document, thereby removing the need for consignments to undergo country-specific regulations such as goods examinations and financial guarantees. The Convention is recognized as an effective tool to reduce the time, costs and complexities involved in trading across borders. All transit journeys across multiple borders are made under the cover of TIR Carnets that are issued by local associates of the International Road Union (IRU). Pakistan acceded to the convention on 21st July 2015 and notified the rules for operationalizing it on October 20, 2017. Pakistan was subsequently declared as a TIR operational country' by the IRU on April 19, 2018.

TIR Convention, 1975 is one of the most successful international transport conventions and is so far the only universal Customs transit system in existence. To date, it has 76 Contracting Parties, including the European Union. It covers the whole of Europe and reaches out to North Africa and the near and Middle East. Movement of the goods must include transport by road for TIR to apply to it. More than 33,000 operators are authorized to use the TIR system and around 1.5 million TIR transports are carried out per year.

In order to facilitate the domestic transport sector to register with TIR, the MoC and FBR contemplated relaxation of TIR rules and in the year 2020 the condition of Insurance Guarantee was replaced with the Revolving Guarantee in order to make TIR operations viable for a wider audience.

#### **15.5.14. Brexit**

After Brexit, United Kingdom has initiated the process of starting its negotiations as a standalone member of the World Trade Organization and has set up a Working Group to negotiate UK's team. UK is committed to



replicating existing trade regime in WTO as it leaves European Union. They will replicate the EU schedules of commitment initially and later on, they will engage with members for further liberalization. Among others, EU and UK will have to make changes to their WTO schedules i.e Tariff Rate Quota (TRQ) and Aggregate Measure of Support (AMS) entitlements under Art. XXVIII of GATT.

Following the UK departure from the EU, both the EU and the UK have independent schedule of concessions and Pakistan has ensured that it has not been left worse off. Pakistan is beneficiary of the GSP plus scheme and its specific rice quota has been maintained

#### **15.5.15. Outreach Activities**

Pakistan actively participated in the selection process of the DG WTO. Pakistani delegates met with the several candidates and had the opportunity to get the first call with the DG after her election. Discussions and Consultations were held with Advisory Centre on WTO Law (ACWL) and WTO and other relevant organizations to secure capacity building positions for Pakistani officers.

Pakistan Permanent Mission to the WTO also held bilateral meetings with senior officials of international organizations such as WTO, International Trade Center, UNCTAD and other think tanks to present Pakistan's position. The Mission regularly consulted ACWL for obtaining legal opinion in various trade subjects and for the legal drafting.

#### **15.6. e-COMMERCE WING**

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 SMEs and for making Pakistan significant player of the regional and global digital economy. The policy identifies nine key areas for creating an environment conducive for growth of E-Commerce by addressing the main challenges faced in each area. The key areas include regulatory environment, financial inclusion and digitization through payment infrastructure, consumer protection, taxation, telecom infrastructure, logistics, data protection and investments, global connectivity and empowerment of youth and SMEs through e-commerce.

For implementing the measures envisaged in this policy, a National E-Commerce Council (NeCC) has been constituted that meets every quarter. The NeCC is chaired by Advisor to the Prime Minister for Commerce and includes representatives from public and private sectors. Under the policy, the role of the NeCC is to provide strategic direction on e-commerce policies and initiatives, monitor e-commerce collaborations, and drive coordination in the implementation of the e-commerce policy action plans.

The Ministry of Commerce spearheaded the development process of the e-commerce policy and is now leading its implementation. The Ministry of Commerce provides secretarial support to the NeCC and collaborates with all public and private sector stakeholders towards implementation of the policy.

Covid-19 has changed business dynamics globally. Digitization of processes has become vital than ever. Global E-Commerce size has grown up to 29 trillion \$ and B2C is almost 5 trillion \$. The need to transform traditional business practices into digital landscape is vital for E-Commerce growth of Pakistan. MoC is endeavoring consistently to capture the market share of global E-Commerce for enhancing Pakistan exports.

## **Highlights of activities of E-Commerce Cell, Ministry of Commerce, Islamabad**

### **Five meetings of the NeCC held so far:**

- 1st meeting on 14th January, 2020.
- 2nd meeting on 18th June, 2020;
- 3rd meeting on 24th September, 2020
- 4th meeting on 11th February, 2021
- 5th meeting on 6<sup>th</sup> May, 2021

### ***To improve facilitation & regulatory framework.***

- SBP issued merchant on boarding guidelines
- National Assembly approved amendment of Companies Act 2017 to add “Start-up Company”
- SECP created a separate category of e-commerce for company registration
- SECP implemented registration facilitation mechanism for e-commerce companies
- SBP enhances the per year limit assigned to 62 white-listed digital service provider companies from USD 200,000 to USD 400,000 per annum & for companies not included in the list from USD 20,000 to USD 40,000
- Development of an e-commerce portal has started, funded by ADB, which will act as a one window facilitation for all e-commerce inquiries/enterprises
- E-commerce Cell proposal approved by EDF. Two experts hired.
- The subject of e-Commerce has already been allocated to Ministry of Commerce under the “Rules of Business, 1973”.

### ***To facilitate cross-border e-commerce.***

- SBP developed a facilitative framework for B2C e-commerce exports. Removing requirement of Form-E value up to USD 5000. Notification issued via FBR SRO 1300
- Regulatory framework (B2B2C) e-commerce exports have been introduced to facilitate the exporters in selling their products through international digital marketplaces
- Return of goods guidelines for e-commerce exporters issued by FBR
- Equity investment abroad policy allowing exporters to invest abroad around 10% of their last three years’ average exports or USD 100,000, whichever is higher.
- Integration of e-commerce exports into WeBOC
- Mercantile Stock Exchange working on international e-commerce platform for commodities trading
- Market Access through Amazon Global seller registration, Amazon started registering Pakistani sellers

### ***For outreach & public private consultation mechanism.***

- Approval of a consultative group WEE (Women Economic Empowerment) for protecting the economic interests of women
- Fintech Association created by private sector
- Formulation of a Sub-Committee under pillar-II of the Policy to devise strategies for digital transformation through Financial Inclusion
- Collaboration with Google for a series of webinars
- Virtual conference on women economic empowerment through e-commerce held in March 2021
- Virtual conference on youth empowerment through e-commerce held on 4<sup>th</sup> August 2021
- Focused group meetings held with FBR and exporters to resolve issues pertaining to sales tax refunds
- MoU between SMEDA and TDAP to promote e-commerce exports

***To ensure financial inclusion & digital payments.***

- SBP started work on establishment of Micro payment Gateway
- NIFT working on international payment gateway as per SBP policy

***To encourage Freelancers***

- Freelancers remittance limit increased from 5000 \$ to 25,000

***To improve consumer confidence in E-Commerce***

- Coordinating with the provinces for effective implementation of Consumer Protection Provisions related to E-Commerce Complaints

***To improve logistics***

- Integration of PakPost with NSW, in process
- Pak Post Project submitted to EDF

**16. DEVELOPMENT WING**

**16.1. FUNCTIONS**

**16.1.1. Public Sector Development Program (PSDP) Section:**

- (i) Implementation of the Project Management Policy and ECNEC Guidelines of Project Management notified by Planning Commission.
- (ii) Coordination with Planning and Finance Divisions, Executing Agencies and other stakeholders for preparation and implementation of PSDP funded projects of M/o Commerce.
- (iii) Technical input / preliminary appraisal in process of PC-Is preparation before submitting to relevant competent fora for consideration/approval.
- (iv) Monitoring of PSDP projects both under implementation and completed through PCIII & PC-1V, PC-V respectively
- (v) Preparation of Briefs and replies for APCC, DDWP, CDWP, ECNEC, National Assembly and Senate Questions on PSDP of M/o Commerce.
- (vi) 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.

**16.1.2. Statistics section:**

- (i) 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.
- (ii) Provision of trade (Exports & Imports) data by Commodity-wise, country-wise as per requirements of all concerned Wings of M/o Commerce.
- (iii) Preparation of monthly summary of trade and group-wise circulation within Ministry.
- (iv) Providing necessary trade data within Ministry for preparation of reply to the questions of National Assembly, Senate and Standing Committees.
- (v) Providing external trade Statistics to Secretary Commerce for discussion / participating in Economic Coordination Committee (ECC).
- (vi) Providing external trade data to Advisor Office on requirements.

