

1. The Ministry

1.1 Introduction

The Ministry of Commerce is mandated to formulate and implement the national trade policies aiming to contribute to the national economy by safeguarding and promoting Pakistan's trade interests at national and internal level 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 exploring new markets with the ultimate aim of creating employment opportunities for the youth to reduce the incidence of poverty in the country and raise the living standards of the people of Pakistan.

The Ministry has developed a network of overseas Commercial Sections to protect Pakistan's trade interests abroad, to facilitate the business community and advance their commercial interests on sustainable basis on which the socio-economic wellbeing of the country largely depends. The network consists of fully functional 55 Commercial Sections in six continents equipped in men and material and headed by the highly professional civil servants skilled in the art of negotiation and trade diplomacy, thus advancing the commercial interest of the country in their respective post countries.

1.2 History

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

1.3 Mission Statement

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

1.4 Functions

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

1. Imports and exports across custom frontiers including:
 - i. treaties, agreements, protocols and conventions with other countries and international agencies bearing on trade and commerce;
 - ii. promotion of foreign trade including trade offices abroad, trade delegations to and from abroad, overseas trade exhibitions and conferences and committees connected with foreign trade;
 - iii. standards of quality of goods to be imported and exported
 - iv. transit trade and border trade; and
 - v. State trading.
2. Inter-Provincial trade.
3. Commercial intelligence and statistics.
4. Organization and control of chambers and associations of commerce and industry.

5. Tariff (protection) policy and its implementation.
6. Law of insurance; regulation and control of insurance companies; actuarial work; insurance of war, riot and civil commotion risks and life insurance but excluding health and unemployment insurance for industrial labor and post office insurance.
7. Export promotion.
8. Special Selection Board for selection of Commercial Officers for posting in Pakistan Missions abroad.
9. Anti-dumping duties, countervailing and safeguard laws.
10. Management of EDF/EMDF with representation of Textile Industry Division on their Boards.

1.5 Policy Objectives

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

1.5.1 Supply side

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

1.5.2 Market Side

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

1.6 Organizational Structure

1.6.1 Main Ministry-Wings of Ministry of Commerce

The Ministry of Commerce consists of the following Wings:

- i. **Foreign Trade Wings:** The Foreign Trade Wings are responsible for trade promotion / diplomacy and taking market access initiatives related to their respective regions. There are three Foreign Trade Wings in the Ministry:
 - Foreign Trade-I
 - Foreign Trade-II
 - Foreign Trade – III

- ii. **World Trade Organization (WTO) Wing:** WTO Wing deals with multilateral trade negotiations and synchronization of domestic laws with WTO laws.
- iii. **Trade Policy Wing:** Trade Policy Wing has been tasked to formulate the national trade policy and related documents/manuals.
- iv. **Export-Import Wing:** EXIM Wing Implements trade policy and deals with issues affecting imports and exports.
- v. **Domestic Commerce Wing (DCW):** Domestic Commerce Wing was established in this Ministry with a view to examine and propose policy interventions and institutional arrangements within the public and private sectors in pursuance of the Strategic Trade Policy Framework (STPF) 2012-15.
- vi. **Services Trade Development Council (STDC) Wing:** The Strategic Trade Policy Framework 2012-15 provides for the creation of Services Trade Development Council in the Ministry of Commerce, with the aim to make the services sector more competitive with a special focus on the development of exports of services from Pakistan.
- vii. **Trade in Services Wing (TIS):** The realization of a need for a policy focus on development of trade in services resulted in creation of a Services Trade Development Council (STDC) and the Trade in Services (TIS) Wing within the Ministry of Commerce under the STPF (2012-15).
- viii. **Development Wing:** Development Wing deals with development projects of Ministry and attached organizations. It also tabulates and makes analysis of trade statistics.
- ix. **Administration & Finance, Insurance Wing:** Administration Wing deals with the administrative, financial and budgetary affairs of Ministry, its attached organizations, insurance companies and trade offices abroad. It also deals with the administration and career planning of the Commerce and Trade Group officers/officials.

1.6.2 Attached Organizations

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

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

2. Pakistan's Trade Performance in 2016-17

2.1 Overview

During the year 2016-17, several changes occurred in Pakistan's international trade parameters due to following factors:

- i. Exogenous factors-global demand shrinkage due to economic recession,
- ii. Domestic Factors-Power shortages/outages, high financing cost, security situation and erosion of competitiveness in the local as well as in the international market.

2.2 Imports

Overall imports during July-June 2016-17 increased to US\$ 52.910 billion from US\$ 44.685 billion during the corresponding period of preceding year, registering increase of 18.41 %. Sector wise imports position during July-June 2016-17 is as under:

- i. Imports of food group increased by 12.10%. Major items showing an increase in imports are: Dry fruits & nuts (4.97%), Tea (2.10%), Palm oil (12.77%) and pulses (60.03%).
- ii. Machinery group imports increased by 37.15% during July-June 2016-17 as compared to the corresponding period of the preceding year. Major items showing an increase in the imports of machinery group are power generating machines (64.15%), construction & mining (53.69%), Office machinery (59.24%) and Agriculture machinery (39.54%).
- iii. Imports of transports group increased by 7.23%. The items showing an increase are road motor vehicle (22.31%) and other transport equipment (417.88%).
- iv. Imports of Petroleum group increased by 30.37%. Major item are petroleum products (28.12%), Natural Gas liquefied (131.50%), Petroleum gas liquefied (25.87%) and Petroleum crude (10.95%).
- v. Imports of textile group increased by 7.61%. Major items showing increase in the imports of textile are raw cotton (7.30%) and worn clothing (14.19%).
- vi. Imports of Chemical group decreased by (4.96%). Major items showing increase in the imports of Chemical group are Insecticides (3.78%) and medicinal products (5.84%).
- vii. Imports of metal group increased by 7.07%. Major items showing increase are iron and steel (5.75%) and aluminum wrought worked (1.45%).
- viii. Imports of miscellaneous group increased by 10.21%. Major items showing an increase in the imports of miscellaneous group are rubber tyres & tubes (11.77%) and wood and cork (10.11%).

2.3 Export

During 2016-17, the exports amounted to US\$ 20.422 billion as against US\$ 20.787 billion during last year showing a slight decrease of 1.75% and in value decreased by US\$ 0.365 billion. The decrease in export of Pakistan was mainly because of poor performance of food group (-7.7%) and Other Manufactured group (-4.29%).

2.3.1 Textile Group

Textile which is the major driver of exports of Pakistan captured 61% share in total exports during 2016-17. The items which showed decrease in textile group are raw cotton (43.15%),

cotton cloth (3.50%), cotton yarn (1.67%), art silk & synthetic textile (34.84%) and yarn other than cotton yarn (26.53%). The items which showed increase in the textile group are readymade garments (5.55%) tents, canvas & tarpaulin (57.24%) and cotton carded combed (62.07%) etc.

2.3.2 Food Group

Exports of food group decreased by 7.7 percent during 2016-17 as compared to the preceding year. The food group's share remained at 18% in total exports. The items which showed negative export growth include rice (13.63%), fruits (10.80%) and vegetables (13.27 %). The items which have positive growth during 2016-17 are fish & fish preparation (21.18%) spices (10.30 %), oil seed & nuts (56.85%) etc.

2.3.3 Other Manufactures Group

Other manufactures group also decreased by 4.29% during 2016-17. The items which registered decrease in the export of other manufactures group are footwear (13.24%), carpet , rugs & mats (19.63%), sports goods (5.17%), surgical goods(5.29%),engineering goods (6.95%) and leather tanned (4.73%), etc. The major items which contributed towards positive growth in the group include: chemical & pharmaceutical products (9.21%)guar and guar products (19.77%), cutlery (82.4%) etc.

2.4 Balance of Trade

During July-June 2016-17, the balance of trade is indicative of an increase in the trade deficit to US\$ 32.488 billion from US\$ 23.898 billion during the same period of preceding year, registering an increase of 35.94%. The Trade deficit was deepened by the huge increase in imports by 18.41%.

Table 1: Trade Balance of the Last Five Years

(Value in million US\$)

Trade in Goods			
Year	Export	Import	Trade Balance
2012-13	24,460	44,950	-20,490
2013-14	25,110	45,073	-19,963
2014-15	23,667	45,826	-22,159
2015-16	20,786	44,685	-23,899
2016-17	20,422	52,910	-32,488

Source: Pakistan Bureau of Statistics

Table 2: Pakistan's Top Ten Markets for Exports

(Value in Million US\$)

S.No	Country / Region	2015-16	2016-17	% Change
1.	U.S.A.	3,501	3,449	-1.485
2.	United Kingdom	1,580	1,558	-1.392
3.	China	1,670	1,469	-12.036
4.	Afghanistan	1,437	1,271	-11.552
5.	Germany	1,131	1,195	5.659
6.	Spain	808	817	1.114
7.	United Arab Emirates	821	793	-3.410
8.	Netherlands	640	685	7.031
9.	Italy	649	655	0.924
10.	Belgium	608	633	4.112

Source: Pakistan Bureau of Statistics

Table 3: Pakistan's Top Ten Export Products

(Value in Million US\$)

S.No	Commodity	Unit	2015-16		2016-17	
			Quantity	Value	Quantity	Value
1.	Knitwear	000 DOZ	112,459	2,363	104,090	2,361
2.	Articles of apparel & clothing	000 DOZ	32,775	2,195	34,785	2,317
3.	Bed wear	MT	328,857	2,020	357,446	2,137
4.	Cotton cloth	000 SQM	2,152,132	2,214	2,048,094	2,136
5.	Cotton yarn	MT	423,624	1,264	456,074	1,244
6.	Rice other varieties	MT	3,766,471	1,413	3,053,891	1,153
7.	Towels	MT	184,479	803	197,001	800
8.	Textile made ups(excl.towel)	--	--	628		638
9.	Rice basmati	MT	479,974	447	469,263	453
10.	Fish and Fish preparation	MT	1,279,102	325	155,091	394

Source: Pakistan Bureau of Statistics

2.5 Trade in Services

2.5.1 Overview

Services play an important role in all modern economies. According to the World Trade Organization (WTO), services sector is the fastest growing sector of the world economy which contributes approximately 70% to the global output and account for one third of the global employment. At present Services constitute one-fourth of world trade and have become an increasingly important component of global production. The share of services export has increased from around 9% in 1970 to around 20% in 2014. This increasing trend has increased the share of services export in world GDP from 1% in 1970 to 6% in 2014. The United States remained the top services exporter while Europe as a region is the largest service exporter. East Asia and Pacific region has recently become more significant in export of services. China, India, are in the top 10 services exporting countries; whereas, Thailand, Brazil, Indonesia, Egypt are in the top 30 and moving up rapidly. Pakistan is the second last country in the list of top ten regional countries.

The services sector has immense importance for Pakistan. It constitutes 58% of the country's GDP with strong backward and forward linkages with other sectors of the economy and contributes significantly to the cross border trade. It complements the production processes and is considered the glue that binds various segments and components of the physical goods. The most prominent feature of the services export outlook in Pakistan is the clear mismatch between the export potential and the corresponding efforts (both by the public and private sectors). Pakistan has been able to establish its export potential in the fields of professional services (accountancy, IT, engineering, etc.); however, efforts should be made to explore the immense potential for exports available in the country. Pakistan's geography gives it a comparative advantage in the case of transport services which facilitates regional trade. Due importance needs be given to regional trade liberalization and inclusion of services sector in Free Trade Agreements(FTA) or Preferential Trade Agreements(PTA) with its regional and neighbor countries.

2.5.2 Services Trade Analysis

According to Economic Survey of Pakistan 2016-17, growth in the services sector surpassed the target and the last year's level. Services sector contributed around two-thirds of the growth in GDP during FY-2017. Wholesale and retail, finance and insurance were the leading sub-sectors in performance. Services Sector grew at 5.98 % increasing share of the services sector to 59.59 % of GDP during Financial Year 2017 as compared to 5.55 % during the last year.

Wholesale and Retail Trade Sector is the largest sub-sector of services sector. Its share in the services sector is 31.1 percent, which contributes 18.50 percent in the country's GDP. Wholesale and Retail Trade recorded a growth of 6.82 % in FY-2017 against the target of 5.5 %. Transport, Storage and Communication registered a growth of 3.94 % as compared to 4.82 % during the last year. Finance and Insurance witnessed a significant growth of 10.77 % as compared to 6.12 % last year. General government services have recorded a growth of 6.91 % in FY-2017 as compared to 9.72 % last year.

Pakistan's exports of services witnessed a growth of nearly 7.13 % year-on-year during FY-2017. Pakistan has opened up its market to foreign service-providers, particularly in banking, insurance, telecommunications and retail areas. Exports of services were increased to US\$ 5,555 million during FY-2017 against US\$ 5,159 million during FY-2016. Imports of services were increased to US\$ 9,128 million during FY-2017 against US\$ 8,865 million during FY-2016 which is showing an increase of 2.88 percent over the previous financial year. The Import and Export of Services Sector of Pakistan is as follows:

Table 4: Services Trade Balance of the Last 5 Years.

(Value in million US\$)

Cumulative Services Trade Comparison of Last Five Years			
Year	Services		
	Export	Import	Balance
FY 2012-13	6,619	5,035	1,584
FY 2013-14	5,345	7,995	-2,650
FY 2014-15	5,880	8,843	-2,963
FY 2015-16	5,159	8,865	-3,706
FY 2016-17	5,555	9,128	-3,573

Source: Pakistan Bureau of Statistics

Table 5: Sector Specific Trade in Services in the Year 2016-17

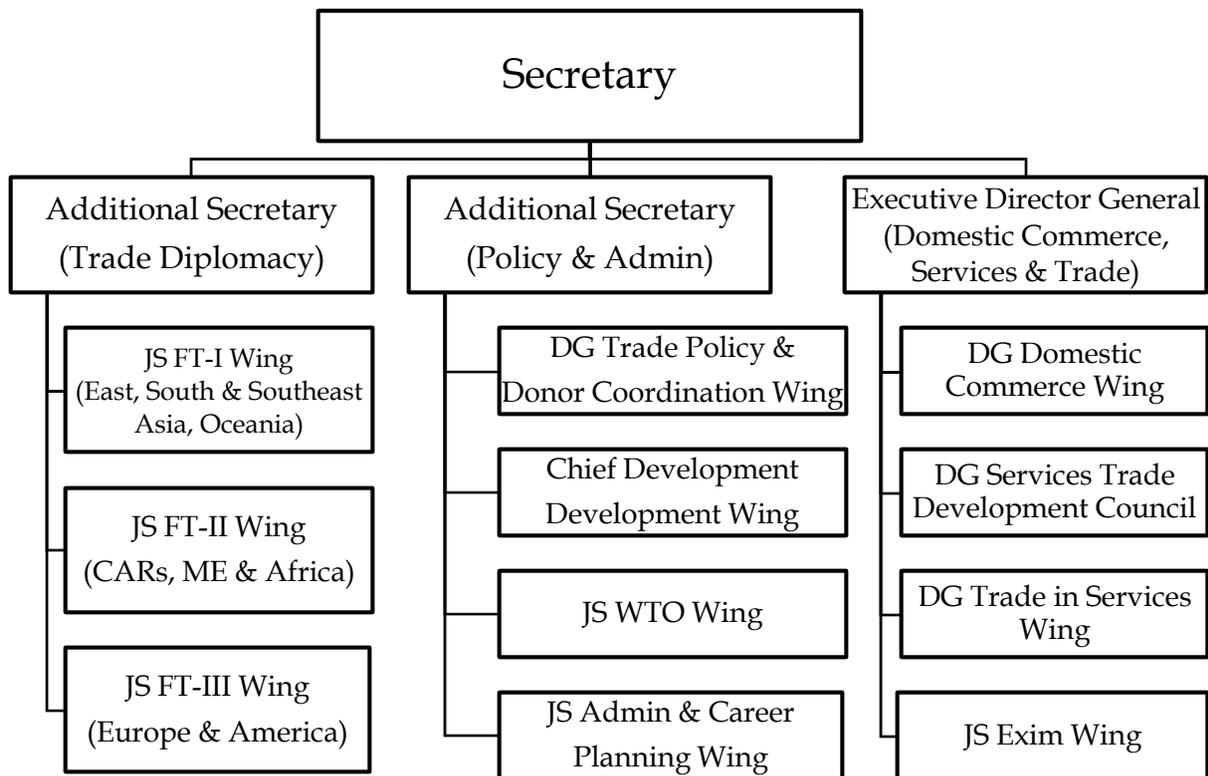
(Value in Million US\$)

S. No.	Description	Export	Import
	Services Sector	FY2016-17	FY 2016-17
	Total	5,555	9,128
1.	Manufacturing services on physical inputs owned by others	0	0
2.	Maintenance and repair services n.i.e.	7	77
3.	Transport	1,002	3,576
4.	Travel	322	1,760
5.	Construction	72	25
6.	Insurance and pension services	102	235
7.	Financial services	131	250
8.	Charges for the use of intellectual property n.i.e.	8	218
9.	Telecommunications, computer, and information services	939	384
10.	Other business services	1,155	1,970
11.	Personal, cultural, and recreational services	21	14
12.	Government goods and services n.i.e.	1,796	619