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

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

#### **16.1.3.1. Ongoing Projects:**

1. Expo Centre Peshawar
2. Expo Centre Quetta

#### **16.3.1.2. New Projects**

3. Establishment of Joint Border Market at Gabd, Distt. Gwadar (SB)
4. Establishment of Joint Border Market at Mand, Distt. Kech (SB)
5. Establishment of Joint Border Market at Chedgi, Distt. Panjgur(SB)

### **16.4. 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%. Allocation for the FY 2021-22 was 513.50 million.

### **16.5. 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 2020-21 an amount of Rs. 100.00 million was allocated, out of which Rs. 80.00 million was released and utilized. An amount of Rs. 800.00 million have been allocated for the FY 2021-22.

#### **16.6. Establishment of Joint Border Market at Gabd, Distt. Gwadar (SB)**

#### **16.7. Establishment of Joint Border Market at Mand, Distt. Kech (SB)**

#### **16.8. Establishment of Joint Border Market at Chedgi, Distt. Panjgur(SB)**

CDWP approved all the three projects in its meeting held on 25<sup>th</sup> May, 2021 at an estimated cost of Rs. 100.00 million each. The projects aim to provide better access to market places to the public of Iran and Pakistan border areas. It is an alternate Economic model proposed by the Anti-Smuggling Steering Committee for facilitation and rehabilitation of people of border areas affected by fencing on the Iranina border and Anti-Smuggling drive in the province of Balochistan. Furthermore, the border markets will provide source of sustenance for the people living along the borders. An amount of Rs. 100.00 million was allocated for each of the projects through Technical Supplementary Grant in FY 2020-21. Designes of the projects were prepared by FWO, which are currently being discussed/finalized with the Govt. of Iran.

## **PART-II**

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

**17. TRADING CORPORATION OF PAKISTAN (TCP), KARACHI**

**BOARD OF DIRECTORS**

**CHAIRMAN/CEO**

**DR. RIAZ AHMED MEMON**

**DIRECTORS**

1.	DR. IMRANULLAH KHAN	NON-EXECUTIVE
2.	MR. MUHAMMAD WAQAS AZEEM	NON-EXECUTIVE
3.	MR. IMTIAZ ALI GOPANG	NON-EXECUTIVE
4.	MS. BUSHRA NAZ MALIK	NON-INDEPENDENT/NON-EXECUTIVE
5.	MS. JAVARIA TAREEN	INDEPENDENT
6.	MS. TASNEEM YUSUF	INDEPENDENT

**BOARD AUDIT & RISK MANAGEMENT COMMITTEE**

1.	MS. TASNEEM YUSUF (INDEPENDENT DIRECTOR)	CHAIRPERSON
2.	DR. IMRANULLAH KHAN	MEMBER
3.	MS. BUSHRA NAZ MALIK	MEMBER

**BOARD HUMAN RESOURCE COMMITTEE**

1.	MS. JAVARIA TAREEN (INDEPENDENT DIRECTOR)	CHAIRPERSON
2.	REPRESENTATIVE OF NATIONAL FOOD SECURITY & RESEARCH	MEMBER
3.	MS. BUSHRA NAZ MALIK	MEMBER

**BOARD PROCUREMENT COMMITTEE**

1.	REPRESENTATIVE OF MINISTRY OF COMMERCE	CHAIRMAN
2.	MS. JAVARIA TAREEN (INDEPENDENT DIRECTOR)	MEMBER
3.	REPRESENTATIVE OF NATIONAL FOOD SECURITY & RESEARCH	MEMBER

**COMPANY SECRETARY**

MR. SHER MUHAMMAD MAHAR

**REGISTERED OFFICE**

4<sup>th</sup> & 5<sup>th</sup> Floor, Finance & Trade Centre,  
Main Sharea Faisal,  
Karachi-75530  
Phones: 021-99202947-49  
Fax: 021-99202722, 99202731

**SUMMARY OF FINANCIALS:**

During the Financial Year 2020-21, profit (un-audited) earned by TCP is as per the details given hereunder:

<b>Total Profit before Taxation</b>	<b>Rs.2,078.644 Million</b>
<b>Tax amount</b>	<b>Rs.580.788 Million</b>
<b>Net Profit</b>	<b>Rs.1,517.441 Million</b>

Key operating and financing data for last eight years is attached as **Annexure-I**. The graphical representation of the “Commission Income” and the “Profit After Tax” for the last eight years is given at **Annexure-II**.

Comparative statements of financial results for **last six years** and stocks positions is given at **Annexure “III”** and **“IV”** respectively.

The reason for lowering commission income during the period from 2014-15 to 2017-18 is mainly due to reduced operational activities assigned to TCP by the Federal Government.

TCP has signed agreements, for the first time, with recipient agencies which prevented all possible accumulated arrears which had otherwise accrued over the past decades.

#### **DIVIDEND:**

Dividend of **Rs. 200 million** has been paid to Federal Government during the year 2020-21.

Balance of General Reserve as on 30 <sup>th</sup> June 2020	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 2021	Rs. <u>7,500</u> million

#### **IMPORT OF WHEAT AND SUGAR ON THE DIRECTIVES OF FEDERAL GOVERNMENT:**

On the directives of ECC/Federal Government, TCP has imported wheat and sugar as per below mentioned details:-

<b>Sr. No.</b>	<b>Commodity</b>	<b>Quantity</b>
<b>1</b>	<b>Wheat</b>	<b>1,701,399.856 MT</b>
<b>2</b>	<b>Sugar</b>	<b>130,562.800 MT</b>

#### **SALE PROCEEDS/DELIVERIES/INSURANCE:**

- TCP issued thirty (30) Delivery Orders amounting to Rs. 76,552.319 million in favor of M/s. Punjab, KPK, Sindh Food Department and PASSCO for sale of 1,697,319.295 MT import of wheat.
- TCP issued six (06) Delivery Orders amounting to Rs. 9,355.532 Million in favour of Punjab Food Department and USC for sale of 130,390.400 MT import of sugar.
- TCP issued Delivery Orders amounting to Rs. 12,384,143/- in favour of various parties for sale of Junk items and M/s. Fine Agro Chemical, Karachi for sale of 71.93 MT sweeping sugar.
- TCP paid an amount of Rs. 164.221 Million to M/s. NICL on account of Marine Insurance Premium in respect of import of wheat.
- TCP paid an amount of Rs. 23,619.00 Million to M/s. NICL on account of Marine Insurance premium in respect of import of sugar.

#### **RECOVERIES FROM RECIPIENT AGENCIES ON ACCOUNT OF WHEAT, SUGAR AND UREA:**

- TCP received an amount of Rs. 87,018.188 Million from the recipient agencies against sale of sugar and wheat during July 2020 to June 2021.
- TCP received an amount of Rs. 165.960 million from M/s. NFML towards sale proceeds of Urea.
- TCP has claimed and received an amount of Rs. 141.773 Million on account of Short Landing of imported wheat from the various parties.
- TCP has claimed and received an amount of Rs. 18.712 Million on account of Short Landing of imported sugar from the various parties.

## **PRIME MINISTER’S PERFORMANCE DELIVERY UNIT (PMDU) COMPLAINTS 2020-21:**

In order to improve public service delivery and to 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 2020-21, twenty four (24) complaints were received on the dashboard of TCP from Pakistan Citizen Portal, out of which twenty one (21) 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.

### **CORPORATE GOVERNANCE:**

The Board has complied with the relevant principles of corporate governance, and has identified the rules that have not been complied with, the period in which such non-compliance continued, and reasons for such non-compliance.

The financial statements, prepared by the management of the Public Sector Company, fairly presents its state of affairs, the result of its operations, cash flows and changes in equity.

Proper books of account have been maintained by the corporation.

Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

The Board recognizes its responsibility to establish and maintain sound system of internal control.

Total (17) Board Meetings have been held during the year and meeting attended by each director is given below;

<b>NAME OF BOARD MEMBERS</b>	<b>NO. OF MEETINGS ATTENDED</b>
Mr. Riaz Ahmed Memon, Chairman	15
Mr. Muhammad Waqas Azeem, Ministry of Commerce	16
Mr. Imtiaz Ali Gopang, Ministry of National Food Security & Research	16
Dr. Imranullah Khan, Ministry of Finance	15
Ms. Bushra Naz Malik	17
Ms. Javaria Tareen	17
Ms. Tasneem Yusuf	17

The pattern of shareholders is attached as **Annexure-V**.

The appointment of Chairman and other members of the board and the terms of their appointment along with the remuneration policy adopted are in the best interest of the corporation, as well as in terms with the best practice.

### **RENT RECOVERED:**

An amount of Rs. 3,279,881/- received against rent from Residential Colonies at TCP’s Pipri and Landhi Godowns and an amount of Rs.237,463,064.63/- has also been received against the rent of TCP’s Pipri, Korangi and Landhi Godowns.