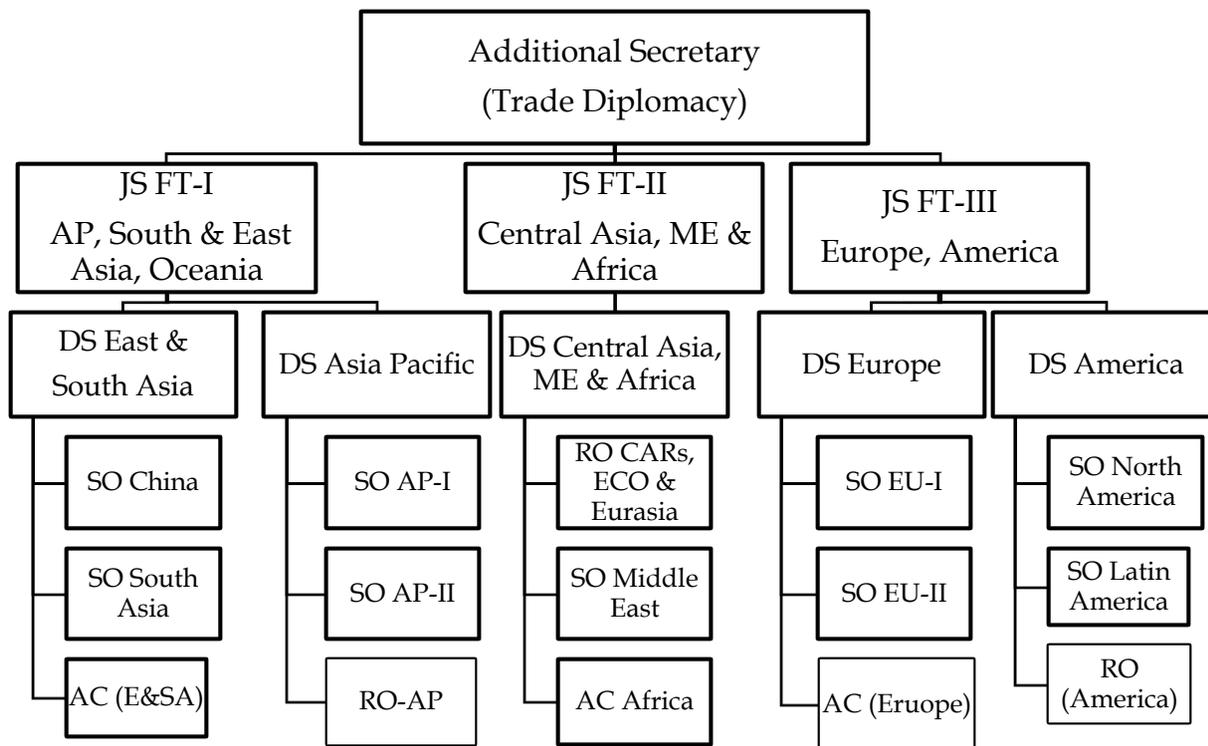
Source: Pakistan Bureau of Statistics

3. Organogram

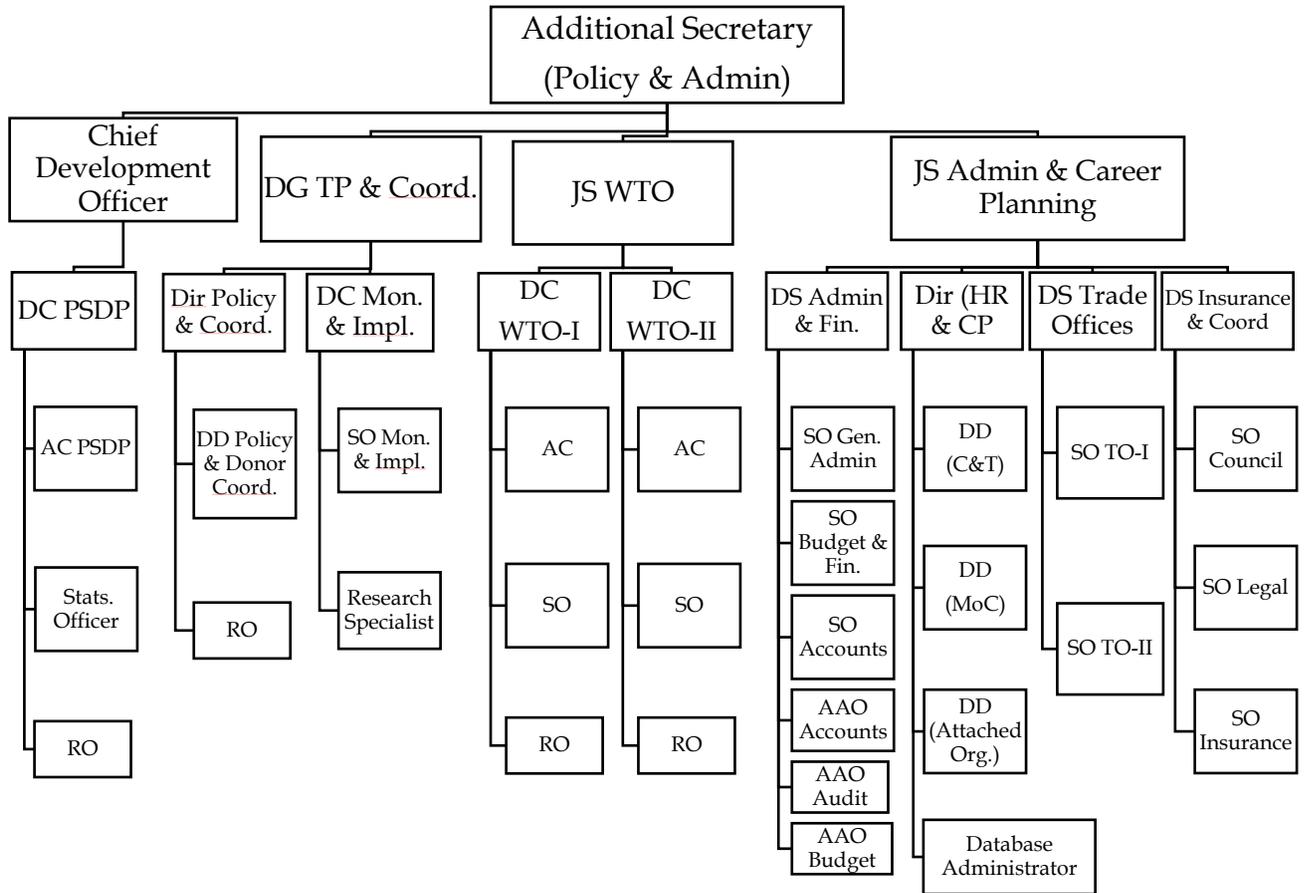
3.1 Organogram at Wings Level



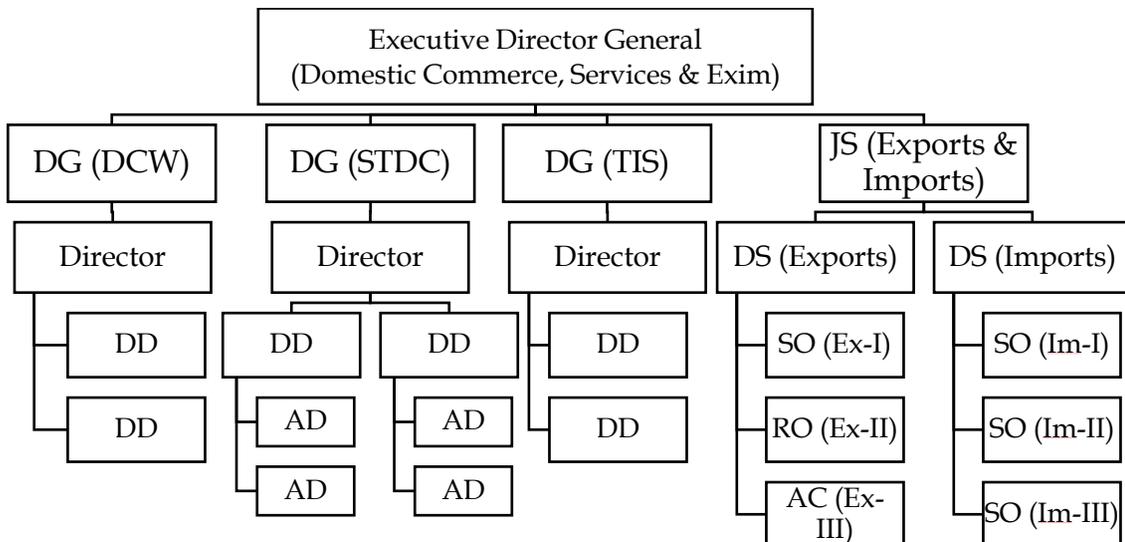
3.2 Organogram Trade Diplomacy Wing



3.3 Organogram Policy & Administration Wing



3.4 Organogram Domestic Commerce, Services & Exim Wing



4. Administration

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

4.1 Achievements

The MoC Section has performed all the assigned tasks efficiently and effectively within the available resources and allocated budget for the FY 2016-17. Giving close attention to the prevailing rules, regulations and codal formalities, the MoC section effectively performed its assigned tasks as evident from the following:

S. NO.	ACTIVITY	CASES SUCCESSFULLY CONCLUDED
1.	Hiring of Residential accommodation of Officers/Officials (Fresh cases)	70 cases were processed and approved.
2.	G.P. Fund advance	50 cases were processed and sent to AGPR for payment
3.	House Building Advance	45 cases were processed/sanctioned
4.	Motor Car/Motor cycle Advance	60 cases were processed/sanctioned
5.	Nomination of foreign/domestic training of officers/officials	Total 70 nominations were made out of which 20 were domestic training.

4.2 HUMAN RESOURCE

4.2.1 Sanctioned Strength the Ministry (Officers)

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

4.2.2

Sanctioned strength of the Ministry (Officials)

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

4.3 Capacity Building of Officers and Staff of Ministry

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

4.3.1 Foreign Trainings for officers.

Invitations were received from different foreign countries like China, Japan, Korea, and Malaysia for various Training programs, Seminars, Workshops, Courses, Master Degree Programs and long/short term training Programs. These International Training facilities were offered through Economic Affair Division, Planning & Development Division, World Trade Organization Geneva, and other Governmental and non-governmental organizations. **During 2016-17, Ministry of Commerce sent 28 Officers abroad for capacity building Trainings.**

4.3.2 Local Training for Officers and Staff.

In addition to foreign trainings, officers as well as staff are nominated for capacity building training at local institutions. During 2016-17, Ministry of Commerce nominated 20 officers/officials for capacity building trainings held in the following institute of the country:

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

5. EXIM Wing

5.1 Functions

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

5.1.1 Imports

The functions assigned to the Wing on import side are:

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

5.1.2 Exports

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

- i. Coordination with President and Prime Minister's Secretariats
- ii. To recommend request of the exporters for issuance of protocol passes after the examination of the requisite documents and criteria.
- iii. Sector specific consultations.
- iv. To provide information & facilitation to Trade Associations, Chambers and Government Departments on the specific export sectors.
- v. To provide policy inputs/views/recommendations for development of export sectors.
- vi. 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.
- vii. To coordinate with trade bodies, DGTO, TDAP, PIF&D and Export Processing Zone Authorities.

- viii. To address grievances/problems of relevant Organizations and recommending policy/procedural amendments as per the mandate of Ministry of Commerce.
- ix. To coordinate and facilitate annual meetings and other events on behalf of Ministry of Commerce.
- x. Mentoring export promotion initiatives like exhibitions/fairs/trade Delegations through TDAP and Trade Missions abroad
- xi. Processing the cases regarding relaxation, clarification and authorization of the above commodities.
- xii. Dealing with the operational matters of the Pakistan Horticulture Development & Export Company.
- xiii. Preparation of summaries for ECC of the Cabinet regarding export of products on restricted or banned list.
- xiv. Resolution of issues of Tobacco Board like price fixation & grading of tobacco, cess collection etc.

5.2 Activities

Besides the disposal of day to day work according to the functions listed above, the following important activities related to improvement of work in Exim Wing were carried out during the current financial year (2016-17):

5.2.1 Import Wing

i. Arms Import Policy:

On recommendations of the Senate Standing Committee on Commerce, Supreme Court Suo-Moto Case (Karachi Badamni Case) and in pursuance of the Cabinet's decision, a revised procedure was devised for the import of arms and ammunition vide S.R.O. 1112(I)/2014 dated 16-12-2014. The new procedure aims at maintaining centralized data of the arms import in collaboration with FBR through WeBoC system. Under the new policy for import of arms & ammunition on commercial basis, the **Value Based Authorizations (VBAs)** are to be converted into **Quantity Based Authorizations (QBAs)**. In this connection, this Ministry received a total of 190 applications from provincial Home Departments in respect of commercial importers of arms & ammunition (VBA holders) after meeting the deficiencies conveyed earlier for issuance of QBA. Following is the break-up of the applications:

Provinces	No. of Applications
Punjab	038
Balochistan	001
ICT	000
Sindh	015
KPK	136
Total	190

In addition to that, the Home Department KPK forward 53 requests for grant of fresh authorizations under QBA.

ii. Import-cum-re-export of Arms and Ammunition by the Foreign Hunters

To promote tourism in the country, this Ministry issued 14 authorizations to 76 foreign hunters to import arms and ammunition on Import-cum-Re-Export basis.

iii. Revised procedure for import of one Non-Prohibited Bore (NPB) Weapon

This Ministry devised a mechanism for issuance of import authorization for one Non-Prohibited Bore (NPB) weapon to the serving Armed Forces Officers, Gazetted Government Officers and Parliamentarians. In 'view of the present security concerns, the need was felt to route applications of Armed Forces personnel through their concerned Headquarters to verify credentials of the applicants. After thorough consultation with Ministry of Defence and Joint Staff Directorate, a mechanism was developed according to which all applications for authorizations are routed through Tri-Services Departments (Army, Navy & Air Force) with the signatures of the designated officers. Whereas, the parliamentarians and gazette government officers are required to route their applications through the National Assembly/Senate/Provincial Assemblies Secretariats and parent Ministries respectively. In the said period, approximate 653 cases were processed for the armed forces officers, 51 cases for the Gazetted Government Officers and 6 cases for the Parliamentarians.

iv. Disabled personal Scheme

The Strategic Trade Policy Framework (STPF 2015-18) generally and Para-16 of the Import Policy Order (2016) specifically provide for import of brand new duty free cars or locally assembled cars of engine capacity not exceeding 1350 CC by the disabled persons for their personal use to overcome the physical disability. Further, three wheeler motorcycle in new condition are allowed to be imported.

v. Regulation for Import of Vehicles/Cars

The issuance / grant of waivers/exemptions from IPO were earlier issued frequently. To ensure strict implementation of IPO, the practice of condoning age limit of cars/vehicles over and above the prescribed age limit imported under scheme notified vide Appendix-E of IPO was stopped completely.

5.2.2 Export Wing

The Export Wing of Ministry of Commerce has conducted the following activities during fiscal year 2016-17:

i. Institutional strengthening

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

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

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

iii. Matters of Pakistan Tobacco Board

This Division moved a Summary for ECC of the Cabinet for approval on the recommendation of Pakistan Tobacco Board regarding Revision of Cess Rates of Tobacco.

iv. Export facilitation

- a) **Sugar:** Economic Coordination Committee (ECC) of the Cabinet approved export of 0.425 MMT (million metric tonnes) of sugar fetching hefty foreign exchange for the National Exchequer. Ministry of Commerce was also tasked by the ECC to keep a close eye on the domestic sugar price in the wake of the ECC authorization of export of sugar. In line with the ECC direction, a committee headed by the Commerce Minister regularly meets to keep check on the domestic sugar prices which remained within the required limits set by the ECC.
- b) **Urea:** On the recommendation of Ministry of Commerce, the Economic Coordination Committee (ECC) of the Cabinet approved export of 0.6 MMT of urea in the financial year 2016-17, which also brought huge foreign exchange for the national kitty. For the first time, urea surplus was observed in the country and the same was recommended for export. Besides, it was made sure to keep the domestic prices of urea well within the agreeable limits for all stakeholders.
- c) **Calcium Ammonium Nitrate (CAN):** On the recommendation of Ministry of Commerce, ECC of the Cabinet allowed export of 0.1 million MT of CAN on 29-08-2016, except to Afghanistan. However, only around 3000 MT of CAN could be exported reportedly on account of some technical hiccups between the exporters and its buyers around the world.

v. Recommendation for Airport Passes

As per policy of Aviation Division, this Ministry recommends names of the leading exporters with export performance of US\$ 15.00 million in the preceding year for Airport passes. In the financial 2016-17 protocol passes for a total 128 exporters were recommended to Aviation Division.

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

Export Wing of the Ministry coordinated with President's Secretariat and Prime Minister's Office and provided requisite documents for the following events organized by Chambers/Associations during the FY 2016-17.

- a) Meeting of delegation of the Pakistan Fruit Exporters's Association with President of Pakistan on 23rd May, 2016 at Aiwan-e-Sadr, Islamabad.
- b) Meeting of delegation of Rice Exporters Association of Pakistan with the President of Pakistan on 22nd August, 2016.
- c) Prime Minister of Pakistan was invited to 40th FPCCI Export Awards Ceremony at Islamabad on 10th January, 2017.

- d) Meeting of Women Chamber of Commerce & Industry, Lahore Office bearers with the President of Pakistan on 24th January, 2017 at Aiwan-e-Sadr, Islamabad.
- e) Rawalpindi Chamber of Commerce & Industry invited President of Pakistan as Chief Guest for 3rd Information Technology and Communication Technology Awards on 11th April, 2017 at Rawalpindi.
- f) Sarhad Chamber of Commerce & Industry invited President of Pakistan as Chief Guest for Made in Khyber Pakhtunkhwa Exhibition on 6th May, 2017.

vii. Appeal cases against DGTO

Exim Wing of the Ministry is responsible for processing appeal cases filed against the decision of the Regulator of Trade Organizations. The following cases were processed by the EXIM Wing during 2016:

- a) Order-in-Original No.30 passed by the Secretary Commerce on appeal filed by Syeda Saeeda Bano, Founder President of Karachi Women Chamber of Commerce & Industry, Karachi.
- b) Order-in-Original No.31 passed by the Secretary Commerce on appeal filed by Business Forum Quetta, Quetta.
- c) Order-in-Original No. 32 passed by the Secretary Commerce on appeal filed by Seed Association of Pakistan, Lahore.
- d) Order-in-Original No.33 passed by the Secretary Commerce on appeal filed by All Pakistan Gem Merchants & Jewellers Association, Karachi.
- e) Order-in-Original No.34 passed by the Secretary Commerce on appeal filed by Mr. Shahid Mahmood, Lahore.
- f) Order-in-Original No.35 passed by the Secretary Commerce on appeal filed by M/s. White Pearl Food Industries International, Lahore.

6. FT-I WING

6.1 Agreement on South Asian Free Trade Area (SAFTA)

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

6.2 Pakistan-Sri Lanka FTA

Pakistan-Sri Lanka FTA became operational from 12th June, 2005. The Sixth Secretary Level Technical Talks between Pakistan and Sri Lanka were held on 6th January, 2016. During the meeting talks were held on possibilities of broadening the scope of FTA by inclusion of Chapters on Services and Investments. Accordingly, Pakistan side presented draft chapters on services and investment to Sri Lankan side. However, response from Sri Lanka is awaited. The second meeting of the Pak-Sri Lanka Joint Working Group on Trade will be held in the first quarter of 2018.

6.3 China-Pakistan Free Trade Agreement (CPFTA)

China-Pakistan Free Trade Agreement (CPFTA) on Trade in Goods was signed on 24th November, 2006 and implemented from 1st July, 2007. FTA on Trade in Services was signed on 21st February 2009 and is operational from 10th October 2009. Pakistan and China started negotiations on the Second Phase of Pak-China FTA in 2011. So far, eight meetings have been held in this regard. The 8th Round of Negotiations of the 2nd Phase of China-Pakistan Free Trade Agreement (CPFTA) was held on September 14-15, 2017, in Beijing, China. Both sides discussed the Tariff Reduction Modalities for the 2nd Phase. The Chinese side agreed to consider Pakistan's request for restoring the eroded Margin of Preference on Pakistan's priority export items immediately upon entry into force the 2nd phase of the FTA. The discussions were also held on services sector especially on including construction and engineering related services.

6.4 Pakistan Indonesia Preferential Trade Agreement

The Third Joint Committee meeting of Pakistan Indonesia Preferential Trade Agreement Review was held in Jakarta, Indonesia on 10th and 11th August, 2017, wherein the Indonesian side while acknowledging concerns of Pakistan to make PTA a mutually beneficial proposition, agreed to further reduce duty on two textile products to zero, to consider granting unilateral market access on 20 items of Pakistan's export interest, previously not included in the PTA. Indonesian side also agreed to open import of Kinnow for entire season i.e. December to April and to allow import of mangoes from Pakistan. (Pakistan is the only country given such permission after ASEAN).

6.5 Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA)

The Comprehensive Free Trade Agreement (FTA) for Closer Economic Partnership between Pakistan and Malaysia was signed on 08-11-2007 and became effective from 1st January 2008.

Under the Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA), a Joint Committee was established to review the implementation and operation of this Agreement. The 3rd Session of the Joint Review Committee was held in Kuala Lumpur from 27th -28th September, 2016. Both sides agreed to carry out review of the FTA and explore further areas of trade liberalization.

6.6 Pakistan-Thailand Free Trade Agreement (PATHFTA)

The Cabinet accorded approval to initiate negotiations on Pak-Thailand FTA (PATHFTA) in its meeting held on 24th August, 2015. The 9th round of Pakistan-Thailand Trade Negotiating Committee (PATHTNC) was held in Bangkok, Thailand, in November, 2017. To date, both sides have almost completed the text of the Agreement, shared their respective initial request lists and tariff reduction modalities. Both sides are endeavoring to conclude FTA at the earliest time possible. Public consultations for finalizing Pakistan's request list were held by the Ministry of Commerce in October, 2016. A Joint Trade Committee (JTC) has been established between the two sides. The first meeting of the JTC was held in Islamabad on July 24th, 2017. During the meeting, Pakistan raised the issue of pending TORs and the final decision on the proposed Early Harvest Program (EHP). Japanese side informed of the internal consultation process and committed to inform the outcome by next JTC which was agreed to be held early 2018.

6.7 South Korea

The second meeting of Pakistan- South Korea Joint Trade Committee was held on 25th April, 2017 in Islamabad. During the meeting, a number of issues related to bilateral trade were discussed. Both sides agreed on the findings of the Feasibility Study on the Free Trade Agreement between Korea and Pakistan, jointly conducted by the Korean Institute of Economic Policy (KIEP) and Pakistan Institute of Trade and Development (PITAD). Both sides agreed with the findings of the Joint Feasibility study and found them encouraging for initiating preliminary dialogue/negotiations on signing a Free Trade Agreement (FTA) between the two countries.

6.8 Vietnam

The fourth Pakistan Vietnamese Joint Trade Commission (JTC) was held in Islamabad, on 4th to 5th October 2017. Both sides agreed on exchanging trade delegations and participating in Expos. It was also decided that Pakistan will work on meeting Vietnamese regulatory requirements to consider exporting meat. The Vietnamese side expressed interest in participating in the energy sector and supplying industrial equipment for the power companies. Pakistan raised the issue of

signing a Preferential Trade Agreement to facilitate trade between two countries. The next JTC will be held in Vietnam in 2018.

6.9 Bilateral Trade Relations with Australia

The sixth and seventh meeting of Pak-Australia JTC were held in Islamabad on 1st June, 2016, and in Canberra, Australia, on 4th December, 2017, respectively wherein Pakistan requested for market access on items of its export interest.

7. FT-II Wing

7.1 Activities and Achievements during 2016-17 in African region

Ministry of Commerce has planned in its Strategic Trade Policy Framework STPF (2015-18), that an outreach strategy for Africa will be adopted to diversify export market and to explore niche and nontraditional market. Accordingly, Ministry of Commerce in consultation with its allied departments has prepared a comprehensive policy plan 'Look Africa' to give priority to Africa for enhancement of Pakistan Africa Trade and to increase engagement with African Countries. Concurrent Accreditation will be given to Commercial Officers posted in nearby Pakistan embassies to cover most of the Africa countries.

7.1.1 Activities

The following initiatives have been taken in FY 2017:

- i. In the first phase of enhancing engagement, constitution of Joint Working Group, along with efforts for enhanced institutional engagement between Pakistan and Africa and "*Priority Africa for Trade*" seminars in major cities of Pakistan have been planned. The first seminar was proposed to be held in November, 2017, on sidelines of Expo Pakistan.
- ii. To penetrate in the African market, MOC has decided to double and expedite all efforts to negotiate bilateral/ multilateral trade agreements with three African Trading Blocks i.e SACU, ECOWAS and EAC.
- iii. The Ambassador of Rwanda visited Ministry of Commerce on 11th August, 2017, and held meeting with Additional Secretary, Trade Diplomacy in which many avenues were explored to enhance trade and investment between Pakistan and Rwanda. The Ambassador of Rwanda was also requested to arrange delegation of Rwanda businessmen to participate in the upcoming Expo Pakistan going to be held from November 9 to 12th 2017.
- iv. TDAP has relaxed the hospitality criteria for delegates from African countries to attract more delegates and to ensure better participation from Africa in the upcoming Expo Pakistan 2017 to be held from 9-12 November, 2017.

7.1.2 Achievements

Achievements by Ministry of Commerce in the preceding financial year of 2016-17 are detailed below:

i. Trade Increase in Few Countries.

- i. Pakistan's trade with few countries of Africa such as, Morocco, Nigeria and Kenya (detailed in the preceding paras); however, a marked increasing trend was registered due to steps taken by Ministry of Commerce as a result of its outreach strategy for Africa.
- ii. Exports from Pakistan to Morocco are increasing after years of stagnation. As per the trade data released by SBP, exports receipts from Pakistan to Morocco have increased by 55% during 2016-17 amounting to US\$ 19.113 Million as compared to US\$ 12.350 Million in 2015-16.
- iii. Pakistan exports to Kenya have also increased 20% from US \$ 256.4 million in 2015-16 to US \$ 307.8 million in 2016-17.

- iv. Likewise, Pakistan exports to Nigeria in the preceding financial year have also increased from US \$ 33.28 million in 2015-16(Jul-April) to US \$ 44.144 million in 2016-17.

ii. Opening of New Commercial Section in Lagos, Nigeria.

Lagos is the biggest city of approx. 20 million people and the largest port in the entire West Africa. Pakistan has opened Commercial Section in Lagos and the first commercial Secretary along with staff joined the station and now fully functional. Since, High Commission is in Abuja which is some 1,200 km from Lagos; it could not extend the needed facilitation to Lagos based trading. The Commercial Section in Lagos will bridge the gap effectively. It is arranging trade delegations from Nigeria, for the upcoming EXPO Pakistan, 2017. The Commercial Section has introduced Expo Pakistan to 35 different trade bodies and requested Lagos Chambers of Commerce and Industry, Abuja Chamber of Commerce and Industry, Port Harcourt Chamber to participate in the Expo. The Commercial Section has also approached Cameroon and Ghana and Benin in addition to Nigeria. The newly established Commercial Section in Nigeria has vigorously approached the trade bodies and Chambers to ensure participation in the upcoming Expo Pakistan, 2017.

iii. Pakistan and Senegal JMC.

The inaugural session of Pakistan and Senegal JMC was held in Dakar, Senegal, on July 20-21, 2017 chaired by Commerce Minister in which multilateral decisions were taken to enhance institutional engagement between both the countries. A trade delegation also visited Senegal on sidelines of JMC.

iv. Resolution of exemption of duty on medicine

In terms of Trade Dispute Resolution, inter alia, many disputes are being processed to find an amicable settlement. Ministry Of Commerce in coordination with Kenyan Commercial Section has approached the Kenyan authorities and has been successful to cancel temporary import suspension on imports of Pharmaceutical products of Pakistan into Burundi.

7.2 Activities and Achievements during 2016-17 in Middle East region

7.2.1 Activities

i. Business Opportunities Conference

Following the holding of Joint Business Council meeting held in Islamabad in September, 2016, a “Business Opportunities Conference” was held in Islamabad on 29-30 March, 2017. B2B meetings and Joint Business Councils’ meetings were organized on the side-line of the conference. Various business deals were concluded. It was a mega economic interaction between the two countries.

ii. Pak-Jordan FTA

Pakistan –Jordan Joint Ministerial Conference was held on April 2015. Both sides discussed current and future areas of cooperation. It was agreed that discussion on PTA leading to FTA will be initiated. Jordanian side was requested on 29th June, 2015, to share their initial draft through Pakistan’s Mission.

iii. Pak-GCC FTA

During 2016-17, Commerce Division continued pursuing Free Trade Agreement with Gulf Cooperation Council. So far two rounds of FTA negotiations have been held in 2006 and 2008.

iv. COMCEC

JS (FT-II) and Section Officer (ME) attended the 32nd meeting of Follow up Committee of “Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation (COMCEC-OIC)” in Ankara, Turkey on 17-18 May, 2017 and put forward Pakistan’s stance on various trade related matters. On the insistence of Pakistan and Palestine, Issuance of Visa for Businessmen and labor and Trade in Services was included in the Agenda of the meeting. The modalities for implementation of TPS/OIC were discussed in detail.

Pakistani delegation conveyed that Pakistan has already signed and ratified the required three agreements pertaining to Trade Preferential system (TPS-OIC) among the member states and submitted the instrument of ratification and concession list to OIC Secretariat through diplomatic channels on 15-05-2015. Moreover, Ministry of Commerce has submitted the updation of 2003 based concession list on the basis of current data and Pakistan Custom tariff-2015-16. Pakistan being one of the founding members of the OIC is fully committed to the agenda of the organization. Pakistan has been pursuing trade relations with OIC member countries through different institutional arrangements mainly focusing on market access. These include Preferential Trade Agreements, Free Trade Agreements and various bilateral arrangements. Ministry of Commerce has been at the forefront in finalizing Trade Preferential System-OIC (TPS-OIC), which Pakistan believe can prove to be a watershed in fostering trade amongst the member countries. Pakistan reaffirms its support and commitment to the COMCEC vision and strategy to achieve a higher level of economic integration among the OIC member states.

7.3 Activities and Achievements during 2016-17 in CARS region

In accordance with the vision of the Prime Minister to enhance regional trade, the Ministry is actively engaged in activities of trade promotion and trade diplomacy to secure preferential/enhanced access for Pakistan’s exports. In this regard, the following necessary steps are being taken by the Ministry to enhance Pakistan’s trade with regional trading partners:

7.3.1 Iran

- i. The process of negotiating a comprehensive Free Trade Agreement covering trade in Goods, Services and Investment with Iran has formally started. In this regard two meetings of Trade Negotiations Committee have been held in Tehran and Islamabad. The 3rd Meeting of TNC is scheduled to be held on 20-21 November, 2017 in Tehran.
- ii. As a result of Ministry's efforts, the ban imposed by Iran on import of rice and mangoes has been lifted.
- iii. In order to enhance bilateral trade, this Ministry facilitated holding of Iranian single country exhibition in Karachi from February, 28 to March, 2017.

7.3.2 Central Asian Republics (CARs)

- i. In order to enhance exports of Pakistani products and secure market access and to facilitate traders in doing business with their counterparts, this Ministry has issued necessary guidelines to all its trade missions. Every trade mission abroad is mandated to facilitate and assist Pakistani importers and exporters as well as host country stakeholders trading with or investing in Pakistan.
- ii. As a follow up of the visit of the Prime Minister of Pakistan to Tashkent, Uzbekistan in November, 2015, a Special Working Group (SWG), headed by Mr. Erkin Yunusov, Chairman (Federal Minister), of Joint Stock Company (JSC), responsible for export of various products, and comprising senior officials (Deputy Ministers) of Industry, Textiles, Agricultural Machinery, Cotton Export, and Chemical Industry visited Pakistan from 04-08 September, 2016. Ministry of Commerce provided optimum facilitation to the delegation and arranged meetings with the relevant stakeholders in Islamabad and Lahore.
- iii. Kazakhstan is a member of Eurasian Economic Union (EEU). This Ministry has proposed initiation of negotiations on Pakistan-EEU Free Trade Agreement (FTA) at the earliest. Kazakhstan concerned authorities have already expressed support on the proposal of Pakistan-EAEU FTA.
- iv. As per directions of the Prime Minister's Office, Ministry of Commerce through Trade Development Authority of Pakistan officially participated in Astana-Expo 2017 held in Astana, Kazakhstan from July 10 to September, 10, 2017.
- v. Tajikistan is an important trading partner of Pakistan, however, the bilateral trade is not reflective of true potential that exist between the two countries mainly due to lack of direct access. However, to deliberate upon various issues and to take measures to enhance bilateral trade, the 1st Meeting of Joint Working Group on Trade, Investment and Transportation was held on 24-25 July, 2017 at Dushanbe, Tajikistan. The delegation from Pakistan was led by Secretary Commerce.
- vi. A Pakistan-Azerbaijan Joint Working Group on Trade has also been established and its 1st Meeting was held on 27- 28 July, 2017 at Baku, Azerbaijan. The delegation from Pakistan was led by the Secretary Commerce.

7.3.3 Economic Cooperation Organization.

- i. Pakistan being the founding member of Economic Cooperation Organization (ECO) is actively participating in almost all the initiatives/forums of the organization. Pakistan recently hosted the 13th ECO Summit preceded by Senior Officials Meeting from 27-28 February, 2017, in Islamabad. This Ministry participated in the proceedings and also provided valuable inputs on the Agenda items pertaining to trade.
- ii. One of the important initiatives of the Organization was the ECO Trade Agreement (ECOTA). The Agreement is a preferential trade Agreement signed in the 2nd Ministerial Meeting on Commerce / Foreign Trade on July 17, 2003, by 5 out of 10 ECO Member States namely, Pakistan, Iran, Turkey, Afghanistan and Tajikistan.

However, the Agreement has not yet been implemented due to reluctance on the part of Iran and Tajikistan to move forward in this regard.

- iii. The 7th Meeting of ECOTA Cooperation Council was held at the ECO Secretariat, Tehran in January, 2017; however, the subject meeting also did not produce any outcome due to non-submission of Tariff Concession Lists by Iran and Tajikistan.

8. FT-III Wing

8.1 United States of America

The United States of America (USA) is a major destination for Pakistan's exports. The volume of trade for year 2015-16 between Pakistan and United States was US \$ 6214.71million with positive trade balance of US \$ 707.31million in favor of Pakistan. On 20th October, 2016, the two sides jointly held a GSP outreach event in Islamabad which was attended by a large number of businessmen who were briefed on the Pak- US GSP and encouraged to take advantage of this duty free window for exports to the United States. In the WEBINAR, duty concession in GSP program and quality/SPS requirements for different products' export was shared with exporters.

The U.S. Generalized System of Preferences (GSP), a program designed to promote economic growth in the developing world, provides preferential duty-free treatment for over 3,500 products from 128 designated beneficiary countries and territories. However, for the 44 Least Developed Countries (LDCs), enhanced market access is provided by allowing an additional 1500 tariff lines for duty free treatment. On 1st July 2017, the US Government has included 134 tariff lines into GSP scheme like travel bags, travel goods related to {HS 42 (two digits)} export interest to Pakistan.

The TIFA Council has met eight times since its inception. The 8th TIFA Council meeting was held in Islamabad on 18th October, 2016. Also, a TIFA inter-sessional was held on March 12, 2015, during the Pak-U.S Economic Partnership Week.

8.2 European Union

The European Union is one of the most important trading partners of Pakistan. In 2016 bilateral trade between Pakistan and the EU amounted to 11.59 billion Euros. In 2016 34% of our total exports were destined for EU member states. Pakistan is one of the 10 beneficiaries of the European Union's "Special Incentive Arrangement for Good Governance and Sustainable Development" (also known as GSP+), which grants duty free concessions to a few developing countries selected on the basis of an economic criterion, subject to their willingness to ratify and effectively implement the 27 UN Conventions mandatory for GSP+. After the GSP+ came into effect on U' January, 2014, Pakistan's exports to the EU have witnessed an increase of 38%. During the same period, imports from the EU also increased by 38%. Pakistan's main exports to the EU include Textile Garments and Hosiery (39%), home textiles (25%), Cotton and Intermediary Goods (13%), Articles of Leather (6%), Rice (2%), Footballs (2%) and Footwear

(1%). Pakistan's main imports from the EU include Machinery (29%), Chemicals (11%), Iron & Steel and their articles (9%), Electrical Machinery (8%) & Pharmaceuticals (7%).