## **INSPECTION FEES:**

During the financial year 2020-21, TCP issued **1357 (One Thousand Three Hundred Fifty Seven Only)** Authenticity Certificates for export of **399,970.00 MT** Brown/Parboiled/White Rice exported to European Union Member Countries and earned an amount of **Rs.61,812,000/-** against inspection fee.

## **LEGAL CASES:**

Total twelve (12) no. of cases were decided in favour of TCP out of fourteen (14) no. of cases disposed of by various Law Courts.

A decretal amount of **Rs.4,572,798/-** recovered from City District Government Karachi (CDGK) in Execution Application No.45/2007 filed by TCP against City District Government Karachi (CDGK) and deposited on dated 07.10.2020 in TCP's account.

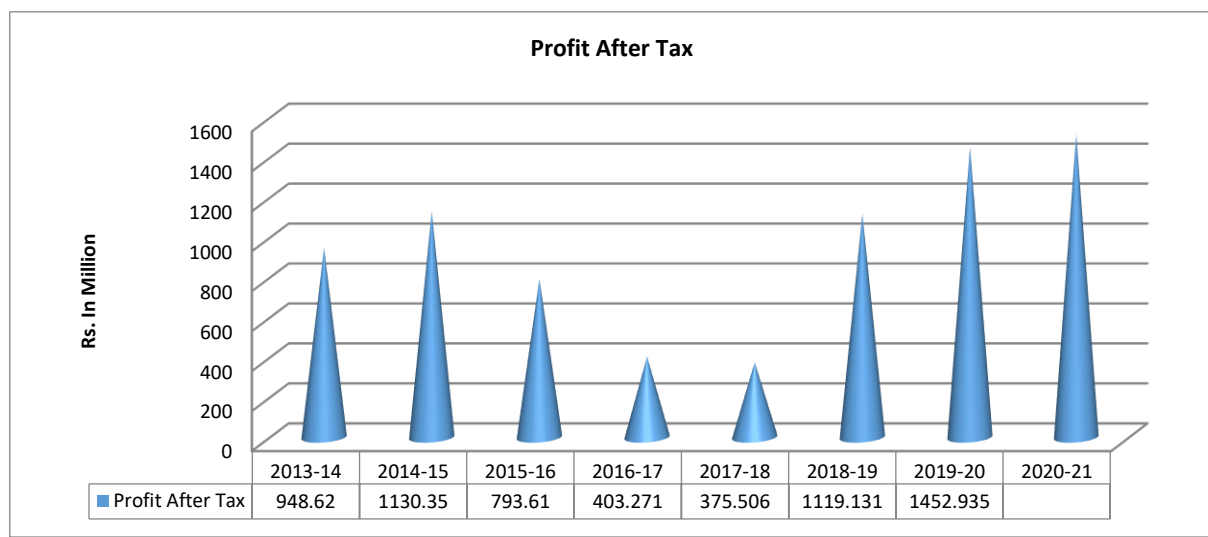
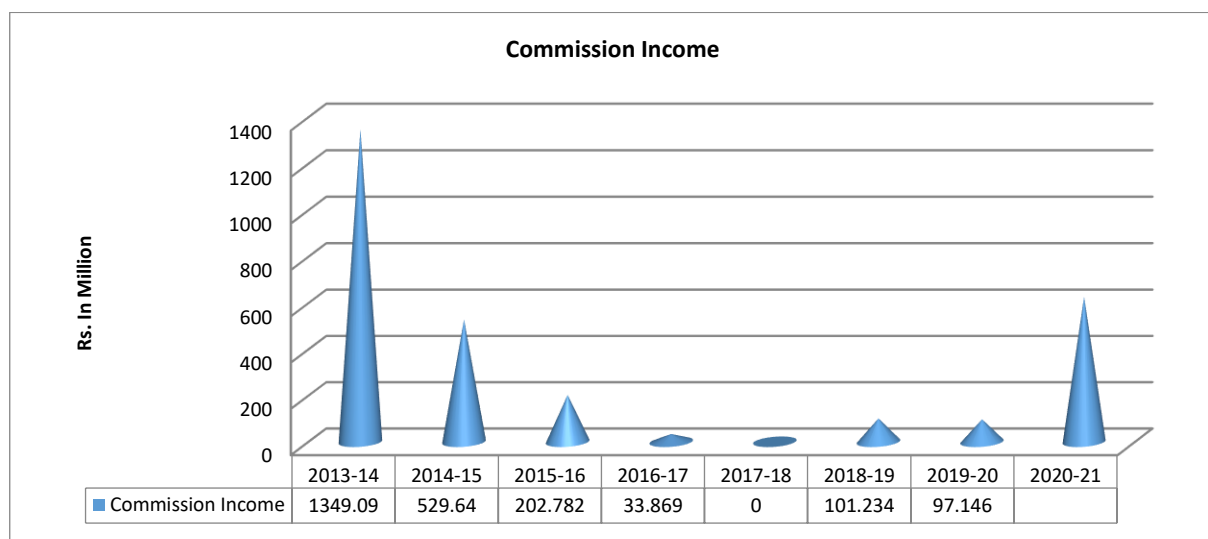
Legal Division succeeded to curtail expenditure in respect of legal & professional charges by saving an amount of Rs.3.087 Millions. Previously, during F.Y 2019-20, an amount of Rs.11.600 Million was incurred in this regard. Whereas, the expenditure was reduced to Rs. 8.513 Million during the F.Y 2020-21.

## **ANNEX-I**

### **KEY OPERATING AND FINANCIAL DATA**

**"Rs. In (000)"**

<b>Operating Data</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>
Commission Income	628,050	97,146	101,234	-	33,869	202,782	529,645	1,349,089
Administrative Expenses	964,700	846,566	886,062	1,015,666	1,080,597	845,590	900,433	914,387
Other Income	2,415,294	2,734,102	2,246,100	1,536,169	1,534,289	1,790,577	2,037,026	1,583,556
Profit Before Tax	2,078,644	1,984,682	1,461,272	520,503	487,561	1,147,769	1,666,238	1,991,258
Profit After Tax	1,517,441	1,452,932	1,119,131	375,506	403,271	793,610	1,130,349	948,624
<b>Financial Data</b>								
Paidup Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Fixed Assets	538,769	10,363,343	10,247,028	721,578	826,174	806,490	759,567	750,629
Long term Investment	9,991,495	9,806,574	9,643,072	65,827	125,980	126,795	114,092	102,746
Current Assets	151,876,382	140,511,496	131,160,521	125,566,129	126,149,582	121,857,842	118,797,238	136,896,404
Current Liabilities	146,409,137	136,537,696	128,318,941	114,104,808	114,992,924	110,973,997	106,050,945	125,206,602
<b>Key Ratios</b>								
Net Profit	50%	51%	47%	25%	25%	40%	44%	32%
Current ratio	1.04	1.03	1.02	1.10	1.10	1.10	1.12	1.09
Net Working Capital	5,467,245	3,973,800	2,858,178	11,461,321	11,156,658	10,883,845	12,746,293	11,689,802



**COMPARATIVE STATEMENT OF FINANCIAL RESULTS DURING THE YEAR  
2014-15 TO 2020-21**

(Rupees in Million)

S. No.	PARTICULAR	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
1.	Paid-up capital	1000.000	1000.000	1000.000	1000.00	1000.00	1000.00	1000.00
2.	Total C&F value of imports	12,028.790	7,902.079	NIL	NIL	5,061.701	4,859.292	82936.640
3.	Total value of Exports	Nil	814.964	1810.631	Nil	Nil	Nil	Nil
4.	Profit/(Loss) before taxation	1,666.238	1144.746	487.561	520.503	1,461.272	1,984.682	2,078.644
5.	Profit/(Loss) after taxation	1,130.349	797.229	403.271	375.506	1,119.131	1,452.932	1,517.441

**STATEMENT SHOWING STOCKS LYING AT TCP'S GODOWNS AS ON 30-06-2021****i) Stock Position at Pipri Godown:**

S. No.	COMMODITY	STOCK POSITION	REMARKS
1.	Sweeping Sugar (Imported in 2009)	207 MT*	207 MT as per book record, physically 15-20 MT (approx) is lying at Godown 30-A.
2.	Sweeping Sugar (Imported in 2010)	200 MT (sound)	As per book record, lying at Godown 20-A.
3.	Port sweeping	1258.000 MT	As per book record lying at Godown 2D,8D, 8-Mill
4.	Sweeping	26.000 MT	As per book record lying at Godown I-8I
5.	Sweeping	126.000 MT	As per book record lying at Godown 31-A, B, C
6.	Wheat, Husk & Dust (Imported in 2008-09)	41.00 MT	Godown Sweeping lying at Godown 5, E
7.	Wheat, Husk & Dust (Imported in 2020)	11.180 MT	Port Sweeping lying at Godown I,1
8.	PP Bags Sound	31.120 1500=29,620	KPT & Port Qasim (1500 PP bags delivered to KPT)