8.3 Belarus

Government of Pakistan and Belarus established Joint Trade Committee (JTC) earlier this year to strengthen and institutionalize trade-related cooperation between the two countries. The First meeting of Pak-Belarus Joint Trade Committee was held in Minsk, Belarus, on 17-18th May, 2016. Both countries identified barriers to trade and showed willingness to bring them down. The Fifth Session of Pakistan – Belarus Joint Ministerial Commission was held in November, 2017.

8.4 Turkey

Government of Pakistan is in the process of negotiating comprehensive Free Trade Agreement (FTA) with Turkey to remove barriers to its exports in Turkish market. This FTA would cover trade in goods, trade in services and Investment. Four Rounds of Pakistan-Turkey FTA negotiations have been held. The FTA once concluded is likely to boost exports of Pakistan in the Turkish market and therefore, expected to increase Pakistan's overall exports significantly. Both sides made substantial progress during the last Seven Rounds of Pak-Turkey FTA negotiations. Ministry of Commerce also held Public Consultations meetings in Karachi and Lahore on 4th October and 6th October, 2016, respectively to consult the stakeholders on Pakistan's ongoing FTA negotiation with Turkey.

8.5 Russia

The Fifth Inter-Governmental Commission (IGC) on Trade, Economic, Scientific and Technical Cooperation meeting was held in Moscow, Russia from 28th to 30th November, 2017. Similarly, the First meeting of Pak-Russia Joint Working Group on Trade and Investment was also held in Moscow, on 28-29th November, 2017 on the sidelines of the 5th IGC.

8.6 United Kingdom

In the wake of Brexit, Minister for Commerce proposed to his British counterpart to initiate a trade dialogue between Pakistan and United Kingdom to enter into a trade arrangement, which is analogous to the existing GSP plus arrangement between Pakistan and the European Union. Secretary Commerce also visited UK and held important meetings with the trade officials of the UK. On the directions of the Prime Minister's Office, a Brexit Study Group was constituted to study the impacts of Brexit on Pakistan trade. The Study Group held its first meeting on 13th July, 2017. The UK Government has decided to adopt the EU's GSP+ scheme after Brexit (March 2019), hence Pakistani products will continue to enjoy duty free access in the UK after March 2019 as well.

9. WTO Wing

9.1 Overview

The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct their business. The WTO is run by its member governments. All major decisions are made by the membership as a whole, either by ministers (who usually meet at least once every two years) or by their ambassadors or delegates (who meet regularly in Geneva). The WTO Wing in the Ministry of Commerce looks after all the matter relating to the WTO.

9.2 Functions of WTO Wing:

- Liaison with Pakistani Mission to the WTO.
- Matters related to Trade & Development, Investment, Trade & Environment issues.
- Special & Differential Treatment.
- Trade in Service and E-Commerce.
- Trade & Transfer of Technology.
- Trade-Related Investment Measures (TRIMs).
- Non-Agricultural Market Access (NAMA).
- Trade Facilitation-Rules of Origin, Pre-shipment Inspection, Customs Valuation, Import Licensing Procedures.
- Textile & Clothing issues.
- Trade Policy Review Mechanism (TPRM).
- Agreement on GATS (General Agreement on Trade in Services).
- Notifications to WTO.
- Ministerial Conferences.
- FTAs (Free Trade Agreements).
- EU-TRTA (European Union's – Trade Related Technical Assistance) Programme.
- Agreement on Anti-Dumping; Agreement on Subsidies & Countervailing Measures,
- Agreement on Safeguards.
- Government Procurement.
- HRD (Human Resource Development) including technical assistance & capacity building.
- Agreement on Agriculture.
- Trade-Related Aspects of Intellectual Property Rights (TRIPS).
- World Intellectual Property Organization/Intellectual Property Rights (WIPO/IPR) Matters.
- Competition Policy-Related Issues.
- Information Technology Agreement.
- International Organizations as International Chamber of Commerce (ICC), United National Conference on Trade & Development (UNCTAD), Islamic Development Bank (IDB), Association of Southeast Asian Nations (ASEAN), Economic Cooperation Organization (ECO), South Asian Association for Regional

Cooperation (SAARC), Economic and Social Commission for Asia and the Pacific(ESCAP) etc.

- G-20, G-33, G-90, Cairns Group etc., in the WTO.
- Technical Barriers to Trade (TBT).
- Sanitary and Phytosanitary (SPS) Measures.
- Accession of new Members to WTO.
- Admn/Coordination/Misc. reference, etc.

9.2.1 WTO and Pakistan

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

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

9.3 Current Issues

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

9.3.1 E-Commerce

Ministry of Commerce also led the formulation of the National e-Commerce Policy Framework for development of e-Commerce/digital trade in the country cognizant of the global developments in digital trade and e-Commerce. As per directive from the Prime Minister’s Office to frame a comprehensive e-Commerce policy in consultation with all stakeholders, Ministry of Commerce

constituted a National Advisory Council (NAC) on e-Commerce and e-Commerce Policy Unit (ECPU) comprising all relevant public and private sector stakeholders. Technical work on various aspects of e-Commerce policy was undertaken by smaller Working Groups. Further, the Prime Minister directed the creation of a Policy Board headed by the Minister for Finance keeping in view the interdependencies involved in the policy formulation and implementation framework of the e-Commerce policy. Work on the following parameters/contours of the proposed e-Commerce Policy Framework has been done:

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

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

9.3.2 Trade Facilitation Agreement (TFA)

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

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

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

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

9.3.3 TIR Convention Implementation

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

The key stakeholders including Ministry of Commerce, FBR and Ministry of Communications are working together to make TIR System fully functional in Pakistan. A Secretaries level Committee has been formed to oversee the developments in this regard. Guarantee Agreement has been signed between FBR, PNC-ICC and RU. After the finalization of Guarantee Agreement, the MOU will be signed and rules will be finalized by FBR. M/O Commerce has notified the National Authority (in term of Article 12 of TIR Conversion, 1975) to authorize vehicles to be used in TIR operations. FBR and M/oCommerce will assist M/o Communications in making SOPs for issuing of vehicle fitness certificates. FBR notified Torkham, Chaman, Taftan, Sust, Karachi and Gwadar as Customs Stations for TIR operations M/O Communications is in the process of reviewing the Transport and Trucking Policy, especially in the context of TIR system. TIR will be implemented soon after completing codal formalities.

9.3.4 Information Technology Agreement (ITA)

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

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

Pakistan has been deliberating on joining ITA-I since 1997 but no consensus was developed among the stakeholders. FBR has been opposing Pakistan’s signing of ITA due to revenue

implications. In this connection, the following Committee headed by Secretary Commerce was constituted by the Prime Minister in October, 2016 to bring all major stakeholders together and establish a consensus on the issue. During the Committee deliberations, all stakeholders except FBR were in favor of signing ITA-I. Based on the consultations, the Committee (with the exception of FBR) has recommended that Pakistan should sign ITA-I.

10. Trade Policy Wing

10.1 Strategic Trade Policy Framework (STPF) 2015-18

The Strategic Trade Policy Framework (STPF) 2015-18 was announced with the objective of promoting exports, maximizing gains from trade, enhancing competitiveness and fostering investment opportunities to achieve export-led-growth of the economy. The fundamentals of the STPF are to address the narrow export base which is characterized by predominance of primary products and dependence on limited traditional markets. The Policy was formulated by the Ministry of Commerce through an extensive consultative process spanning over almost a year. Lessons from the previous two medium-term frameworks i.e. 2009-12 and 2012-15 were duly incorporated and a detailed scheme of incentives and regulations was formulated to support backward linkages in the supply chain. To facilitate implementation of the STPF 2015-18, the business processes were also formulated simultaneously.

The worrisome decline in exports during the last 2-3 years calls for a dispassionate evaluation of policy paradigm to assess the correctness of policy direction and the effectiveness of policy interventions. Besides, a dynamic policy framework has an in-built mechanism for monitoring, evaluation and mid-course correction. This supplement contains a set of mid-course adjustments in the STPF 2015-18 and new policy measures aimed at calibrating trade policy and the dynamics to confront the challenging international trading environment and the larger growth model of the national economy.

10.1.1 Salient Features of STPF 2015-18

The STPF 2015-18 has set the following targets by June 30, 2018:

- i. Enhancement of annual exports to US\$ 35 Billion.
- ii. Improve Export Competitiveness.
- iii. Transition from ‘factor-driven’ economy to ‘efficiency-driven’ and ‘innovation-driven’ economy.
- iv. Increase share in regional trade.
- v. To achieve the said objectives and ideas, the policy is premised on four pillars i.e. Product Sophistication & Diversification, Market Access, Institutional Development & Strengthening and Trade Facilitation. Under these pillars, certain policy initiatives and Export Development Incentives (EDIs) have been announced.

10.1.2 Pillars of STPF 2015-18

10.1.2.1 Product Sophistication & Diversification

The STPF 2015-18 provides the following four major Export Development Incentives for promoting product sophistication and diversification:

- i. **Technology Up-gradation:** An incentive for technology up-gradation in the shape of investment support of 20% and mark-up support of 50%, upto a maximum of Rs.1 (one) million per annum per company for import of new plant and machinery.
- ii. **Product Development:** A matching grant up to a maximum of Rs.5 (five) million for specified plant and machinery or specified items to improve product design and encourage innovation in SMEs and export sectors of leather, pharmaceutical and fisheries.
- iii. **Branding & Certification Development Support:** A matching grant to facilitate branding and certification to faster growth of SMEs and export sector in Pakistan's economy through Intellectual Property Registration (including trade and service marks), Certification and Accreditation.
- iv. **Drawback of Local Taxes and Levies (DLTL):** DLTL is being given to exporters on free on board (FoB) values of their enhanced exports if increased (over last year's exports) by 10% and beyond at the rate of 4% on the increased exports.

10.1.2.2 Institutional Development & Strengthening

In order to improve performance of the trade support institutions, STPF 2015-18 envisages following measures:

- i. Restructuring of Ministry of Commerce (MoC) and Trade Development Authority of Pakistan (TDAP), Pakistan Horticulture Development & Export Company (PHDEC);
- ii. Strengthening of Skill Development Institutes (funded under EDF);
- iii. Creation of new sector-specific Export Promotion Councils in rice and pharmaceutical sectors to fill the institutional gaps;
- iv. Capacity building of newly created organizations e.g. Trade Dispute Resolution Organization, Services Trade Development Council, Pakistan Institute of Trade and Development, National Tariff Commission and the Domestic Commerce Wing;
- v. Placement of Intellectual Property Organization under the Ministry of Commerce to synergize Trade Policy with IPR protection.

10.1.2.3 Market Access

The STPF underlines multi-pronged strategy on the market side:

- i. To leverage the multilateral, bilateral and regional trading arrangements for securing enhanced market access for Pakistani products;
- ii. Consolidating gains under unilateral concessions obtained under GSP Plus;
- iii. Optimizing benefits from the preferential market access secured under existing FTAs;
- iv. Diversifying export markets through an outreach strategy for Africa, Commonwealth of Independent States (CIS) and Latin America; and
- v. Focus on achieving shared prosperity through better regional connectivity and transit trade.

10.1.2.4 Trade Facilitation

The policy framework supports trade facilitation by introducing measures which would reduce cost of doing business, promote standardization and lessen the regulatory burden on trade by

simplifying procedures and introducing regulatory amendments in Import and Export Policy Orders.

10.2 Short Term Export Enhancement Measures

A short-term export enhancement strategy has also been made part of the STPF 2015-18, wherein, the products with potential for accelerated export growth due to small gestation period like basmati rice, horticulture, meat & meat products and jewelry will be focused in the four target markets of Iran, China, Afghanistan and European Union with targeted export promotion interventions.

10.3 STPF Implementation Status

Since the announcement of the STPF 2015-18 in March 2016, the policy initiatives have been implemented in stages. The statutory orders for the Export Development Incentives have been issued by the State Bank of Pakistan. In terms of institutional strengthening, Pakistan Horticulture Development and Export Company has been reconstituted and strengthened. An Endowment Fund of Rs. 500 million has been established to make the company financially sustainable. Intellectual Property Organization has been placed under the Ministry of Commerce. Geographical Indications (GI) Bill is at the formulation stage and will be placed soon in the Parliament for approval. Majority of the policy initiatives on trade diplomacy and trade facilitation are on-going measures, which have been given a fresh policy fillip.

10.4 Prime Minister's Package of Incentives

The Economic Coordination Committee (ECC) of the Cabinet approved The Prime Minister's Package of Incentives of PKR 180 billion in January, 2017, for exporters of Textile and Non-Textile sectors on shipments made from 16th January, 2017, to 30th June, 2018. The drawback under the package was allowed for shipments made from 16th January 2017 to 30th June, 2017, without conditions. However, the package was allowed for the shipments made from 1st July, 2017, to 30th June, 2018, if the exporter achieves an increase of 10% or more in exports as compared to corresponding period of last year's exports.

The package was announced to arrest the declining trend in exports and to stabilize balance of payment position of the country. In the wake of announcement of the Incentive Package, exports which had declined by 3.7% during the July-December 2016, have returned to the growth zone, with 0.52% increase during January-June 2017. It shows that the PM's export package has been effective in decelerating decline in the exports and putting them back on the growth trajectory.

The ECC of the Cabinet in its meeting held on 6th October, 2017, considered the summary dated 05th October, 2017 moved by Commerce Division on "Review of Prime Minister Package" and approved following for the shipments made from 1st July, 2017 to 30th June, 2018 as under:

- a) 50 percent of the rate of drawback shall be provided without condition of increment.

- b) Remaining 50 percent of the rate of drawback shall be provided, if the exporter achieves an increase of 10% or more in exports during financial year 2017-18 as compared to the financial year 2016-17.
- c) The actual rate of drawback against (b) above shall be determined on the basis of annual performance of the exporter, but in order to improve her/his cash flow, the disbursement against (b) above shall be allowed on the performance during July-December, 2017 subject to submission of a bank guarantee that the exporter will return the excess amount, in case his/her annual exports are less than the amount of drawback paid to him/her.
- d) An additional 2% drawback shall be allowed for exports to non-traditional markets – Africa, Latin America, non-EU European countries, Commonwealth of Independent States and Oceania.

11. Development Wing

11.1 Functions

11.1.1 Public Sector Development Program (PSDP) Section

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

11.1.2 Statistics Section

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

11.1.3 Overview of PSDP Projects

The following three PSDP funded projects of the Ministry of Commerce were under implementation during FY 2016-17:

11.1.4 Purchase of Equipment, Furnishing, Curriculum Development and Training of PIFD, Lahore

Pakistan Institute of Fashion and Design (PIFD) has been entrusted with the task of producing trained manpower with the use of new technologies in the fields of fashion and design. The trained manpower will help improve the quality and competitiveness of products resulting in an enhanced demand of Pakistani products in the international market. This will also result in diversification of our exports. For this purpose, PIFD required up-gradation of its campus and upgrading its status to a degree awarding institute / university. In order to facilitate this, a PSDP funded project "Purchase of Equipment, Furnishing, Curriculum Development and Training of PIFD, Lahore" was sponsored by the Ministry of Commerce.

The project was approved by the ECNEC in July, 2007 at a total cost of Rs.755.747 million initially for a period of four years. Thereafter, its implementation period was extended. Now it is scheduled to complete in June, 2018. The project was specifically designed to meet the following objectives:

- i. Purchase of specific lab-related equipment and machinery;
- ii. Furnishing of labs, class rooms and library etc. in the new building;
- iii. Curriculum development for proposed new departments/schools; and
- iv. Training of faculty of PIFD in international institutions.

During the execution period, the project's achievements have been as follows:

- a) First and second priority furniture and machinery were provided to PIFD.
- b) Curriculum has been developed under the supervision of PIFD technical faculty and affiliation with German and French institutions.
- c) This is the only Government of Pakistan chartered institute, which has been producing students, fulfilling contemporary requirements of fashion & design industry including textile, furniture, gems & jewelry, leather & footwear and fashion marketing.
- d) Affiliations have been executed with world's renowned fashion & design institutes located in the UK, USA, France, Italy and Sweden etc.
- e) Two faculty members completed master's degree in Textile Management (with specialization in fashion management) from Boras University, Sweden. Another faculty member is completing her masters M.Sc. degree from the same university. Moreover, 24 students of PIFD completed fashion design training courses from Italy and France.

In FY 2016-17, a PSDP budget of Rs. 196.857 million were allocated to this project, out of which Rs.137.800 million were released. An amount of Rs. 137.353 million has been utilized for procurement of plant & machinery of various departments of PIFD, furniture & fixtures and library books including operating / administrative / other expenses of Rs. 7.984 million. The progress achieved during the FY 2016-17 with respect to final budget works out to be 99.67%.

During FY 2016-17, 4 tenders worth Rs.19.811 million were awarded for procurement of various items and services for PIFD / Project. Tenders worth Rs.18.194 million were materialized in FY 2016-17; while the remaining tenders will be materialized in CFY 2017-18. The project is scheduled to be completed by 30th June, 2018.

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

The project "Restructuring of Pakistan Institute of Trade and Development (PITAD), Islamabad" was approved by CDWP on 30th April, 2007, with a total cost of Rs.130.000 million. The project was revised and approved by CDWP in May, 2009, at an enhanced cost of Rs.270.824 million and again revised in October, 2015, with an enhanced cost Rs.508.436 million. The project has been designed to construct PITAD's own building in Islamabad and upgrading it to a Center of Excellence for research, training, and policy institute in international trade. The building will provide appropriate facilities for specialized training of the officers / probationers of Commerce & Trade Group, along with hostel accommodation for the trainees.

The specific objectives of the project are as under:

- i. Construction of the building for PITAD in Sector H-8/4, Islamabad (with a cost of Rs.192.510 million).
- ii. Procurement of physical assets which include plant & machinery, computer equipment, furniture & fixtures etc.
- iii. Restructuring of PITAD so that it could better serve as platform for Trade Policy formulation.
- iv. It will cater for research needs of the trade related ministries as well as Pakistan's private sector.
- v. The Institute will have mutually beneficial linkages with international trade organizations and institutions.
- vi. The Institute will act as a Regional Centre of Excellence for training and research in international trade.

The National Engineering Services Pakistan (Pvt.) Ltd (M/S. NESPAK) is the Consultant of the project for supervision of civil works while National Construction Limited (NCL) is the Contractor for carrying out construction of PITAD's building. During the execution period, the project has been achieved the following:

- i. Necessary furniture & fixture and office equipment has been provided to PITAD.
- ii. Main office building and residential building (hostel) has been completed. PITAD office has started working in the new building since January 2015 (residential building) and April, 2017 (Main office building). Finishing work is in process.
- iii. The Atrium (steel structure, wet kitchen) work of the building is in progress.
- iv. Procurement of physical assets has almost completed.

The project was financed through PSDP funds upto 30th June, 2016 (FY 2015-16) and thereafter it is being financed through EDF. The implementation period of Project has been extended by CDWP upto 30-06-2018. By the end of FY 2016-17, the project attained overall financial progress of 70% and overall physical progress of 81%. The project is scheduled to be completed by 30th June, 2018.

11.1.6 Expo Centre, Peshawar

On 25th January, 2017, Pakistan Expo Centres (Pvt) Limited acquired land measuring 25 acres at Turnab, District Peshawar (along G.T. Road, near Chamkani Motorway Interchange) from Government of KP for this project. Immediately after this acquisition, development work on the project of Expo Centre Peshawar was started. For FY 2016-17, the original PSDP allocation for Expo Centre, Peshawar project was R.300 million. An additional amount of Rs. 300 million was provided thereafter to this project through re-appropriation from PSDP allocation of Expo Centre, Islamabad project during FY 2016-17.

On 24th May, 2017, Pakistan Expo Centres (Pvt) Limited successfully organized the "Ground Breaking Ceremony of Expo Centre Peshawar". Federal Minister for Commerce and Chief

Minister of Khyber Pakhtunkhwa jointly performed the ground breaking and addressed the august gathering on the occasion.

12. Trade in Services Wing

12.1 Overview

Pakistan's economy continued its upward growth momentum in the year 2016-17 with GDP growth reaching 5.28 percent, which is the highest in 10 years. The Services sector makes an important contribution to Pakistan's economy, contributing 59.59 percent to the GDP, creating employment opportunities and providing crucial inputs for the rest of the economy. The sector witnessed a robust growth of 5.98 percent during 2016 as compared to 5.70 percent last year. Services also represent the fastest growing sector of the global economy, accounting for two third of global output, one third of global employment and nearly 20 percent of global trade. Exports of commercial services by the WTO members amounted US\$ 4.68 trillion in 2015. Pakistan's share in the global export of services is 0.07 percent which is considerably lower than country's potential warrants.

A number of factors contributing to Pakistan's low share in the global market include market access difficulties, lack of capacity, lack of appropriate infrastructure, low productivity, lack of finances, statistics and data related issues etc. Ministry of Commerce aims to realize true potential of the Service Sector with the objective to create job opportunities and reduce poverty levels in the country through Service Sector reform, which includes following roadmap developed by STDC:

- i. Strengthening of key institutions.
- ii. Institutionalizing support and technical assistance.
- iii. Develop competitive edge of Pakistan' service sector to increase export's potential.
- iv. Initiatives on improving regulatory framework environment, facilitation and elimination of barriers
- v. Helping disaggregation of major sector in services sector in Pakistan
- vi. Formulate policy for post Doha Round

During the year 2016-17, Ministry of Commerce took certain initiatives. One of these was to explore market access opportunities in Turkey. Signing of free trade agreement between Pakistan and Turkey in the field of services is being vigorously pursued. In February 2017, the 3rd Round of bilateral meeting between the two parties was held in Ankara, under the Framework of the 5th High Level Strategic Cooperation Council. The meeting was co-chaired by the Prime Ministers of Turkey and Pakistan. Cooperation in the fields of communication, postal service, railway, marine transportation, road transportation, and civil aviation were explored during the meeting.

13. Domestic Commerce Wing

13.1 Reforms and Development of Domestic Commerce

13.1.1 Report on the State of Domestic Commerce in Pakistan.

As envisaged in the STPF 2012-15 and approved by Domestic Commerce Reforms & Development Committee (DCRDC), the Domestic Commerce Wing started work on the study / report on the state of Domestic Commerce in Pakistan. One part of the report is going to be based on survey on Ease of Doing Business from major cities of Pakistan. The other part of the report is on Commercial Governance which comprises of legal authority, institutional set-ups and processes for implementation of the relevant rules and laws which affect commerce in the provinces directly or indirectly. For the purpose of this report, complete surveys have been conducted in Punjab, KP, AJK and Gilgit Baltistan and partial surveys have also been conducted in Sindh and Baluchistan. Provincial Reports are being compiled and shall be published at national level upon completion of full surveys in Sindh and Baluchistan.

13.1.2 Establishment of Joint Working Groups.

As per decision of Domestic Commerce Reforms and Development Committee (DCRDC) three working groups and one Inter-Ministerial Committee (IMC) was to be formed on the following areas / agenda items:

- i. Joint Working Group on Developmental and Facilitative Framework.
- ii. Regulatory & Preventive Mechanisms: A joint Working Group / Technical Committee formed to expedite and oversee the process regarding establishment of Provincial Halal Authorities.
- iii. Inter-Ministerial Committee comprising representative from Ministry of Commerce (Trade Policy Wing) Ministry of Science & Technology (MOST) and Federal Board of Revenue (FBR) formed on Halal Standards.
- iv. Joint Working Group on Linkages between DCW and relevant tiers of Government at Provincial, Divisional and District Levels.

On the request of Ministry of Science and Technology (MOST), a Joint Working Group regarding establishment of Provincial Halal Authorities has been established by MOST. Furthermore, IMC is formed on Halal standards at MOST. All the above JWGs (except Serial No. ii) have been formed and nominations received. Domestic Commerce Wing has initiated discussion with Fashion Design Institute Lahore and with Textile Division so that agenda items are prepared.

13.1.3 Coordination & representation of M/O Commerce at different federal and provincial levels.

- i. Domestic Commerce Wing is coordinating with various Federal Government and Provincial Governments on about 39 operational areas.
- ii. It also represent Ministry of Commerce on 27 Federal/Provincial Working Groups/Committees.

13.1.4 Development of provincial strategies for improving business environment and institutional framework.

Provinces and regions of AJK and GB were asked to develop their individual strategies for improving business environment and institutional framework. Provinces were provided guidelines as well as a Director level officer of DCW was deputed to conduct stakeholder's consultation in provincial headquarters to assist them in developing their strategies. Strategies have been developed and lying pending with Punjab, Sindh, Baluchistan, Gilgit-Baltistan and AJK for implementation while KP is in process of formulating the same. Domestic Commerce Wing is also pursuing implementation of already drafted provincial strategies with the assistance of respective public sector stakeholders.

13.1.5 Domestic Commerce Policy.

After the coherent provincial strategies are developed on Domestic Commerce, an overarching Domestic Commerce Policy will be developed. The development of provincial domestic commerce strategies is of high significance and it is first time in the economic history of Pakistan that such focus has been given to effectively link our commerce with our international trade through development of commercial governance framework catering to employment generation, skill-development, improvement in commercial standards/practices and socio-economic development.

13.1.6 Domestic commerce orientation workshops

In the first phase, three (3) workshops planned in coordination with TDAP for the period April-July, 2017, which were held successfully with great participation from business community at Karachi.

13.1.7 Monitoring Performance of ILO'S Decent Work Program-III

- i.** 5 Years' Work Plan prepared and approved by ILO.
- ii.** 1 out of 4 components designed on the basis of input by Domestic Commerce Wing. It is on Enterprise Development.
- iii.** Constant monitoring through joint meetings with stakeholders as per agreed TORs in coordination with M/o HRD, Textiles Division and ILO.

14. Services Trade Development Council

14.1 Background

The Strategic Trade Policy Framework (STPF) 2012-15 provided for the establishment of the Services Trade Development Council (STDC / Council) to promote and enhance the export of services from Pakistan. In pursuance of the said STPF objective, this pioneer government body dedicated with the task of development and promotion of Pakistan's trade in services, with a particular focus on exports, was established in the Ministry of Commerce.

14.2 Vision, Objectives and Core Activities of the Council

The objective of STDC is to facilitate dialogue and policy coordination, enhance competitiveness and to promote trade in the services sector. The following Core Activities of STDC shall be articulated around their respective Objectives, as follows:

Objective 1: A Platform of Knowledge, Multi-stakeholder Dialogue and policy Design

Core Activities:

- i. Analytical Inputs (Sectoral and Horizontal); and
- ii. Informing Services Policies and Reforms.

Objective 2: A Platform for Legal / Regulatory Information, Transparency and Reform:

Core Activities:

- i. Regulatory Diagnostics;
- ii. Implementing Commitments; and
- iii. Information Depository / Database.

Objective 3: A Platform for Technical Assistance and Capacity Building:

Core Activity:

- i. Define Technical Assistance and Capacity Building (TACB) needs and TACB Coordination and Monitoring.

14.3 Composition of STDC

The Council shall comprise of the Minister for Commerce as its Chairman and other members as may be decided by the Chairman with at least three (03) members from public sector, at least four (04) from private sector and at least two (02) from academia / professionals engaged in the services sector.

15. State Life Insurance Corporation of Pakistan (SLIC)

15.1 Achievements/Performance during FY 2016-17

15.1.1 First year Premium Growth

The Corporation's Individual life first year premium went from Rs. 16.3 billion in 2015 to Rs. 17.1 billion in 2016 indicating a growth of 4.69%, compared with 0.75% growth in the preceding year. Furthermore, individual life first year premium amounts to Rs. 5.98 billion during first half of 2017. This figure previously stood at Rs. 6.17 billion thus showing a decrease of 3.08%.

15.1.2 Second year premium Growth and Persistency

The Corporation's Individual life second year premium went from Rs. 12.5 billion in 2015 to Rs. 12.7 billion in 2016 indicating a growth of 1.08%. This implies a second year persistency at 77.61% is practically at the same level as last year, viz. 77.36%. However, Second Year Premium for the first half of 2017 amounts to Rs. 2.60 billion compared with Rs. 3.31 billion of the last corresponding period, showing a decrease of 21.45%. This indicates that second year persistency of 42.14% was attained by the end of 2nd Quarter 2017.

15.1.3 Renewal premium, Growth and persistency

The Corporation's individual life renewal year (third year and onwards) premium went from Rs. 45.4 billion in 2015 to Rs 54.2 billion in 2016 indicating a growth of 19.45%, compared with 9.78% growth In the preceding year. Moreover, the respective figure for the period ended June, 2017 amounts to Rs. 20.88 billion compared with Rs. 19.81 billion of last year corresponding period showing an Increase of 5.40%.

15.1.4 Group Life premium

The Corporation's Group Life premium went from Rs. 5.9 billion in 2015 to Rs 5.7 billion in 2016 indicating a decrease of 3.65%. This figure amounts to Rs. 2.18 billion by the end of 2nd Quarter 2017 compared with Rs. 3.15 billion of last year corresponding period showing a decrease of 30.79%.

15.1.5 Health Insurance Business

The Corporation's Group Life premium went from Rs. 38 million in 2015 to Rs 422 million in 2016 indicating an increase of 1008.43%. However, this figure increased from Rs. 150 million In 2nd Quarter 2016 to Rs. 1,629 million in 2nd Quarter 2017 showing an increase of 986%.

15.1.6 LifeFunds

The Corporation's Aggregate Life Fund Position went from Rs. 527 billion in 2015 to Rs 614 billion in 2016 Indicating a increase of 16.5%. However, by the end Of 2nd Quarter 2017 the figure amounts to Rs. 650 billion compared with Rs. 563 billion of last year corresponding period, showing an Increase of 15.45%.

15.1.7 Prime Minister Health Insurance program

The Prime Minister's National Health Insurance Program is a milestone towards social welfare.

State life, in collaboration with the Ministry of National Health Services, Regulation and Coordination aims to cover 26 Districts (including Islamabad, Muzaffarabad and Quetta) of Pakistan with around 1.8 million families below the poverty line. The coverage includes secondary care of Rs. 50,000/- and priority treatment care of Rs. 250,000 per family per annum. The scheme is expected to massively impact the quality of health care available to the deprived.

15.1.8 Social Health protection

State Life in collaboration with the Government of Khyber Pakhtunkhwa, has taken initiative to launch Social Health Protection (SHP) to provide and promote social and micro health insurance scheme for the deprived population of twenty four districts of Khyber Pakhtunkhwa. The scheme is targeting the most deprived segment of society and provide them access to the health facilities in a wide range of public and private hospitals. The proposed target market will tend to expand to include a wide range of society. Under the scheme, the members will be covered for hospitalization, day care surgeries and maternity benefits, albeit under a prescribed limit of Rs. 25,000 per person per annum. Along with the provision of the medical facilities, the quality of services will also be monitored for improvement. Features such as transportation cash grant on maternity will encourage the female population to utilize the health provider facilities and will ultimately result In Improving the female and child survival rate.

15.1.9 Bonus to policyholders

State Life has been successfully meeting the expectations of policyholders which generally demand a good return (Bonuses) on their policies. It is worth mentioning here that SLIC is the only life insurance company that is distributing 97.5% of its Actuarial Surplus to policyholders as compare to the private life insurance companies that distribute only 90% of the surplus to policyholders. The total amount of bonus distributed to with profit policies in 2016 was Rs.54.6 billion as compared to Rs. 47.3 billion in 2015.

15.1.10 Annual profits remitted to Government

In 2016, SLIC remitted an amount of Rs.1.212 billion to Government after taxes as compared to Rs. 1.048 billion in 2015.

15.1.10.1 Financial Strength Rating

A rating of "AAA" is the highest possible for an Insurer to achieve and State Life stands alone in the life Insurance Industry to have been assigned this rating. The rating denotes State Life's exceptionally strong capacity to meet policyholder and contract obligations. The rating reflects State Life's leading position in life insurance business in Pakistan, Its extensive distribution network, good management quality, comprehensive information systems and growing business volumes. The rating also represents State Life's robust financial profile emanating from its sound Investment portfolio and prudent system of risk management.

**THE PROGRAM OF ACTIVITIES AND TARGETS SET OUT FOR
ITSELF DURING THE PRECEDING FINANCIAL YEAR AND THE
EXTENT TO WHICH THEY HAVE BEEN REALIZED:-**

Particulars	2014	2015	2016
	(in millions)	(in millions)	(in millions)
Net Premium (IL)	67,333	71,943	81,633
Net Premium (GL)	6,823	5,941	6,078
Total Premium	74,156	77,884	87,711
International Business	2,186	2,057	2,110
Life Fund	450,025	526,676	614,177
Investment Portfolio	445,381	513,293	598,271

BUSINESS HIGHLIGHTS

2016 (WHOLE YEAR) & 2017 (UPTO OCTOBER)

INDIVIDUAL LIFE (WITHIN PAKISTAN)

(Premium in ODD's)

Segment	2016	2017
First Year Premium	16,474,651	9,728,420
Renewal Premium	57,487,696	39,396,612
Total Premium	73,962,347	49,125,032
No. of new Policies Sold	636,183	349,690
2nd Year Persistency (%)	79.77	59.23
Renewal Persistency (%)	87.93	97.30

16. National Insurance Company Limited (NICL)

National Insurance Company Limited (NICL) was incorporated in Pakistan on 31st March, 2000, as an unquoted public limited company under the Companies Ordinance, 1984. The Company's registered office is situated in NIC Building, Abbasi Shaheed Road, Karachi, Sindh, with four zones and ten branches across the country. The company is principally engaged in non-life insurance business of public property, comprising of fire, marine, aviation, crops loan insurance, engineering etc. The Company is catering for all general insurance needs of Government Institutions including PIA, OGDCL, PARCO, WAPDA, PSO, TCP, SSGC, SNGPL.

With effect from January 01, 2001, the company took over all the assets and liabilities of former National Insurance Corporation (NIC) at book values vide SRO dated December 30, 2000 of Federal Government issued in terms of National Insurance Corporation (Re-organization) Ordinance, 2000. Accordingly, with effect from January 01, 2001, NIC has been dissolved and ceases to exist and the operations and undertakings of NIC are being carried out by the company under the administrative control of Ministry of Commerce.

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

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

The following performance of the Company are summary and subject to finalization, Audit and approval of financial statement by the BoD of previous years, audit by external auditors and necessary adjustments; the year 2016 (unaudited) performance is as under:

16.1 Performance of the Company

<u>Particulars</u>	Rs. in million
	<u>2016-17</u> <u>(Unapproved</u> <u>/ unaudited)</u>
<u>Gross Premium Written Business wise</u>	
Fire & Property Damage	1725
Marine, Aviation & Transport	2342
Motor	353
Liability	23
Worker's Compensation	-
Credit & Surety ship	-
Accident & Health	2

Miscellaneous	2106
Gross Premium	6,551
<u>Other Financial Data</u>	
Underwriting Profit	2,441
Investment Income	2,325
Profit before Tax	4,639
Income Tax Paid to Government	1,020
Capital	2,000

17. Pakistan Reinsurance Company Limited

17.1 Overview

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

Company History:

PRCL was established in 1952 as Pakistan Insurance Corporation under PIC Act 1952, in order to support local insurance industry. Since then, it has managed National Insurance Fund (NIF), National Coinsurance Scheme (NCS), War Risk Insurance (WRI) and Export Credit Guarantee Scheme (ECGS) providing help in different forms to the insurance as well as business community. In the year 2000, Pakistan Insurance Corporation was converted and incorporated as a public limited company into Pakistan Reinsurance Company Limited.

The company was formed with a view to take over all assets and liabilities of Pakistan Insurance Corporation. Accordingly, it took over assets and liabilities of PIC on 15th February 2001 in pursuance of Ministry of Commerce SRO No. 98(1)/2000 which was issued under the President Ordinance No. XXXVI of 2000 on 14th February, 2001.