**ii) Stock Position at Korangi Godown:**

S. No.	COMMODITY	STOCK POSITION	REMARKS
1.	Wheat (Boosa)	600 Bags	lying at Godown KG 43

**PATTERN OF SHAREHOLDING AS AT 30.06.2021**

No. of Shareholders	Shareholdings	Total Shares Held
2	1 to 5	2
1	99999995 to 100000000	99,999,998
<b>3</b>	<b>TOTAL</b>	<b>100,000,000</b>

**Categories of Shareholders**

Directors	Shareholdings	Percentage
Chairman, TCP	1	0.000001
Director Finance	1	0.000001
	2	0.000002

Associated Undertakings and Related Parties	-	-
NIT AND ICP	-	-
Banks, Development Financial Institutions NBFI	-	-
Insurance Companies	-	-
Modaraba and Mutual Funds	-	-

Shareholders Holding 10%	Shareholdings	Percentage
Federal Government of Pakistan	99,999,998	99.99

#### General Public

a. Local	-	-	-
b. Foreign	-	-	-

### 18. STATE LIFE INSURANCE CORPORATION OF PAKISTAN (SLIC), KARACHI

#### 18.1. First Year Premium (Individual Life Business) – Pakistan’s Operations:

First year gross premium income under Individual Life policies during the year ended December 31,2020 was Rs. 13,838 million as compared to Rs.12,725 million in the year 2019, showing an increase of 8.75%. Furthermore, individual life first year premium amounts to Rs. 5,263 million during first half of January to June 2021. This figure previously stands at Rs. 3,103 million, showing an increase of 69.6%

#### 18.2. Renewal Year Premium (Individual Life Business) – Pakistan’s Operations:

Gross renewal premium was Rs. 91,227 million in FY 2020 whereas it was Rs.89,190 million in FY 2019, resulting an increase of 2.28%. Furthermore, individual life renewal premium amounts to Rs. 34,802 million during the first half of 2021. This figure previously stands at Rs. 29,230 million, resulting an increase of 19.1%.

#### 18.3. First Year Premium (Individual Life Business) – Overseas Operations:

Our 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%. Furthermore, individual life first year premium amounts to Rs. 58 million during the first half of 2021. This figure previously stands at Rs. 53 million, showing an increase of 9.4%.

#### 18.4. Renewal Year Premium (Individual Life Business) – Overseas Operations:

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%. Furthermore, renewal premium amounts to Rs. 543 million during the first half of 2021. This figure previously stands at Rs. 549 million, showing a decline of 1.0%.

#### 18.5. Group Life Business:

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

group life premium amounts to Rs. 6,325 million during the first half of 2021. This figure previously stands at Rs. 1,140 million, showing an increase of 454.8%.

### **18.6. Health Insurance Business:**

Premium under Health and Accident Insurance business during the year 2020 was Rs. 7,975 million excluding experience refund as compared to Rs. 4,805 million in 2019, showing an increase of 66% mainly due to health insurance policies undertaken for the Prime Minister's Health Insurance Programs. Furthermore, health insurance business during the first half of 2021 amounts to Rs. 12,374 million. This figure previously stands at Rs. 3,011 million, showing a remarkable increase of 310.9%. The details of the health insurance schemes are as follows:

- 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, health care coverage up to Rs. 60,000 for secondary procedures and Rs. 300,000/- for tertiary procedures is provided from 450+ empaneled hospitals across Pakistan.

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, Tharparkar 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.

- 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.

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 550+ hospitals.

### **18.7. Life Fund:**

The Corporation's aggregate life fund position went from Rs. 996 billion in 2019 to Rs. 1,128 billion in 2020, indicating an increase of 13.2%. However, by the end of June 2021 the figure amounts to Rs. 1,187 billion compared with Rs. 1,036 billion of last year corresponding period, showing an increase of 14.6%.

### **18.8. 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.

### **18.9. Bonus 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 State Life 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.

The total amount of bonus distributed to with-profit policies in 2020 was Rs. 75.97 billion as compared to Rs. 68.56 billion in 2019, showing an increase of 10.8%.

### **18.10. 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.

## **19. PAKISTAN EXPO CENTRES PRIVATE LIMITED, 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:

### **19.1. Operational Activities:**

Regarding Operations of the Company, please note that 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 2020-21, no event was held at Expo Centre Lahore due the reason that since March 2020, at the beginning of Coronavirus 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 centre 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 Coronavirus 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 Coronavirus Hospital and Vaccination Centre. After starting the said activity, Company has not been able to continue its revenue generation activity and maintenance of the facility to that level which was its distinguishable feature. The Infrastructure facilities including Plant and Machinery of Expo Centre Lahore is deteriorating as the Company with its limited financial resources is unable to entirely manage the preventive maintenance schedule. If the situation remains the same, plant & machinery will be damaged and restoration of the equipment will require huge financial budget.

In case, no payments are made to the Company on account of its services/usage then Government has to give a bailout package to Expo Centre Lahore through any other head of account otherwise Company will collapse. We believe that no stakeholder would like to see the failure of any more Public Sector Enterprises for no fault of its own.

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.

## **19.2. 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.
- Geotechnical Surveys are completed.
- Boundary wall of the Expo facility is completed.
- Work on Gatehouses and Security towers is also completed.
- Foundations of both the Exhibition Halls are completed.
- Fabrication and Erection of steel structure of both exhibition halls are completed.

- Works related to infrastructure like Road Works, Drain under Roads, Drain under Walkway, Sewerage Collection System , Water Supply Distribution System and Buildings of admin block, utilities block, power house, warehouse are in progress.

Against the approved Cost of Rs. 2,500 Million for Expo Centre Peshawar; the Company has received and incurred Rs. 1,986.5 Million up to June 30, 2021. During FY 2020-21, the allocation from PSDP was Rs. 296.5 Million for Expo Centre Peshawar which were fully utilized by 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 December 31, 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 2020-21, the allocation from PSDP was Rs.100 Million for Expo Centre Quetta out of which Rs.80 Million were released and fully utilized by the Company. Project completion timelines are two years subject to the timely availability of desired funding.

## **20. INTELLECTUAL PROPERTY ORGANIZATION OF PAKISTAN (IPO)**

In the purview of World innovative advancements in the IP field, Pakistan has also strived to improve its IP framework in the year 2020-2021. IPO- Pakistan was able to enhance the technological collaborations with the Research and Development Institutes with the help of 47 Technology and Innovation Support Centers. Pakistan also acceded the Madrid Systems of Trade Marks in 2021, which will promote investment and will enhance facilitation to the trade. In the year 2020, Parliament Passed the GI Laws and GI Rules. The first ever GI was also registered in 2021. The GI tag will enhance the value of the products in the international market. In the wake of continuous growth of Pakistan's IP awareness and advancements Pakistan's global IP ranking improved from 109th, in 2016 to 78th, in 2020.

A brief description of major activities undertaken during 2020-21 is as follows:

### **20.1. Enactment of GI Law and Notification of GI Rules**

The Geographical Indications (GI) Law was finalized after consultation with public and private sector stakeholders and forwarded to the Ministry for enactment by the Parliament. The Geographical Indications (Protection and Registration) Act, 2020 has been enacted by the Parliament in March, 2020. GI Rules thereunder were notified on 28<sup>th</sup> December, 2020. *Basmati* rice as first ever GI of Pakistan has been registered on 21st January, 2021. The protection of geographical indications including *Basmati* will build a reputation for Pakistani GI products throughout the world.

### **20.2. Accession to Madrid Protocol**

In a landmark achievement, Pakistan joined the Madrid system of Trademark, on 24th February, 2021. With the accession to the Madrid Protocol, the Trademark holders of Pakistan will be able to protect their trademarks in more than 100 countries by filing a single application at WIPO via IPO Pakistan whereby facilitating ease of doing business. The business community of other countries will also be able to get protection of their Trademarks in Pakistan by using Madrid route. It is win-win situation for traders of both Pakistan and its trading partners to get protection of intellectual property rights to promote genuine businesses in their markets as well as instilling confidence in potential foreign investors.