17.2 Functions

- i. Formerly called the Pakistan Insurance Corporation, Pakistan Reinsurance Company Limited, PRCL was established in 1952 as Pakistan Insurance Corporation under PIC Act 1952 in order to support local insurance industry. It is the sole reinsurance organization operating in Pakistan.
- ii. PRCL is public sector Company under the administrative control of the Ministry of Commerce. The Company is being headed by a Chairman, supported by a strong team of professionals who manage the business affairs of the Company effectively. The Company is supervised by the Board of Directors who are elected by the shareholders and enjoy excellent repute within the business community.
- iii. PRCL's prime objective is the development of insurance and reinsurance business in Pakistan. The company provides insurance solutions to departments including Aviation, Marine Cargo, Marine Hull, Engineering, Fire and Accident. The company is a national reinsurer playing its role in the economic development of Pakistan. It provides reinsurance protection to the local insurance industry by way of treaty and facultative business as well as managing insurance schemes assigned by the Federal Government of Pakistan.

17.3 PRCL's Role in Economic Development

- i. PRCL plays a significant role in economic development of Pakistan by providing reinsurance capacity to the local insurance industry. Risk sharing and risk transfer

mechanism provides confidence amongst the insurers. The effect trickles down to industry and commerce and business activities takes place with “Peace of Mind” that in case of any fortuitous event there will be a cushion to fall back on fostering economic growth.

- ii. A local reinsurance support is also beneficial to the economy as local players can retain larger shares within the country plugging the outflow of valuable foreign reserves.

In fulfilling this mission, PRCL is committed to:

- i. Providing its clients, and particularly insurance companies in Pakistan, with comprehensive insurance, reinsurance, financial and business services of the highest quality and value.
- ii. Maintaining financial strength and stability through prudent business decisions and sound operations based on state of the art information technology.
- iii. Taking a long-term view of business relationships.
- iv. Practicing the highest standards of integrity and professionalism.
- v. Investing continuously in knowledge required to support business decisions and long-term business strategy formulation.
- vi. Achieving consistent, long-term financial growth and profitability for its shareholders.
- vii. Attracting retaining and developing capable and dedicated employees who in turn contribute to the growth of the company and share its success.

17.3.1 Strategy

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

17.4 OBJECTIVE:

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

17.5 PERFORMANCE

The Performance parameter of all classes of business for the year 2011 to 2016 is at Annexure “A”.

17.5.1 Activities in the year 2015-2016

PRCL has continuously been trying through strategic and concentrated efforts to avoid outflow of foreign exchange from the country and improve the performance of insurance sector in Pakistan.

The Company's business strategy would continue to focus on providing prompt service to insurance companies with reference to facultative offers.

17.6 PRCL Business:

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

The Silent features of the business operations during the year, 2015 are as under:

Dec. 31, 2015 **Dec. 31, 2016**

(Rupees in Million)

Gross Premium	8,135	8,807
Retrocession	(2,763)	(2,952)
Net Retention	5,372	5,855
Premium Reserve	(153)	(53)
Net Premium	5,219	5802
Net Commission	(1,101)	(1,264)
Net Claims	(2,775)	(3,336)
Management expenses	(621)	(657)
Underwriting Profit	722	545
Investment Income	935	961
Rental & other income	47	142
Exchange (Loss)/Gain	106	(1)
Gen. & Admn. Expenses	(38)	(54)
Other charges	0	166
Profit before tax	1,772	1,427
Taxation	(395)	(453)
Profit after tax	1,377	974

17.7 TABULATED STATISTICS OF PRC BUSINESS DURING THE YEAR 2011 TO 2016 MAY PLEASE BE VIEWED AS UNDER:

Rupees in Million.

Particulars	2011 (Restated)	2012 (Restated)	2013	2014	2015	2016
Premium (Gross)	6893	8153	8659	8661	8135	8807
Underwriting Profit	733	1012	956	1040	1343	545
Profit Before Taxation	1257	1537	1706	1565	1772	1,427
Investment, Securities	5793	6434	6513	6650	6318	6.625
Investment Income	891	918	1101	1079	935	961
Yield % on Investment	15.38%	14.27%	16.90%	16.23%	14.79%	14.50%
Reserves & Underwriting Provision	7136	7157	8225	9820	11161	13437
17.8 Breakup value per share	21.19	21.87	21.90	23.29	23.12	24.67
Earning per share	2.82	3.68	4.40	4.15	4.59	3.25
Return on Equity%	13.29%	16.82%	20.10%	17.80%	19.83%	13.15%

XURE A

17.9 PERFORMANCE PARAMETER OF ALL CLASSES OF BUSINESS

S. NO.	DESCRIPTION	DETAIL	REMARKS
01.	EXPANSION OF BUSINESS	1 st Quarter, (1 st Jan. to 31 st March,2016) million Rs. 2208 2 nd Quarter, (1 st April to 30 st June,2016) million Rs. 1873 3 rd Quarter, (1 st July to 30 th Sept,2016) million Rs. 2113 4 th Quarter, (1 st Oct. to 31 st Dec.2016) <u>million</u> Rs. 2613 1 st to 4 th Quarters (1 st Jan. 2016 to 31 st Dec. 2016) <u>million</u> <u>Rs. 8807</u>	The gross premium income ending 31-12-2016Rs. 8807 million as compared to Rs. 8135 million in the year 2015showing an increase of Rs.672million over the preceding year due to non proportional arrangements of insurance companies.
02.	IMPROVEMENT IN RETROCESSION ARRANGEMENTS	1 st Quarter, (1 st Jan. to 31 st March,2016) million Rs. 562 2 nd Quarter, (1 st April to 30 st June,2016) million Rs. 537 3 rd Quarter, (1 st July to 30 th Sept,2016) million Rs. 377 4 th Quarter, (1 st Oct. to 31 st Dec.2016) <u>million</u> <u>Rs.1480</u> 1 st to 4 th Quarters (1 st Jan. 2016 to 31 st Dec. 2016) <u>million</u> <u>Rs. 2763</u>	An amount of Rs. 2958 million was retroceded by the period ended December 2016 as compared to Rs. 2713 million was retroceded showing an increase of Rs. 189 million over the preceding period.
03.	SAVING OF FOREIGN CURRENCY BY RETAINING BUSINESS IN PRCL	1 st Quarter, (1 st Jan. to 31 st March,2016) Rs. 1646 million 2 nd Quarter, (1 st April to 30 st June,2016) Rs. 1336million 3 rd Quarter, (1 st July to 30 th Sept,2016) Rs. 1740 million 4 th Quarter, (1 st Oct.to 31 st Dec.2016) <u>Rs.1133 million</u> 1 st to 4 th Quarters (1 st Jan. 2016to 31 st Dec. 2016) <u>Rs. 5855 million</u>	An amount of Rs. 5855 million foreign exchange has been saved by retaining business in Pakistan by PRC. As a result there is more foreign exchange saving of Rs. 484 million over the preceding year 2015.

18. National Tariff Commission, Islamabad

18.1 Enhanced Mandate/Functions

- (1) The functions of Commission under section 8 of National Tariff Commission Act, 2015, are 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 reforms;
 - (d) Removal of tariff anomalies; and
 - (e) Any other matter relating to tariff or trade measures that the Federal Government may refer the Commission.
- (2) In addition to the functions specified sub-section (1), the Commission also performs 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 periodically review the effect of such recommendations and in consequence of the review may give further recommendations to the Federal Government.
- (4) The Commission advises, where possible, the domestic exporters and producers facing trade remedy investigations abroad.
- (5) The Commission assists the Federal Government at the World Trade Organization dispute settlement body in respect of matters pertaining to the Trade Remedy Laws, WTO Covered Agreements and disputes under other trade agreements. The Federal Government may hire the services of a qualified and experienced international trade lawyer or international trade consultant for this purpose on a case-to-case basis.
- (6) The Commission may undertake research to facilitate effective implementation of Trade Remedy Laws and tariff rationalization, in a manner to be prescribed.

2. National Tariff Commission as per its mandate has performed following activities, achievements and progress during the Financial Year 2016-17:

Period	S.#	Details of activities	Achievements
	1.	Anti-Subsidy investigation on alleged subsidized imports of Fine Cotton Yarn (“CY”) exported from Republic of India	Preliminary determination made on January 18, 2017
	2.	Sunset Review of Definitive Anti-Dumping Duty	Final Determination

		levied on Dumped Imports of Phthalic Anhydride Origination in and/or Exported from The Republic of India.	made on February 09, 2017
2016-17	3.	Final Determination and Termination of Anti-Dumping Duty on Imports of Food Grade Dextrose Monohydrate into Pakistan Originating in and/or Exported from the Republic of India.	Final determination made on May 12, 2017.
	4.	Anti-Dumping Investigation on Alleged Dumping of Sulphonic Acid from China, Indonesia, Iran, Korea, and Taiwan.	Preliminary determination made on May 15, 2017
	5.	Anti-Dumping Investigation on Alleged Dumping of Steel Re-Bars from China.	Preliminary Determination made on May 20, 2017
	6.	Anti-Dumping Investigation against Alleged dumped imports of Phthalic Anhydride Imported from Russia.	Preliminary Determination made on May 31, 2017
	7.	Final Determination and Levy of Definitive Anti-Dumping Duty on Dumped imports of Continuous Casting (Steel) Billets into Pakistan Originating in and/or Exported from the People's Republic of China.	Final determination made on June 22, 2017.
	8.	Anti-Dumping Investigation on Polyester Filament Yarn from China and Malaysia.	Final determination made on August 26, 2017.
	9.	Anti-Dumping Investigation on Alleged Dumping of Steel Re-Bars from China.	Final determination made on October, 2017.
2016-17	10.	Anti-Subsidy investigation on alleged subsidized imports of Fine Cotton Yarn ("CY") exported from Republic of India	Final determination made on October, 2017.
	11.	Anti-Dumping Investigation against Alleged dumped imports of Phthalic Anhydride Imported from Russia.	Final determination made on November, 2017.
	12.	Anti-Dumping Investigation on Alleged Dumping of Sulphonic Acid from China, Indonesia, Iran, Korea,	Final determination made on November,

	and Taiwan.	2017.
13.	Sunset Review of Anti-Dumping Imposed on Formic Acid Imported from China and South Korea.	Final determination will be made in January, 2018.
14	Anti-dumping investigation on Wire Rod imported from China	Investigation terminated on 21-09-2107
15	Anti-dumping investigation on offset Printing Ink imported from China and Korea.	Final determination was made on July 21, 2017
16	Anti-dumping investigation on Certain Uncoated Writing and Printing Paper imported from Brazil, China, Indonesia , Japan and Thailand	Preliminary determination was made on April 26, 2017
17	Anti-dumping investigation on Tiles imported from China.	Final determination was made on August 06, 2017
18	Anti-dumping investigation on Coated Bleach Board imported from China.	Preliminary determination was made on February 28, 2017
19	Anti-dumping investigation on Polyvinyl Chloride (PVC)imported from China, Korea, Chinese Taipei and Thailand	Preliminary determination was made on June 13, 2017
20	Anti-dumping investigation on against alleged dumped imports of Color Coated Coils/Sheets originating in and /or exported from China and South Africa.	Investigation was initiated on June 10, 2017.

19. TRADING CORPORATION OF PAKISTAN (TCP), KARACHI

19.1 Activities

The following business activities were carried out by TCP during Financial Year 2016-17:

19.1.1 EXPORT OF 15,000 MT RICE TO CUBA AS GIFT:

On the directives of the Federal Government, the TCP procured 15,000 MT of Rice (10,000 MT Long Grain White Rice IRRI-6 and 5,000 Super Basmati Rice) and sent as gift to Government of Cuba in recognition of their services to Pakistan in Earthquake disaster 2005, as well as to open up market for the Pakistani Rice in the Latin American region. A vessel MV “CMB Adrien” carrying 15,000 MT bagged Rice, sailed from Port Bin Qasim on 21-08-2016 and reached at Havana Cuba on 08-10-2016. The discharging of the vessel commenced on 09-10-2016 and the operation was successfully completed on 19-10-2016.

19.1.2 EXPORT OF 10,000 MT RICE TO CHINA AS DONATION:

On the directive of the Prime Minister of Pakistan, 10,000 MTs of Long Grain White Rice was exported as a gesture of goodwill to the flood affected people in China. A quantity of 22 MT Rice was dispatched through a designated Pakistan Air Forces’ plane IL-78, whereas the remaining 9978 MTs Rice were shipped through Containers. The entire operation was completed from August to October, 2016.

19.1.3 EXPORT OF 10,025 MT RICE TO SRI LANKA AS DONATION:

On the directives of the Prime Minister of Pakistan, 10,000 MTs of Long Grain (IRRI-6) was procured rice and then sent as an aid to the drought affected people of Sri Lanka. A quantity of 25 MT Rice was dispatched through a designated Pakistan Air Forces’ Plane IL-78, whereas the 10,000 MT Rice consignment were shipped through Containers. The Entire Containerized shipment process was started on 06-03-2017 and the last consignment of 60 containers carrying 1500 MT Rice reached at discharge port Colombo on 12-04-2017.

19.1.4 COMMODITY OPERATION FINANCING:

The current volume of Commodity Operation Financing (COF) is approved by the Ministry of Finance for Rs. 133,225.00 million as on 30.06.2017. Prior to 2013, markup rates of consortium were three months KIBOR + 275bps. TCP negotiated rates with other banks including Islamic banks and succeeded in reducing the cost of financing. As a result of efforts of TCP’s management, the consortium, Bilateral & Islamic banks gradually reduced the rates for January to March, 2017 to the following extent.

S. No.	Name of Bank	Financing availed (Rs. In Million)	Markup rates In bps
1.	Consortium member banks	28,929.005	3 Months KIBOR minus 6
2.	Other Conventional Banks / Bilateral Banks	65,000.000	3 Months KIBOR minus 7
3.	Islamic Banks	15,000.000	3 Months KIBOR minus 8

For further reduction in markup rates for April to June, 2017, TCP's Management again took up the matter with consortium, bilateral & Islamic banks but due to the requirement from another large borrower from public sector to keep uniform rates for all public sector companies / departments banks could not maintain / offer previous quarter rates and offered fresh rate as per details given below:

S. No.	Name of Bank	Amount of Financing offered (Rs. In Million)	Financing Rates In bps
1	Bank Islami	15,000.000	3 Months KIBOR minus 8
2	JS Bank	4,000.000	3 Months KIBOR minus 6
3	Soneri Bank	25,000.000	3 Months KIBOR
4	Bank Al-Habib	20,000.000	3 Months KIBOR
5	Askari Bank	40,000.000	3 Months KIBOR
8	Meezan Bank	25,000.000	3 Months KIBOR

However, so far burden on government exchequer has considerably been reduced i.e. approximately Rs. 10,153.512 million as per detail given below:

Rupees In Million

2013-2014	Rs. 2,174.630	Based on 30.06.2014 OD
2014-2015	Rs. 2,042.235	Based on 30.06.2015 OD
2015-2016	Rs. 3,363.657	Based on 30.06.2016 OD
2016-2017	Rs. 2,572.990	Based on 30.06.2017 OD

Further, audit of urea accounts for the urea, imported through SABIC under SFD Credit facility for 47 vessels, have also been completed and shared with Ministry of Finance for expeditious recovery of

pending subsidy for the year 2010-11. Audit of remaining 11 vessels arrived from April 2014 to April 2015 is also completed.

During 2016-2017, as per instruction of MOC, TCP paid Rs.100 Million as dividend to Government of Pakistan.

19.2 Other saving / income as result of prudent financial management

Sr. No.	Description of Saving /Income	Amount (Rs. In Million)
1.	Operational income (on export of Rice as gift / donation to Cuba, Niger, China and Srilanka)	28.882
2.	Income on TDR / Investment (PKR + US\$)	1,061.653
3.	Other	336.494
Total		1,427.029

Saving made under various heads of administrative expenses

Head of Account	Expenses for the year 2015-16	Expenses for the year 2016-17	Difference (decrease)	Percentage (decrease)
Postage & Telegram	431,937.00	267,677.00	164,260.00	38.02%
Canteen expense	792,920.00	31,486.00	761,434.00	96.02%
Repair & maintenance of office equipment	776,949.00	629,581.00	147,368.00	18.96%
Stationary	1,296,867.00	1,234,423.00	62,444.00	4.81%
Energy savings	2,884,976.00	2,853,688.00	31,288.00	1.08%
Motor running expenses	Rs.12,542,587.00	Rs.10,993,123.00	1,549,464.00	12.35%

19.2.1 Steps taken for effective pursuing of legal cases:

- i. Reduced litigation in the Court of Law by way of examining and vetting the Terms & Conditions of Tender Notices / documents and various Tenancy Agreements by the Legal Advisor of TCP.
- ii. Minimized the expenses on account of “Legal Charges” by awarding the Court Cases to the panel advocates at minimum professional fee instead of the hiring the services of advocates at higher fee.
- iii. Constant monitoring of the Court cases pending in various Courts and follow up the cases vigorously has yielded favorable results.

19.2.2 Steps taken for betterment of godowns/ warehouse operations:

- i. Security System in the godowns has been strengthened through rationalized re-deployment of security guards.
- ii. Korangi godown has been equipped with Security Cameras and made operational round the clock. Reforms in other godowns are in pipeline.
- iii. Transparency has been ensured in the process of renting out of godown.
- iv. During the year 2016-17, TCP earned an amount of **Rs.303,374,132.55** on account of rentals from its godowns.

19.2.3 Enterprise resource planning

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

19.2.4 Issuance of authenticity certificates for export of rice

During the period, TCP issued 517 Authenticity Certificates for export of 0.127 MTS (in million) Brown, Parboiled/White Rice valuing US\$ 89.159 million exported to European Union Member Countries and earned Rs. 10.216 million as Inspection Fee. TCP also issued 09 inspection certificates for export of 0.00385 MTs (in million) Long Grain White Basmati Rice valuing US\$ 2.525 million under Pak-Sri Lanka free Trade Agreement (FTA) and earned Rs. 0.308 million towards Inspection Fee.

19.2.5 Sale of lint cotton

TCP sold 174 bales of lint cotton in the month of July, 2016 through the Commission agent. It also sold 74 bales of lint cotton through Commission agent and 72 Boras loose cotton (2100 kgs) and sweeping cotton (1200 kgs) in the month of October, 2016.

19.3 Future endeavor

i. MOU for export of rice to Indonesia on G2G basis:

- a) MOU signed on 08-12-2015 by Government of Pakistan and Indonesia for export of upto 1 million metric tons of Pakistani White Rice during the years 2016 to 2019.
- b) The Implementing agency on behalf of Government of Pakistan is TCP and implementing agency on behalf of Government of Indonesia is BULOG.
- c) Rice Sale Contracts are to be signed by the designated agencies.
- d) TCP shall intimate the price to the BULOG as and when required by the BULOG for which they shall intimate specifications of rice, shipment schedule and any other requirement.

- e) TCP published a pre-qualification notice in various newspapers on 08.09.2016 for to receive applications for pre-qualification of supplier / exporter of long grain white rice (IRRI-6) for export to Indonesia on G to G basis.
- f) Further, another MOU was signed on 25.10.2016 between Pt.Koplindo Niaga International of Indonesia and TCP, who agreed to establish and maintain a long term trading partnership through import and export of general foods commodities and other items from the year 2016-17.

ii. MOU for export of rice to Philippines on G2G basis

- a) The Government of Pakistan is in a process of signing an MOU for export of rice to Philippines.
- b) TCP will be the executing agency on behalf of Government of Pakistan.

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

20. Intellectual Property Organization of Pakistan (IPO)

Intellectual Property Organization of Pakistan (IPO-Pakistan) was established as an autonomous body under the administrative control of Cabinet Division on 8th April, 2005. On 26th July, 2016, IPO-Pakistan was placed under Commerce Division. Since that following initiatives have been taken to improve service delivery of the Organization.

- A. **Administrative initiatives**
- B. **National and International coordination by IPO-Pakistan**
- C. **Legislative initiatives**

20.1 ADMINISTRATIVE INITIATIVES

20.1.1 Revamping IP Registries

a) **Trademarks:** IPO-Pakistan has taken a number of steps for revamping of Trade Mark registration and protection system in the country after placement of IPO-Pakistan under Commerce Division. Important among these are appointment of full time Deputy Registrar at IPO Regional Office Lahore and shifting most of registration work at this office related to applications filed at Lahore Office; Completion of digitalization of Trademark data (about 400,000 files digitized); improvement in service delivery by minimizing backlog and increasing registration and renewals. Publishing Trademark Journal two times in a month by advertising accepted marks twice the number published previously; Trade Marks Examination in (2016-17) increased 31% over the last Financial Year (2015-16); Acceptance in the year (2016-17) increased 26% over the last Financial Year and 2818 Opposition cases were decided as compared to 1937 Opposition cases in the year 2015 – 16 which shows an increase of 48%. The Trade Marks filling and registrations data is given in the following table:

Filed			Granted		
2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
27382	37857	35972	9675	11811	11405

b) **Copyrights:** Copyrights and related rights protect the rights of authors, performers, producers and broadcasters, and contribute to the cultural and economic development of a nation. Development and deployment of Copyright Automation System (CAS) has been helpful to improve the performance for

copyright registration. 6274 applications for copyright registration received in the year 2016-17 as compared to 4599 applications in the year 2015-16. There is 36% increase during the period when IPO-Pakistan is placed under Ministry of Commerce.

c) Patents: A patent is an exclusive right granted for an invention which may be product or process. Patent protection is directly related with R&D development in a country. Patent applications received during last year were 811 out of which 181 were local applications. The number of local applications has increased 24% as compared to previous years which is the result of effective coordination of IPO-Pakistan with HEC, universities and R&D institutions in the country.

d) Industrial Designs: Designs of products enhance their esthetic appeal and give them competitive edge in the markets with a range of comparable products. It is an important IP right for development of small and medium size businesses. Design applications received in the year 2016-17 was 515, which is 8% increase as compared to 478 applications in the previous year. However there is a need to increase the number of Industrial Design’s applications though public awareness activities. The IP applications filing and registration data is given in the following table:

	Filed			Granted		
Year	Local	Foreign	Total	Local	Foreign	Total
2014-15	337	127	464	275	103	378
2015-16	371	116	487	235	64	299
2016-17	483	87	570	171	114	285

20.1.2 One Window Operation Karachi:

IP Registries in Karachi previously working at three different locations have been housed at Pakistan Broadcasting Corporation (PBC) Building in the heart of city at Civic Center, Karachi. “One window operation” is a step towards integrated management of IP Rights i.e. Patents, Industrial Designs, Trademarks and Copyrights under one roof.

20.1.3 Automation of IPO-Pakistan

For improved service delivery and better performance of the organization, automation of the business processes of the IP Registries was started on priority bases in the organization. Automation done by IPO-Pakistan helped in carrying out the cumbersome examination process of IP applications, which has improved service delivery and led to positive impact on examiner’s productivity.

IPO-Pakistan with the support of European Union under Trade Related Technical Assistance (TRTA) Program, World Intellectual Property Organization (WIPO) and Ministry of Information Technology (MoIT), completed the following automation targets:

- Deployment of Industrial Property Automation System (IPAS), supplied by WIPO for application registration of Trademarks, Patent and Industrial Designs;
- Development and deployment of Copyright Automation System (CAS) in the copyright office Karachi;
- Development of IPO-Pakistan Web Portal;
- Initiation of online services regarding IPR registration;
- Digitization of all historical record of IP applications as under (approx. six million pages).

20.1.4 Devising National Intellectual Property Strategy

National Intellectual Property Strategy for next five years (2018-2023) has been devised by IPO-Pakistan. The National IP Strategy is vital to define its cross-cutting role in different areas at national level including R&D development, expansion of business activities and enhancement of trade and exports. The objective is to address international obligations and national requirements in a balanced manner covering all key aspects. The fundamental tools to achieve the purposes are better IP management, use of contemporary means for better service delivery in IP registries, effective amendment in existing IP laws, enactment of new IP laws and accession to international IP treaties in the best national interest. After extensive discussions, initial draft of NIP Strategy has been prepared which will be shortly submitted to the Federal Government for approval and implementation.

20.1.5 IPO-Pakistan Service Rules and Medical Policy

IPO-Pakistan has prepared the draft IP Service rules after necessary approval by the IPO Policy Board. These rules have been submitted to the Federal Government for notification. Similarly Medical Policy was devised after necessary approval by IPO Policy Board.

20.1.6 Deployment of E-Office

IPO-Pakistan has initiated the process of deployment of E-office system, in the offices of the organization, developed by National Information Technology Board (NITB) in collaboration with Ministry of Information Technology. IPO Head Office is at the second phase of implementation.

20.2 National and international coordination by IPO-Pakistan

20.2.1 IPR Enforcement Coordination:

One of the core functions of IPO-Pakistan is the Enforcement Coordination. IPO-Pakistan's Enforcement Coordination Initiative (ECI) has developed effective linkages with all the agencies in the enforcement chain (Police, FIA, Pakistan Customs). A separate Directorate under the stewardship

of Director (IPR) has been established at Federal Investigation Agency (FIA) to address the issues of Copyright violations. Pakistan Customs has also established a fully functioning Directorate General for enforcement of IP laws at borders of the country. The fictionalization of Anti-Piracy and Anti-Counterfeiting Cells at Offices of IPO-Pakistan (Karachi, Lahore, Islamabad) has been accomplished during the last year. IPO-Pakistan played a vital role in the notification of IPR Enforcement Rules in 2016 (amendment in Customs Rules, 2001) under Customs Act, 1969. Guidelines for field officers of FIA, Police and Customs have been developed in consultation with these agencies. Moreover, IPO-Pakistan signed an MOU with FBR for sharing IPR data to effectively control border violations through the system of recordation.

IPR Enforcement Coordination Committees are already working effectively at Karachi, Lahore and Islamabad. The establishment of regional IPR enforcement coordination committees in the 2nd phase has been done to enhance enforcement coordination at important cities i.e. Peshawar, Quetta, Gilgit, Multan, Sukkur, Faisalabad and Sialkot.

20.2.2 IPR Enforcement Data:

Year	FIA Raids against Piracy	Border measures by Pakistan Customs
2014-15	117	60
2015-16	177	64
2016-17	187	67

20.2.3 Enhanced Public Awareness Activities:-

IPO-Pakistan intensified the awareness campaign and during the year 2016-17, 105 activities all over the country were organized. It includes seminars, workshops, training sessions and consultative discussions in trade bodies, educational institutions, chambers of commerce and industry, bar associations, universities and R&D institutes.

IP Awareness Activities Data

S/No	Section Wise	IPO-Pakistan Head Office, Islamabad	IPO-Regional Office, Lahore	IPO-Pakistan Karachi Offices/Registry	Total
1	Academia	25	19	10	54
2	Chamber of	3	6	5	14

	Commerce				
3	R&D Institution	3	5	6	15
4	Other	7	7	9	23
	Total	38	37	30	105

20.2.4 TISC initiative

IPO-Pakistan during the year 2016 started working on the project of Technology and Innovation Support Center (TISC) in coordination with World Intellectual Property Organization (WIPO) and Higher Education Commission (HEC). TISC program provides innovators in developing countries with access to locally based, high quality technology information and related services. To initiate all the activities envisaged in the TISC project a Service Level Agreement (SLA) will be signed between WIPO and IPO-Pakistan. Necessary approval by the Federal Government has already been granted in this context and draft of SLA is forwarded to WIPO for formal signature. Under the TISC project patent wall will be established in selected 27 universities of Pakistan with the technical support of WIPO.

20.2.5 International Collaboration

IPO-Pakistan developed effective linkages with IP offices in the world i.e. State IP Office of China (SIPO) and the Turkish Patent Institute (TPI). This international coordination opens avenues for opportunity sharing and building strong ties with these countries to promote positive image of Pakistan. A high level Chinese delegation visited Pakistan and had a meeting with Minister for Commerce earlier this year. It was agreed to sign MoU between IPO-Pakistan and SIPO for mutual collaboration. IPO-Pakistan has signed an MOU with TPI in the year 2015.

20.2.5.1 Capacity Building

Coordination with World Intellectual Property Organization (WIPO), United States Patent and Trademarks Office (USPTO), Japan Patent Office (JPO), Korean IP Office (KIPO) etc. has been strengthened to build capacity of the technical staff. Total number of capacity building programs is 40 attended by officers/technical staff of IPO-Pakistan in different countries since July, 2016 after placement of IPO-Pakistan under Commerce Division.

20.3 Legislative Initiatives

20.3.1 Revision of Existing Laws

IPO-Pakistan started work to revise the following IP Laws to keep them in line with the Intellectual Property Organization of Pakistan Act, 2012 and modern trends at international level to protect IP rights:

- i. Patents Ordinance 2000 (amended in 2002 and 2006);
- ii. Trade Marks Ordinance 2001;
- iii. Copyright Ordinance 1962 (amended in 2000);
- iv. Registered Designs Ordinance, 2000.

In house exercise has been completed and consultation process with stakeholders will be shortly initiated in 2nd phase before submission of these laws to the parliament for amendments.

20.3.2 Drafting of New Laws

i. Enactment of Plant Breeders' Rights Law for Ensuring Food Security:

Plant Breeders Rights are specific type of Intellectual Property Rights granted to the breeders of new varieties of plants. To comply with the WTO/TRIPS Agreement, Government of Pakistan has already introduced several laws in the field of Intellectual Property namely patents, trademarks, copyright, Industrial Designs etc. Under the said Agreement Pakistan was also required to provide intellectual property rights to the breeders of new plant varieties. Plant Breeders' Rights Bill was pending in the Parliament for last few years. After a joint effort of IPO-Pakistan and Ministry of National Food Security and Research (MNFS&R) the Bill was finally passed with some amendments on 5th December, 2016 and became Act of the Parliament.

ii. Drafting Geographical Indications Law

One of the achievements of IPO-Pakistan after attachment with the Ministry of commerce is the drafting of GI Law. It is very important for the systematic arrangements for protection and commercialization of Geographical Indications by identification of GIs; development of databases; formation of right holders' Associations; establishment of certifying bodies; registration at national and international level; and commercialization of GIs as economic tools. Geographical Indications law has been drafted in consultation with stakeholders and forwarded to Ministry of Commerce.

iii. Drafting Utility Model Law

The Utility Model (UM) law is an important law to grant rights for small inventions. The initial work on UM law is completed by IPO-Pakistan. Once the draft is finalized it will be shared with the stakeholders for consultative sessions.

21. Trade Development Authority of Pakistan (TDAP), Karachi

After facing challenges on the export front for the last few years, Pakistan has now shown a robust recovery in exports during the first six months of 2017-18. Pakistan's exports during July-Dec 2017-18 were US\$ 11 billion, as compared to US\$ 9.8 billion in 2016-17, showing an increase of 11.2%. Exports of Textiles registered an increase 8% over the same period. Agro Food sector has also shown a healthy growth of 17.5% and went up to US\$ 443.9 million from US\$ 336.7 million during the same period. Exports of Mineral and Metals have also shown a substantial growth of 77.5%. Engineering Sector has registered a growth of 15.8%, over the period under reference.

Striving to increase Pakistan's exports, TDAP's has served as a platform for country's representation in around 140 international trade exhibitions across the world and 90 plus trade delegations to and from Pakistan. On the domestic front, the TDAP's annual trade fairs like "Expo Pakistan" and WEXNET continue to be the biggest platforms of their kind for the promotion of Pakistani businesses, especially women entrepreneurs.

TDAP organized the 10th edition of Expo Pakistan at the Karachi Expo Center (9th -12th November, 2017). It was a flagship trade event where 775 foreign buyers/ importers from 70 countries visited to participate in the event and 352 leading companies exhibited export products of the country.

European Union (EU), destination for 33% of all exports from Pakistan made a major change in their origin certification system for the GSP beneficiary countries during 2017. Under new regulations Pakistan was required to completely switch over to the Registered Exporters (REX) system by December 31, 2017. Pakistan's switch-over to the REX system was successfully completed by the due date and around 5,000 Pakistani exporters have already been registered under the REX system by TDAP. Out of the 36 countries required to switch to REX during 2017 only 6 (including Pakistan) were able complete the process by the due date. Successful switchover to REX will help Pakistani exporters to meet the requirements of EU authorities and buyers more effectively and efficiently.

In order to create a pool of trained exporters well versed with the art of exports, TDAP is launching a new program called "National Exporters Training Program" (NETP) in 2018 for Pakistani exporters to increase exports from Pakistan. The NETP will target both existing and potential exporters. It will aim at strengthening and developing individual entrepreneurs and small and medium-sized companies by providing them a broad yet comprehensive knowledge and skills base necessary to export and work in a variety of industrial sectors and functional areas of international trade. This program will focus upon SMEs and new exporters and second-tier cities of the country with a view to create a pool of exporters

who have detailed knowledge of exporting and are in a position to convert an export inquiry into export orders.

The Authority has developed its first online Pakistan Exporters' Directory accessible both through TDAP's website and direct search. It provides an extensive online database of Pakistani exporters to assist foreign buyers in sourcing their requirements from Pakistan. Exporters' data for the purpose has been extracted from Pakistan Customs records to ensure authenticity and credibility.

The TDAP has also been acting as a bridge in development of linkages between international organizations, overseas chambers and trade bodies, foreign trade promotional organizations, etc. and respective counterpart institutions in Pakistan. Such events have contributed to development of our institutions and exporters, in particular SMEs and enhancement of their knowledge about the dynamics of international markets and prevailing best practices in different fields.

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

Trade Development Authority has set up a vibrant Help Desk which provides information and assistance for finding new and established exporters on trade lead and marketing assistance. The TDAP has established "Export Facilitation Committees" for all potential export sectors with the basic purpose to get recommendations and inputs from the industry for facilitating export and finding regulatory and supply chain bottlenecks which hamper exports as well as to plan the way forward in export development in these sectors.

Based on the prevailing trends in Pakistan's exports over the first half of the year, a comfortable growth in Pakistan's exports for the next year can be easily set to reach a figure of around US\$ 24 billion. For translating this into reality, TDAP has drawn up an elaborate business plan for the year 2017-18, which will be further refined over the next year 2018-19 to address the issues being faced on the supply and demand sides of exports of the country.

22. Pakistan Institute of Trade and Development (PITAD), Islamabad

- i. Training wing, PITAD successfully conducted the written Test and interview for the employees of Ministry of Commerce for the selection officials for posting in Pakistani Embassies/Missions abroad in October, 2016.
- ii. A written test for 26 employees of Ministry of Commerce was successfully conducted the selection for posting in Pakistani Embassies/Missions abroad in March, 2017.
- iii. For the first time, an International Training course for 10 Afghan Commerce officers/business professionals was successfully organized under Pakistan Technical Assistant Program (PTAP) at PITAD from 2nd – 12th May, 2017.
- iv. PITAD conducts a comprehensive (9 months) specialized training course for newly inducted Commerce & Trade Group officers. The STP aims to equip the officers with the knowledge and skills necessary to manage international trade & commercial diplomacy. 24th Specialized Training Program for the probationary officers commenced w.e.f. 12th April, 2017 with 16 probationary officers of Commerce and Trade Group and would conclude on 31st December 2017. The probationary officers were sent on country study tour (CST) in Azad Jammu & Kashmir (AJK) for 04 days (5th – 8th July, 2017) and KPK for 05 days (1st – 5th August, 2017). The probationary officers during their local and country study tours till October, 2017 visited PANC, PSQCA, NICL, TDAP, TCP, Chambers, Industries and various other departments.
- v. The batch is also being offered a Chinese language course at PITAD (a session of two hours on daily basis).
- vi. PITAD has successfully conducted training workshop on PPRA Rules in September, 2017.
- vii. PITAD prepared and submitted Draft Memorandum of Understanding between PITAD & Central Asian Regional Economic Cooperation (CAREC) institutes to Ministry of Commerce.
- viii. A training module on GSP Plus for conducting training of officers of Kyrgyzstan was developed & submitted to Ministry of Commerce.
- ix. Research Wing of PITAD conducted various studies on different sectors/international market as per assignment of Ministry of Commerce as per requirement.