### **20.3. IP Legislative framework**

IPO Pakistan started the revision of national IP laws to streamline the legal processes and to incorporate international best practices. The initial drafts were prepared in-house by the organization without involvement of additional budget/expenses. The draft laws are being finalized after fulfilment of the codal formalities. The IP laws being formulated and revised include the following:

- (i) The Trademarks Ordinance 2001
- (ii) The Trademarks Rules, 2004
- (iii) The Patents Ordinance, 2000
- (iv) The Patents Rules, 2003
- (v) The Copyright Ordinance, 1962
- (vi) The Registered Designs Ordinance, 2000
- (vii) The Registered Designs Rules, 2021 (New legislation )

### **20.4. National integration**

IPO Pakistan has signed MOUs with academia, R&D centres and public sector organizations in order to strengthen institutional linkages and to promote innovation and creativity in the country. In this regard, the MoUs have been signed from 2020-2021, with partner institutions include; Competition Commission of Pakistan (CCP), Pakistan Agricultural Research Council (PARC), Pakistan Council of Scientific and Industrial Research (PCSIR), PITC at Pakistan Engineering Council (PEC) .

### **20.5. IT Directorate.**

An IT Directorate is bound to be established at IPO- Pakistan, as approved by the Policy Board in its 15<sup>th</sup> meeting held on 26<sup>th</sup> May 2021. The said directorate will streamline the existing IT activities and automation of business processes, while bringing them at par with the International best practices.

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

During 2020-21, Trade Mark Registry received a total of 49392 trademark applications and granted 17368 registrations of trademarks. Patent Office received 951 applications and issued acceptance of 215 Patents. A total of 539 applications for registration of Industrial Design were received and 305 registrations were granted. Copyright office received 4764 applications and granted 2367 registrations.

## **20.7. Events/Awareness Activities for 2020-2021**

IPO-Pakistan through Intellectual Property Academy, keeps holding IPR awareness campaigns with Academia, Business community and other relevant institutions. Pakistan has organized/participated in around 98 activities during FY 2020-21.

## **21. NATIONAL TARIFF COMMISSION (NTC)**

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.

(2) 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.

(3) 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.

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

(5) 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.

(6) 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.

Following are the requisite information for the **Year Book 2020-21**, in respect of National Tariff Commission, Islamabad.

### 21.1. Anti-dumping Investigations:

#### Anti-Dumping Investigations during July 2020 to June 2021

Anti -dumping Measures	Source	Date	Product
Initiation	Chinese Taipei, EU, South Korea, Vietnam	August 23, 2021	Cold Rolled Coils/Sheets
	Chinese Taipei, Indonesia, Thailand	February 06, 2021	Polyester Staple Fiber
	Turkey	March 30, 2021	Soda Ash
Initiation of Review	China, Ukraine	January 08, 2021	Cold Rolled Coils/Sheets
	China	October 02, 2020	Polyester Staple Fibre
Final Determination	India, South Korea	December 17, 2020	Inorganic Yellow Chrome Pigment
	China, Chinese Taipei, South Korea	June 05, 2021	Phthalic Anhydride
Conclusion of Sunset Review	Belgium, China, Indonesia, South Korea, Chinese Taipei, Thailand, Turkey	August 26, 2021	Hydrogen Peroxide
	India	August 21, 2021	Sorbitol Solution
	Bangladesh		Hydrogen Peroxide
Termination of Investigation	China	October 15, 2020	Certain Electric Capacitors
Termination of Review	China	February 19, 2021	Polyester Filament Yarn

## 21.2. Protection to Domestic Industry:

Description	Protection Cases (July 2020 to June, 2021)	
	Case Name	No. of Achievements
Initiation of Cases	Solid Surface Sheet	1
	Bobbins and Cops	1
	Auto Air-Conditioner Compressor	1
	Automotive Parts	1
	Solid Surface Sheet	1
Public Hearings	Solid Surface Sheet	1
	Bobbins and Cops	1
	Auto Air-Conditioner Compressor	1
	Automotive Parts	1
Recommendation sent to Ministry of Commerce	First Aid Bandages	1
	Baby and Child Nutritional Formula	1
	Solid Surface Sheet	1
	Auto AC compressor	1
	Bobbins and Cops	1
<b>Total</b>		<b>14</b>

## 21.3. Assistance to Government at WTO:

(July 2020 to June 2021)	
Case Name	No. of Achievements
<b>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</b>	1
<b>Assist Government of Pakistan regarding Antidumping Duties on Pakistani Poplin Fabric by Peru's Commission on Dumping, Subsidies and Elimination of Barriers to Trade (INDECOPI).</b>	1
<b>Assist Government of Pakistan Imposition of Anti-Dumping Duty on Portland Cement originating in/and or exported from Pakistan to South Africa</b>	1

## 21.4. Tariff Proposals

Description	Tariff Proposals Accepted (July 2020 to June 2021)	
	Achievements No. of (Accepted Tariff Lines)	Industry
Customs duty (CD) proposals (Main Budget 2020-21)	133	<ul style="list-style-type: none"> <li>• Edible oil</li> <li>• Mineral</li> <li>• Gasses</li> </ul>

		<ul style="list-style-type: none"> <li>• Tanning substances</li> <li>• Rubber</li> <li>• Paper and paper board</li> <li>• Ceramics</li> <li>• Machinery parts</li> </ul>
Additional Customs duty (ACD) proposals (Main Budget 2020-21)	1642	<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>
Regulatory duty (RD) proposals (Main Budget 2020-21)	67	<ul style="list-style-type: none"> <li>• Stationary</li> <li>• Meat (Sausages)</li> <li>• Textile</li> <li>• Iron and Steel</li> </ul>
Regulatory duty (RD) proposals on smuggling prone items (Main Budget 2020-21)	130	<ul style="list-style-type: none"> <li>• Fabric</li> <li>• Welding electrodes</li> <li>• Blankets</li> <li>• Padlocks</li> <li>• LCD/LED</li> </ul>
Removal of ACD and RD on Textile Sector (August 2020)	164	<ul style="list-style-type: none"> <li>• Textile</li> </ul>

## 21.5. Detailed Tariff Rationalization Studies

Description	domestic industry (July 2020 to June 2021)	
	Date/ Year	Participant Industry
Iron and Steel Sector	FY 2020-21	<ul style="list-style-type: none"> <li>• Agha Steel</li> <li>• Horizon Steel</li> <li>• Amreli Steel</li> <li>• Re-roller</li> <li>• Shanghai Industry</li> <li>• Ship Breaking</li> </ul>

## 22. 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;

### **22.1. 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>
SMOT-I	2006-2008	3800
SMOT-II	2008-2011	4700
SMOT-III	2019- Continue	2388
<b>TOTAL</b>		<b>10,888</b>

### **22.2. 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.

### **22.3. 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.

### **22.4. 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:
  - Monthly Textile Statistics Reports
  - Yearly Textile Statistics Reports
  - Published Annual Performance of Textile Industry booklet.
- Data is also provided to FBS for calculating GDP of the country

#### 22.5. 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 Rupee per Spindle
- 4 Rupees per Rotor
- 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
2021 (30-08-2021)	11,250,000	13,310,359	7,722,380

## **22.6. Steps taken for enhancement of the CESS:**

- 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
- Reconciliation of the data with the Statistics Section of TCO to find out under declaration
- Reconciliation of the data with information available on websites
- 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.

## **22.7. 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.

## **22.8. 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.

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

- 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).
- TCO with its limited resources provided all facilities to Pakistan Textile City including office space, transfer of record & also facilitated the Federal Commercial Audit.
- After the completion of the audit, of Rs. 3.647 Billion. TCO played vital role in the fact finding inquiry by MoC and also provide the valuable input for the revival of this mega project.

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

- 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 million of KGCC.
- 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.
- On the advice of the then Secretary Textile, TCO disposed off Vehicle of KGCC after completion of codal formalities of PPRA.

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

- The then Secretary, Textile Division advised TCO to retrieve the plot as it was encroached and illegally occupied by land mafia.
- 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.



- 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.

#### **22.12. 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.

#### **22.13. 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.

#### **22.14. 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 (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.

#### **22.15. 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:

- i. Improve overall technological configuration of the sector;
- ii. Remove critical imbalances in the value chain; or,
- iii. 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.

### **23. KARACHI GARMENTS CITY (KGCC), 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.

#### **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**

**Designation**

**Independent Directors**

- |  |                   |
|--|-------------------|
| 1) Mr. Baig Muhammad Majeed<br>M/s. Oxford Knitting Mills Ltd. Karachi | Chairman/Director |
| 2) Mr. Naseem Ahmed Farooqi,<br>M/s. Amour Textiles (Pvt) Ltd, Karachi | Director          |
| 3) Mr. Ali Ahmed,<br>M/s. H. Nizamdin & Sons (Pvt) Ltd. Karachi        | Director          |

**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 30.06.2021**

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	1.78
		For lease and mutation charges	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 2021 is as under:

<b>#</b>	<b><u>Details</u></b>	<b><u>Amount (Rs)</u></b>
1	TDRs	40,000,000
2	Cash & Bank Balances	53,853,624
	<b>Total</b>	<b>93,853,624</b>

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

KGCC was granted NPO status by FBR on 28.03.2019 and extended it time to time until 30.06.2020. RTO, Karachi passed order on 18.03.2021 not to grant further renewal of NPO status, as the criteria for considering NPO status has been changed under Finance Act 2020. According to the said change, the definition of NPO given in section 2(36) of the Ordinance excluded reference of establishment of an entity for 'development purposes'. In other words, entities set-up for any development purposes would not to be recognized as NPO. Ministry of Commerce has approached FBR, Islamabad on 29.04.2021 for review of decision of RTO, Karachi. Decision of FBR in the matter awaited.

## **Registration / lease of Project Land**

In the year under review Board of Revenue Sindh, significantly lowered registration/lease charges by 75% (from Rs. 557.57 million to Rs. 139.39 million) on the project land. Since, KGCC did not hold sufficient money, Ministry of Commerce (EDF Dept.) was requested for approval and release of additional EDF funds of Rs. 139.39 million required for the registration of land.

EDF Board approved additional funds of Rs.73 million in March 2021 but did not release the money, as in the meanwhile Corporate Regional Tax Office; Karachi issued an order not to extend granted NPO status of KGCC beyond 30.06.2020 due to change in the Finance Act 2020; resultantly payment of Advance Tax amounting to Rs. 167,270,400/- under section 236K has also become due, which earlier was exempted.

Matter is pending with the FBR for review of said order of RTO, Karachi.

## **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 yet to be considered and finalized by the Board;

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

## **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 2020-21.

## **24. FAISALABAD GARMENTS CITY COMPANY (FGCC), FAISALABAD**

Faisalabad Garment City Company (FGCC) was registered with Securities and Exchange Commission of Pakistan (SECP) on 8th May 2006, having status of Company Limited by Guarantee under Section 42 of Companies Ordinance 1984 / Companies Act 2017. The Company was established by the Federal Government through funding from Public Sector Development Program (PSDP). It falls in the category of an Autonomous Public Sector Organization/Company, of Federal Government, under the Ministry of Commerce, Islamabad, and management of the Company is being run through a Board of Directors comprising five (05) Public Sector members with Ex-Officio status and five (05) Independent Directors from Private Sector having ample experience in the Textile Sector.

The main purpose of this Company is to support and promote export of textiles made-ups /garments from Pakistan by providing them facilities of building infrastructures and skilled workforce, especially to SMEs.

To increase the proportion of value-added products in the total textile exports from Pakistan.

To generate employment for skilled / semi-skilled workforce in the field of garments.

### **24.1. Exports from FGCC Rented Out Buildings:-**

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

<b>Year</b>	<b>“A1” Building</b>	<b>“B1” Building</b>	<b>Total Export from FGCC about (Billions) PKR</b>	<b>Total Export about US Dollar (Million)</b>
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
<b>2020-21</b>	<b>6</b>	<b>4</b>	<b>10</b>	<b>63 about</b>
<b>Total</b>	<b>27.2</b>	<b>13.8</b>	<b>41</b>	<b>296.1</b>

### **24.2. Revenue from FGCC Rented Out Buildings:-**

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

<b>Sr. #</b>	<b>Year</b>	<b>“A1” Building</b>	<b>“B1” Building</b>	<b>Million PKR</b>
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
11	2020-21	39.72	20.622	60.342
	<b>Total</b>	<b>285.956</b>	<b>134.198</b>	<b>420.156</b>

### 24.3. 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 20th March, 2019 and Mr. Kuninori MATSUDA, Ambassador of Japan to Pakistan also participated in this ceremony.



### 24.4. Day Care Centre:

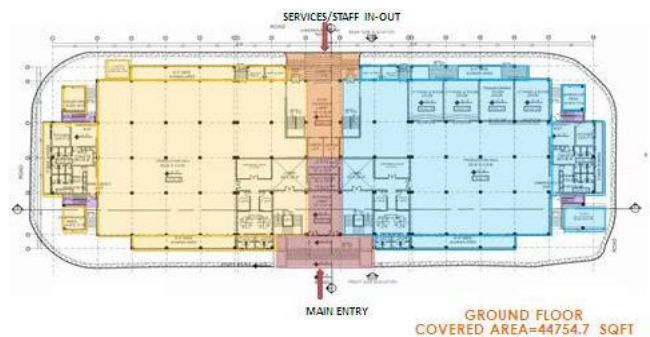
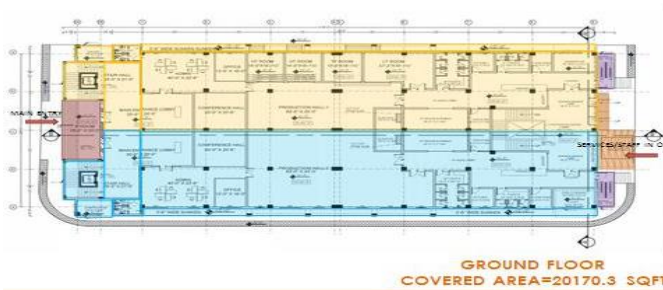
A Day Care Centre has also been established with the support of Government of Punjab. This Day Care Centre has been inaugurated by her Excellency Mrs. Ashifa Riaz Fatyana, Minister Women Development, Punjab, Pakistan, on 22-10-2020. Government of Punjab born its expenditures for one year and after one year the Day Care Center is managed by FGCC itself.



## 24.5. 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 with an estimated cost of Rs. 1998 million 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.



#### 24.6. 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.



#### 24.7. Cash in FGCC Bank Accounts:-

An amount of Rs. 194 million is in FGCC bank accounts as on 30-06-2021.

#### 24.8. 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.



#### Others Achievements:-

- Construction of By Pass Road (3.5 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.





## 25. 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.

### 25.1. 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

### 25.2. 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.

### 25.3. Financial Position:

<b><u>From Export Development Fund (EDF) (May 2005)</u></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>
<b>Approved Cost (Original PC-I 25-02-06)</b>	<b>Rs. 497.64 M</b>
<b>Approved Cost (Revised PC- 14-06-11)</b>	<b>Rs. 586.88 M</b>
<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
2020-21	No allocation
<b>Total Funds released</b>	<b>572.64 M</b>
<b>Funds yet to be released</b>	<b>14.24 M</b>

#### 25.4. Revenue Generation 2019-20

Rent of Buildings	Rs. 67.00 Million
Profit on deposit	Rs. 33.00 Million
<b>Total</b>	<b>Rs. 100.00 Million</b>
<b>Expenses</b>	
Administration Expenses	Rs. 32.00 Million
Depreciation	Rs. 20.00 Million
<b>Total</b>	<b>Rs. 52.00 Million</b>
<b>Net Savings</b>	<b>Rs. 48.00 Million</b>
<b>Total Rental Income (2014-21)</b>	<b>Rs. 411.00 Million</b>
<b>Payable Amounts</b>	<b>Rs. 326.00 Million</b>
<b>Available Amount</b>	<b>Rs. 85.00 Million</b>

## 25.5. 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>	

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

- The main factory buildings Category A,B, C and Admn/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 Sqft per month on 10 % annual escalation.
- As the tenant of the buildings is mainly involved in exporting their product therefore the target of earning foreign exchange has also been achieved.
- The Project is being managed by a Board comprising of Directors from public & private sectors and is providing the opportunity of public-private partnership.
- 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.
- The project is generating employment opportunities 6000 persons (Males 80% - Females 20%) as the production in all the buildings has been started.
- The project is also facilitating the textile sector for attaining sustainable growth.
- US \$ 85 Million annual export.
- In-house job training facilities of 403 workers.
- Annual trained of 300 un-skilled labours into skill workers.
- Free pick & drop facility to the workers.