23. Directorate General of Trade Organizations (DGTO), Islamabad

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

The Trade Organizations law aims to ensure appropriate representation of all genders and business sectors at all level in trade organizations and that they play significant role in developing policy framework for improving business environment and economic growth. In order to materialize the objectives, the law defines the purposed, role, responsibilities and operational framework including code of corporate government for trade organizations. Licenses to trade organizations are granted for a period of five years, subject to the terms and conditions specified in the law for registration as a limited company with the Security & Exchange Commission of Pakistan (SECP). In pursuance of new Law, following licenses were granted during the period from 01-07-2016 to 30-06-2017.

23.1 Licences Renewed During 2016-17

Status of renewal of licenses of Trade Organizations during 01-07-2016 to 30-06-2017.

Sr. No.	Type of Trade Organization	Approved	Rejected	Under Process
1	Chamber of Commerce & Industry	10	-	06
2	Women Chambers of Commerce & Industry	1	-	1
3	Chambers of Small Traders and Small Industry	-	-	-
4	Associations	31	-	26
5	Associations of Small Traders	-	-	-
6	Town Associations	0	-	04
7	Joint Chamber of Commerce & Industry	0	-	-
Total Trade Organizations		42	-	37

23.2 New Licences Granted during 2016-17.

Status of licenses granted to new Trade Organizations during 01-07-2016 to 30-06-2017.

Sr. No.	Type of Trade Organization	Approved	Rejected	Under Process
1	Chamber of Commerce & Industry	11	2	9

2	Women Chambers of Commerce & Industry	4	-	3
3	Chambers of Small Traders and Small Industry	01	1	3
4	Associations	17	10	18
5	Associations of Small Traders	02	-	01
6	Town Associations	-	-	01
7	Joint Chamber of Commerce & Industry	01	01	0
Total Trade Organizations		36	14	35

In accordance with Trade Organizations Act, 2013 and Trade Organizations Rules, 2013, registered trade organizations are required to hold elections on annual basis. With regard to election related matters, the Regulator of Trade Organizations acts as final forum of appeal in disputes relating to eligibility of members, voters, nomination for Executive Committee members and Office Bearers. Furthermore, post-election complaints relating to irregularities and violation of relevant rules are also adjudicated by the Regulator of Trade Organizations. Members of trade organizations have a right of appeal against the decisions made by the Regulator of Trade Organizations. Such appeals are to be filed before the Federal Government i.e Secretary Commerce and respective High Courts.

24. Pakistan Tobacco Board (PTB), Peshawar

24.1 Overview

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

24.2 Export of Tobacco and Tobacco Products

Pakistan's tobacco is at present being exported to a number of countries such as Egypt, Malaysia, UAE, United Kingdom, Oman, Saudi Arabia Switzerland Indonesia Paraguay etc. Figures of tobacco exports/imports are given below:

(i) EXPORTS

Year	Quantity exported		Value realized		Total Value (M.US\$)	Total value in M.PKR
	Tobacco (M.Kgs)	Cigarettes (M.Kgs)	Tobacco (M.US\$)	Cigarettes (M.US\$)		
2015-16	6.313	0.0513	11.136	0.785	11.921	1239.7
2016-17	6.16	0.063	13.34	0.92	14.27	1527.7

(ii) IMPORTS

Q = Million Kg

V = Million Rs.

S. No.	YEAR	Tobacco		Cigar		Cigarettes		Total Value of Imports
		Q	V	Q	V	Q	V	
1	2014-15	1.46	1402.59	1.51	3.07	50.64	114.58	1520.24
2	2015-16	1.68	1326.06	1.82	3.82	57.23	133.15	1463.03

Source: -Federal Bureau of Statistics.

24.3 Activities during the Year 2016-17

S. No	Activities	Period	
01.	Preparation of R&D Plans.	October	November
02.	Soil, leaf analysis and recommendations	September	February
03.	Conducting meeting of Research Coordination Committee & Research Trials.	December	January
04.	Meetings with fertilizer & pesticides companies, Preparation of Annual Technical Report, holding of Workshops.	-do-	-do-
05.	Demonstration at farmer's fields regarding land preparation, ridge making & transplantation.	February	March
06.	Topping, De-suckering, Preparation and repair of barns.	May	June
07.	Harvesting and curing.	June	August
08.	Obtaining agronomic data and collection of samples for chemical analysis	-do-	-do-
09.	Grading, bailing and marketing of tobacco.	July	September

24.4 Achievements

- i. The research Laboratory at TRS Mardan was upgraded to a research complex by installing Atomic Absorption Spectro Photometer and Gas Chromatograph;
- ii. Improvement in farm yield from 2100 to 3700 KGs per hectare in the last five years;
- iii. 340 barns at grower's field were modified during the 2nd year of Barn Modification Project, to reduce cost of production of tobacco leaf during curing. A sufficient time saving of 24-30 hours has been reported by growers through adoption of modifications;
- iv. A tube well has been sunk along with Solar System at TMF, Buner to combat the likelihood of droughts to which tobacco crop is very sensitive;
- v. Survey of Cost of Production of Tobacco was conducted all over the country;
- vi. Fixation of Minimum Indicative Prices of Tobacco for 2017 crop;
- vii. Revision of terms & condition of Cess Contract of Khyber Pakhtunkhwa;

- viii. Recruitment of 15 BPS-17 officers and 34 BPS (01-04) staff, as per recruitment policy issued by Establishment Division, Islamabad;
- ix. Punjab province was divided into three regions for the purpose of auction of tobacco Cess collection rights. The three regions are as follows:
 - a) Punjab Region-I (Jampur/D.G Khan, Bahawalpur/Bahawalnagar and Mailsi/Vehari);
 - b) Punjab Region-II (Sahiwal/Pakpattan, Toba Tek Singh, Faisalabad/ Sheikhupura/ Nankana Sahib and Lahore/Kasur);
 - c) Hazro Area (Attock).
- x. Earlier Cess contracts for Punjab province were auctioned individually for each area.
- xi. Completion of Civil Work at Head Office, Peshawar;
- xii. Submission of Draft Cess Refund and Cess Collection Rules to Ministry of Commerce for approval.

25. Pakistan Institute of Fashion and Design (PIFD), Lahore

25.1 Vision

Pakistan Institute of Fashion and Design (PIFD) aims to be Specialist Design Institute, catering to the futuristic demands of the industry. Its goal is to provide a comprehensive design education which focuses on the relationship between the designed product and the consumer. It aims to be the platform from which individuals can pursue challenging career options in the field of design.

25.2 Mission

Pakistan Institute of Fashion and Design seeks to produce graduates who are able to combine design capability with manufacturing dexterity to create products that are functional and aesthetically beautiful as well as giving students the necessary management and marketing tools in order to promote these products in the markets around the world. PIFD endeavors to create a new generation of designers, entrepreneurs and highly skilled youth capable of coping with the demands of the new millennium.

25.3 Achievements

In the Year 2016, Pakistan Institute of Fashion and Design being a pioneer institute of its kind in Pakistan in the field of design, opened doors to new career paths for its graduates. Due to its wide industry linkages, PIFD is able to facilities its students in finding good brands and companies for successful careers as well as internships.

This year 166 students graduated from six different departments of PIFD, namely, Department of Fashion Design, Department of Fashion Marketing & Merchandising, Department of Textile Design, Department of Gems & Jewelry Design, Department of Furniture Design & Manufacture and the Department of Leather Accessories & Footwear.

Students and faculty had the opportunity to attend international trainings and workshops over the course of the year. They visited prestigious institutes including, Fashion Institute of Technology New York, Ecole Boule, Paris and Ecole de La Chambre Syndicale de la Couture Paris, France.

PIFD also invited foreign consultants for faculty training and curriculum development. Mr. Andrew Shenton was invited to train faculty and students of the Department of Furniture Design and Manufacture. Ms. Anke Gruendel and Mr. Ammar Belal, from Parsons, the New School of Design were the facilitators of the workshop ‘Design and research –an inquiry into Fashion as Space, body and Habits’. Ms. Giovanna Villani was invited to teach in the Department of Leather Accessories and Footwear. Ms. Gwendolyn Kulick from Wuppertal University, Industrial Design, Germany, conducted a workshop for students of Textile Design on ‘Idea Generation’. Professor Jonathan Kyle Farmer, the

Chair of MFA Fashion Design Graduate Programme at FIT, New York, conducted a workshop on 'Experience–Idea-Play-Focus-Edit-Conclude' for the faculty.

25.4 Linkages and Collaborations with Italian Institute and Organizations

To explore the possibility of collaboration with different eminent institutions of Italy, Prof. Hina Tayyaba Khalil, Vice Chancellor PIFD and Mr. Faseeh Saleem, Course Coordinator, Department of Textile Design, visited Italy from 16th to 21st October 2016. The meetings were very productive in the areas of fashion design, innovation and marketing. Collaboration may entail faculty / student exchange / placement programs, bilateral visits, technical assistance, curriculum development. They visited following Institutions:

- Politecnico Di Milano, Milan
- Milano Fashion Institute, Milan
- Accademia Del Lusso, Milan and Rome
- Istituto Europe Di Design SPA (IED), Rome
- AccademiaDi Belle Arti (Fine Art Academy) – Frosinone
- 'Gattinoni' Fashion House, Rome
- Accademia Costume e Moda, Rome

25.5 Exhibitions /Workshops / Training / Seminars:

- i. Pakistan Institute of Fashion and Design celebrated Pakistan's 69th Independence Day on 14th August 2016 with zeal and zest. The ceremony comprised hoisting of the national flag, national anthem and guard of honor. The Vice Chancellor, the Registrar, the faculty of all the departments and staff members participated in the ceremony and prayed for Pakistan's prosperity.
- ii. Swedish Ambassador, Ms. Ingrid Johansson visited PIFD on 23rd September, 2016.
- iii. Foundation Year Studies organized its Orientation Day for 286 newly enrolled students on 24th September 2016.
- iv. Laptop Distribution Ceremony Phase-II was held on 4th October, 2016. On this occasion Begum Zakiya Shahnawaz, Provincial Minister for Population Welfare, Environment Protection and Higher Education was the Chief Guest. Mr. Nazir Hussain, Director General Regional Center HEC Lahore, was the Guests of Honor.
- v. Honorable Pro-Chancellor of PIFD, Federal Minister of Commerce, Mr. Khurram Dastagir Khan, visited PIFD to see the work done by the distinctive graduates of PIFD. This proceeded by a meeting in which briefing was given to him on the academic and financial performance of the Institute and the matters related to the future plans of PIFD were discussed as well.

- vi. PIFD participated in Luxus Fashion Expo which was held on 12th November 2016 at Luxus Grand Hotel. PIFD stall showcased the work of the students from three different departments, Fashion Design, Textile Design and Furniture Design & Manufacture.
- vii. On 17th November 2016, a delegation from Austin, Texas visited PIFD for US-Pakistan Entrepreneurship Exchange Program. The discussion was about PIFD's curriculum and how to promote entrepreneurship within the emerging landscape of Pakistan.
- viii. Pakistan Institute of Fashion and Design participated in NAB's Painting and Poster competition on the International Corruption Day, 20th November 2016. A student from Foundation Year Studies Secured 1st position in it.
- ix. Thirty nine junior level foreign diplomats from thirty five friendly countries visited PIFD on 9th December, 2016, as part of their training at the Foreign Service Academy, which is the training arm of the Ministry of Foreign Affairs.
- x. 'Indigenous on Campus Training (IOT)' under HEC was held at PIFD campus from 22nd December – 24th December 2016 for the staff and faculty. Thirty five members participated in this training.
- xi. Two students of semester eight, Ms. Mehreen Anwer Ali and Ms. Samra Farman from the Department of Fashion Design received Lux Style Award Scholarship 2016 worth Rs.100,000 on the basis of maintaining highest CGPA.
- xii. The collection of four Fashion Design graduates, Mr. Ghulam Dastagir, Ms. Hira Ali, Ms. Unza Khalid and Ms. Saiqa Raheem was presented at Bank Al-Falah Rising Talent segment of 9th PFDC Sunsilk Fashion Week held at the Expo Center Lahore. Mr. Ghulam Dastagir won "Bank Al-Falah Rising Talent Award".

26. Pakistan Horticulture Development & Export Company (PHDEC), Lahore

26.1 Overview

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

26.2 Main Objective

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

26.3 Major Functions

- To encourage, facilitate and pass training to the growers “to grow for export”
- Improvement of supply chain system including establishment of modern infrastructure
- Capacity building of stakeholders in value chain of horticulture products
- Facilitating adoption of international standards and certifications for compliance with import requirements of the importing countries.
- Information dissemination on international compliances on food quality and safety
- Promoting/facilitating investment in horticulture processing, infrastructure and other areas.
- To promote export of horticulture products by:
 - Setting up market intelligence services
 - Establishing linkages with international marketing companies
 - Organizing exporter’s delegations and their participation in International Exhibitions relating to horticultural products
 - Promotional activities for Pakistani horticultural products.

26.4 Performance/Activities during 2016-17

26.4.1 Supply Side Interventions

- i. Arranged mango consignment for Commercial Wing, Embassy of Pakistan, Italy for promotional event in the Embassy.
- ii. Interaction with all stakeholders, trade sections/embassies, exporters, growers and relevant academia regarding Branding and Marketing of horticulture products.
- iii. Facilitation to citrus pack houses by way of knowledge sharing and capacity building in food safety management systems, Global GAP, quality production/processing and implementation of export procedures.

- iv. Visits to different citrus production farms and field demonstration plots for information sharing and provision of guidance regarding IPM for upcoming crop and Global GAP certification.

26.4.2 Marketing Activities

- i. Networking with Pakistan Embassy, Jeddah, Saudi Arabia for information material for Citrus Show to be held in January, 2017.
- ii. Attended various trade delegates/visitors from Bangladesh, UAE, Saudi Arabia and linked them with different processors and exporters of kinnow.

26.4.3 Capacity Building

- i. Carried out training of agriculture graduates from Muhammad Nawaz Sharif University on canopy management and other IPM practices of citrus orchards, at Manhes Agriculture Farm, Vehari

26.4.4 Improving Corporate Governance

- i. Completion of pending regulatory compliances e.g. finalization of audit of accounts for the years 2012-13 to 2015-16 and submission of the same to SECP.
- ii. Holding of overdue First to Seven Annual General Meetings of the Company in Lahore on March 16, 2017 and furnishing of necessary returns to SECP.
- iii. Holding of three Board meetings of the Company during the year
- iv. Renewal of Company's Licence under section 42 of Companies Act 2017, earlier cancelled by the SECP due to regulatory non-compliances

26.4.5 Other activities

- i. Preparation of EOIs documents, Notification of Committees and Preparation of advertisement for feasibility studies of Dry Port Sargodha and Fruits Packing & Processing Centre, Quetta.
- ii. Coordination/follow-up with provincial Agriculture Marketing Departments, Balochistan and Khyber Pakhtunkhwa for holding Board meetings of EDF funded projects and pushing for accelerating the physical progress to start operations.

26.4.6 Future Outlook

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

financial resources to the Company for development activities. The Company was provided Rs.500 million by the Government for PHDEC Endowment Fund on June 30, 2017. The appointment of a permanent CEO is still under process.

The Company has prepared a development plan for the year 2017-18, according to which it will focus its activities on four major products – Kinnow, Mango, Potato and Onion. The Board of Directors of the Company, in its recent meeting, has also approved development plan, budget for development and operational requirements, along-with its organizational set-up for next 2-3 years. The Company has initiated the process for phase-wise strengthening of human resource and the Ministry of Commerce has been requested to arrange funds from EDF in order to enable the Company to initiate its development activities for benefit of the stakeholders of horticulture sector.

27. Pakistan Expo Centres (Private) Limited, Lahore

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

27.1 Enhancement in Mandate of the Company

The company as Expo Lahore (Private) Limited demonstrated great success in the development and operations of its first project Expo Centre Lahore on a self-sustaining model. The Company provides continuous support for preparing feasibilities and PC-1 documents for developing Expo Centres in other major cities of Pakistan. On the basis of such success, expertise and contribution made by Expo Lahore (Private) Limited for the development of expo centres in other major cities in Pakistan; the Ministry of Commerce, Government of Pakistan enhanced the role of Expo Lahore (Private) Limited country wide. As per the enhanced role the name of the Company has been changed from Expo Lahore (Private) Limited to Pakistan Expo Centres (Private) Limited on July 20, 2016.

27.2 Progress in Development Activities

On January 25, 2017, Pakistan Expo Centre (Private) Limited acquired the expo land from Government of KP and immediately after this acquisition, the development work on the project of Expo Centre Peshawar has been started. During this financial year 2016-17, the original allocation was Rs.300 Million for Expo Centre Peshawar, however on the request of Pakistan Expo Centre (Private) Limited, Ministry of Commerce requested the planning commission to re-appropriate Rs.300 Million of Expo Centre Islamabad to Expo Centre Peshawar instead of surrendering. It is a matter of satisfaction that funds allocated to Pakistan Expo Centres (Private) Limited have never been surrendered by the company.

On May 24, 2017, as per the approval of Board of Directors and Ministry of Commerce, Pakistan Expo Centres (Private) Limited successfully organized the Ground Breaking Ceremony of Expo Centre Peshawar. Federal Minister for Commerce and Chief Minister of Khyber Pakhtunkhwa Jointly performed the Ground Breaking Ceremony and addressed the august gathering on the occasion. The progress on the development works of the project are in line with approved cash plan and work plan.

27.3 Operational Activities

Regarding Operations of the Company, in the last seven years 310 events have been held at Expo Centre Lahore which includes 171 Exhibitions and 139 Other Corporate Events. The events at Expo Centre Lahore include B to B and B to C exhibitions of the following major sectors of economy:

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

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

It is pertinent to mention that Expo Centre Lahore is meeting its operational cost from its operational income from day one and is not getting any financial support from Government. Forty five 45 events were held during the financial year 2016-17.