## 25.7. Present Progress

**Category-A Building**

Status= 100% Completed  
Leased out to the tenant



**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



## **26. PAKISTAN HORTICULTURE DEVELOPMENT & EXPORT COMPANY**

Pakistan Horticulture Development & Export Company (PHDEC) is a company registered under Section 42 of the Companies Ordinance 2017. It has been mandated to promote, regulate, co-ordinate and enhance exports of horticulture products for the economic wellbeing of all stakeholders in the horticulture value chain of Pakistan. PHDEC's main thrust is to introduce Pakistan's horticultural products to the high-end international markets through strategic initiatives and efforts along with integrated interventions and facilitation in all the sub-sectors of the value chain. In order to make PHDEC's interventions more impactful and result oriented, a detailed list of activities carried out in the last 1 year are summarized below;

### **26.1. Knowledge Sharing & Capacity Building**

#### **26.1.1. Citrus Post Season Seminar - March 2020:**

PHDEC organized an "End of Season Seminar on Citrus" at College of Agriculture, University of Sargodha wherein more than one hundred processors & exporters participated. They were enlightened on production technology of citrus, new citrus varieties developed by Government of Punjab, remedial measures of pest/diseases and export potential of Pakistani Citrus (Kinnow, Musambi and Feutral early).

#### **26.1.2. Online Zoom Meeting on Grapes-August 2020:**

Realizing the huge potential of import substitution by boosting grapes production, Pakistan Horticulture Development & Export Company organized an online zoom meeting with key stake-holders from Balochistan, Southern Punjab and Northern areas of Pakistan. The meeting was attended by experts from NARC Islamabad, Balochistan Agricultural Research and Development Center and various progressive growers from those areas. The discussion focused on issues and problems of grape farmers along with avenues to enhance production.

#### **26.1.3. Online Zoom Meeting on Onion-August 2020:**

PHDEC held an "Interactive Online Meeting on Onion" with participation from growers, exporters, subject experts from R&D agriculture. In the exhaustive discussions held, issues related to production, post-harvest handling and exports were discussed at length.

#### **26.1.3. Online Zoom Meeting on Date Palm-September 2020:**

PHDEC while incorporating technology and innovation in its work plan, arranged an online seminar with different stakeholders to discuss issues in the Date Palm sector of Pakistan. A comprehensive review of the date palm sector of Pakistan was carried out ranging from production and supply constraints to exports of Pakistani Dates to high end International markets.

#### **26.1.5. Seminar on Potato Challenges and Prospects-October 2020:**

PHDEC held a seminar on Potato challenges and prospects, at potato producing hub, OKARA on October 13, 2020. A large number of growers, processors and exporters attended the seminar. The speakers highlighted issues in production, processing and export of potatoes. PHDEC's efforts to gather growers, processors and exporters on a single platform were greatly lauded by Potato growers' society OKARA and other stakeholders in attendance.

#### **26.1.6. Post Season Seminar on Mango-October 2020:**

The seminar aimed at reviewing the overall performance of mango industry as a whole for the season-2020, highlighting the issues faced both at supply and the demand side. The stakeholders were consulted for a short, mid and long term strategy to enhance mango exports for the upcoming season.

#### **26.1.7. Workshop on Good Agricultural Practices of Mango-October 2020:**

While continuing its vision of promoting excellence in the horticulture sector of Pakistan, PHDEC arranged a workshop on Good Agricultural Practices of Mango. Participants in attendance, were enlightened on pruning, irrigation, fertilization, IPM, quality, yield, new varieties, orchard layout and Product certification. PHDEC's efforts were greatly lauded by the growers, processors and exporters, who further requested that such capacity building measures should continue in the future to improve yield quality and quantity.

#### **26.1.8. Workshop on Basics of Export, WEBOC & DLTL-November 2020:**

The training workshop was attended by a large number of importers, exporters, women entrepreneurs, academia, Pakistan Revenue Automation and Pakistan Customs. PHDEC provided the audience with solutions of real life complications/hitches of WEBOC and claiming of DLTL. The audience shared their issues, and solutions were discussed in a bid of knowledge sharing with each other.

#### **26.1.9. Virtual One Day Training Workshop on WEBOC-December 2020:**

PHDEC while leading from the front in incorporating information and communication technology to facilitate exporters of fruits and vegetables, held a one-day virtual training session on export documentation, WEBOC & DLTL. A large number of exporters joined the training session.

#### **26.1.10. Virtual One Day Training Workshop on DLTL-January 2021:**

In line with Government's commitment to increase exports, PHDEC had a virtual training session on DLTL (Drawback of Local Taxes & Levies). The participants were enlightened on form filing, claim submission and modalities of SRO-711. The session was attended by a large number of exporters from the Fruits and Vegetables sector of Pakistan.

#### **26.1.11. Online Workshop on Pest Identification-January 2021:**

PHDEC while pursuing Government of Pakistan's vision of enhancing exports of horticulture products, held an online workshop on Pest Identification in fruits and vegetables. The workshop aimed at sensitizing exporters on quarantine requirements, by highlighting pest/disease related issues faced during product inspections at airports. PHDEC's intervention targeted the mitigation of pests/diseases at farm and processing level to bolster exports of horticulture products from Pakistan.

#### **26.1.12. Interactive Online Session on Grapes-January 2021:**

Realizing the huge potential of import substitution by boosting production, PHDEC organized an online zoom meeting with producers and exporters of grapes in Pakistan. The meeting was attended by experts from National Agricultural Research Centre Islamabad, Balochistan Agricultural Research and Development Center, Balochistan Horticulture Cooperative Society(R) etc. The discussion focused on issues and problems of grape farmers along with avenues to enhance production.

#### **26.1.12. Interactive Online Session on Garlic-February 2021:**

PHDEC held an "Interactive Online Meeting on Garlic" with participation from growers, agriculture experts and representatives from National Agricultural Research Centre and Ayub Agricultural Research Institute, Faisalabad-Pakistan. In the exhaustive discussion, issues related to Production, Imports, Low yield, Intensive labour and cost of production of Garlic were discussed at length. PHDEC envisions to increase local production of garlic by addressing the above mentioned issues.

#### **26.1.13. Online training session on "Brand Development & Marketing Strategies"-March 2021:**

PHDEC held an online training session on "Brand Development & Marketing Strategies" for Horticulture SMEs. The participants were enlightened on the importance of branding, process of establishing strong brands and identification of the right consumers to sell.

#### **26.1.14. Interactive Online Session on Medicinal Plants-April 2021:**

PHDEC in collaboration with National University of Medical Sciences - NUMS held an Interactive online zoom meeting on Medicinal Plants and their potential for exports. The meeting was attended by representatives from National Agricultural Research Centre, Qarshi Industries, Comsats University Islamabad, Quaid-i-Azam University and other key stakeholders. The participants were enlightened on Domestic Production, Demand/Supply and Exports of medicinal plants.

### **26.2. Developing Knowledge Base**

#### **26.2.1. Joint Efforts in Locust Control-June 2020:**

The China Economic Net organized a China-Pakistan trade Hotline Cloud Salon with the theme of 'Joint Efforts in Locust Control' which was attended by Pakistan Horticulture Development & Export Company along with various other stake holders including exporters, growers, academia and provincial governments. The seminar aimed at stressing the urgency of joint efforts to combat locusts and strengthen regular thinking and forward-looking planning.

#### **26.2.2. Promulgation of Product Report on Potato-February 2021:**

PHDEC held a focus group meeting with the stakeholders, promulgating its recent achievement of the development of a comprehensive Product Report on Potato. The report was shared with the concerned stakeholders for their views/comments. The focus group consisted of growers, exporters, scientists and other officials. The group progressively discussed the challenges and prospects in the production and trade of potato as a horticulture commodity and lauded PHDEC's role in the enhancement of horticulture exports from Pakistan.

#### **26.2.3. Enhancing Trade Opportunities through Phytosanitary Measures in Central Asia-April 2021:**

PHDEC actively participated in the online zoom meeting jointly organized by USAID -US Agency for International Development and CAREC Program on Enhancing Trade Opportunities through Phyto-sanitary Measures in Central Asia.



## **26.3. Trade Promotion**

### **26.3.1. Promotional Mango consignment to Geneva, Switzerland-August 2020:**

Pakistan Horticulture Development & Export Company has always gone the extra mile to promote Horticulture products of Pakistan to high end International markets. Foreseeing the enormous potential, the Swiss market holds for Pakistani Mango, PHDEC with support from the Honorable Ambassador, Permanent Mission of Pakistan to WTO Geneva, Switzerland Dr. Muhammad Mujtaba Paracha sent a mango consignment to Geneva, Switzerland in a bid to boost Pakistani mango exports to Switzerland.

### **26.3.2. Kinnow Promotion consignment to UK-February 2021:**

Post Brexit, the UK is diversifying its imports and searching for new markets for supply of fruits and vegetables to meet its local demand. While capitalizing on the opportunity, Pakistan High Commission in collaboration with PHDEC sent a promotional consignment of Kinnows that was further distributed as a good-will gesture among the members of Parliament, Diplomatic Corps, UK government officials and leading businessmen.

### **26.3.3. Fruit Logistica Market Linkages and Networking Visit – February 2020:**

Organized a 6-member delegation to the exhibition including horticulture growers, exporters, and processors for market linkages and networking.

### **26.3.4. Participation in Citrus Show (Taxila) – February 2020:**

PHDEC participated and developed product specific brochures including production statistics, varieties, harvesting & supply windows, processing units and nutritional aspects of citrus. The brochures were developed to promote Pakistani citrus (Non-GMO Kinnow) to all attendees including diplomats from various countries. The event was held in collaboration with TDAP, PFVA and Chamber of Commerce & Industry, Sargodha.

## **27. PAKISTAN COTTON STANDARD INSTITUTE (PCSI), KARACHI**



### **27.1. 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, ginnerers, spinners, exporters and the national economy. Cotton Standardization Ordinance 2002 was promulgated to establish Pakistan Cotton Standards Institute and to promote the quality control of cotton.

## **27.2. 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 GPS 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.

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

### **27.3.1. 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:

- i) Improvement of Picking/Handling/Ginning practices.
- ii) Instrumental Evaluation of Cotton.
- iii) Human Resource Development.
- iv) Incentive based marketing system.

### **27.3.2. Vision:**

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

### **27.3.3. Mission:**

- i) Education/ Awareness Campaigns.
- ii) Human Resource Development.
- iii) Proper picking and handling procedures.
- iv) Improved ginning practices.
- v) Minimizing contamination.
- vi) Incentive Based Marketing System.

## **27.4. Progress/ Activities during 2020-2021**

### **27.4.1. Training Programs:**

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

Cotton Selectors Training Course is one of the popular programs and has significant response from public & private sector. This is a four week training program conduct at PCSI Head Office Karachi and Regional offices 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 2657 personnel have been trained through this program. During 2020-21, 24 participants benefited from the training programs. In the light of the directives of PCSI Board of Directors the number of training programs has been increased from two to six.

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

The Cotton Fibre 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 fully 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 present cotton marketing system to a quality based marketing system on the basis of grade, staple length and other cotton fibre properties subject to premium and discount. These labs provide comprehensive range of testing facilities under one roof.

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

The Ministry of Commerce is 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 Fibre Testing Laboratory, Faisalabad equipped with HVI 1000 classing & 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.

#### **27.7. Targets and Achievements during the year 2020-21**

Target set and the achievements made during the year 2020-21 for the production of standardized and clean cotton and to bring the Pak cotton at par with international standards are as follows:

##### **27.7.1. 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 2020-21 informative literature regarding proper picking, procedures, handling and ginning practices have been prepared in regional and national languages and provided/ distributed to the stakeholders of cotton & cotton trade.

##### **27.7.2. Cotton Selectors' Training Course:**

During 2020-21 Two Cotton Selectors Training Courses have been held at PCSI. Regional Office, Multan in the months of October, 2020 & March, 2021, while Karachi & Sukkur course postponed due to Pandemic

COVID-19. Through these courses 24 personnel from public and private sector have been trained in the skills of cotton classing and grading.

KARACHI	MULTAN	SUKKUR	TOTAL	UP-DATED
Nil	24	Nil	24	2657

Since the introduction of these training courses 2657 personnel have been trained till date.

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

PCSI Cotton Fibre Testing facilities provided to public and private sector and about **2691 samples** have been tested at the Cotton Fibre Testing Laboratories of PCSI during 2020-21.

NO. OF LINT COTTON SAMPLES TESTED											
YEAR	Karachi	Multan	Sahiwal	Mirpur Khas	Sanghar	RYK	D.G. Khar	BWP	Vehari	Faisalabad	TOTAL
2020-21	805	127	172	04	194	347	00	753	00	289	2691

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

PCSI arranged Two Calendar week Cotton Grading and Classing Course at Cotton Exchange Building, Karachi in collaboration with KCA every year. This year from 1<sup>ST</sup> March 2021 to 12<sup>th</sup> March, 2021. Stakeholders across the board, particularly Textile value chain, Exporters, Ginners, Buyers, 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 a textile mill and PCSI Cotton Fibre Testing Lab, Karachi to facilitate the participant for acquiring enhanced knowledge on the spot. **28 participants from public and private sectors attended the Course. In total 135 participants have attended the course in last four years.**

### 27.8. 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 important to mention that during **2020-21** the Institute generated around **RS.18,81,685.00 (Eighteen Lac, eighty one thousand, six hundred and eighty five)** as annual income through:-

- i. Cotton Sample Testing Fee.
- ii. Training Courses Fee.
- iii. Cotton Standardization Fee.(CSF)

S.NO.	Income generated	Amount in RS.	Total(Rs)
1.	PCSI Head Office, Karachi.		
	• Cotton Sample Testing Fee.	199800	
	• Training Course Fee.	NIL	
	• CSF	87205	
	• Miscellaneous	NIL	
			<b>287005</b>
2.	PCSI Regional Office, Sukkur.		
	• Cotton Sample Testing Fee.	138150	
	• Training Course Fee.	NIL	
			<b>138150</b>
3.	PCSI Regional Office, Multan.		
	• Cotton Sample Testing Fee.	311200	
	• Training Course Fee.	120000	
	• Sale Standard Boxes	34500	
	• Miscellaneous	100740	
			<b>566440</b>
	<b>Grand Total in Rupees.</b>		<b>RS.10,11,595</b>

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

### 27.9. 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 Ordinance 2002 along with the amended cotton control Act, 1966 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.

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

- i) Implementation of amended Cotton Control Act, 1966 to control contamination in cotton and mandatory marking of grade and staple length on each bale by the ginners.
- ii) To shift over the present cotton marketing system to a quality based marketing system on the basis of grade, staple length and other fibre properties subject to premium and discount.
- iii) Establishing a network of Cotton Fibre Testing Laboratories Equipped with HVIs at district level.
- iv) Production of Standardized and Clean Cotton.
- v) Strengthening of PCSI with men and machine.
- vi) Launching of education/awareness campaigns to develop a quality culture in the country through print/Social media and by conducting increased number of training courses.
- vii) Arrange more on Form / on Factory demonstration / Seminar/ Workshops.

## **28. AFGHAN TRANSIT OFFICE, CHAMAN/QUETTA.**

The Government of the Islamic Republic of Pakistan and the Government of Kingdom Afghanistan desirous of strengthening the economic ties between their two countries on mutually advantageous basis and removing the difficulties in the movement of goods through the two countries, each contracting party appointed Liaison Office to arrange Liaison Office, Afghan Transit, Trade, Chaman has been working under the administrative control of Ministry of Commerce, Islamabad. However, it has been managed and run by officers of TDAP Quetta, as additional charge meetings between the both the Liaison officer for expeditious solution.

### **28.1. FUNCTIONS**

To strengthen the economic ties between two countries on mutually advantageous basis and removing the difficulties in movement of goods through the countries. Each contracting party appointed Liaison Officer to arrange meetings between the both the liaison officer for the expeditious solution. Both officers maintain mutually beneficial relationship; facilitate communications and coordinates activities among traders from each side of the borders.

### **28.2. MEETINGS**

Regular meetings were held with government agencies like Customs, FC, and FIA. Various meetings were also held with Transporters, clearing and forwarding Agents, Chamber Of Commerce and Industry, and efforts were made to resolve their issues.

This office has been enclosed liaison with Afghan counterparts and has been holding regular monthly meetings to provide freedom on transit to and from Pakistan to eliminate trade hurdles and ensure that the agreement is implemented in true letter and spirit.

In context of recent developments in Afghanistan a special meeting was held with customs office at Chaman regarding issues related to transit trade like lack of infrastructure, unnecessary checking at check posts, the arrogance of port and shipping lines, extensive demurrages and most importantly border closures. Traders had great concerns due to uncertainty pertaining to Pak/Afghan border closure, as it is the most important factor which hits the business community of both the countries.

In the same context a meeting was also held with Chaman Chamber of Commerce and Industry to promote Pak-Afghan trade and economic relations for bringing economic prosperity and development in the whole region. It was agreed that the serious steps may be taken to resolve issues of traders' communities on both sides of the border.

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