

PROPOSALS ARE INVITED FOR IMPROVING COMPETITIVENESS AND PROTECTION LEVELS OF THE DOMESTIC INDUSTRY AND ENHANCING MARKET ACCESS

A Domestic Commerce Wing has been set up in the Ministry of Commerce to streamline the domestic trade and industry to make it competitive and viable in the domestic markets so that it not only caters for the domestic demand but also produces sophisticated and qualitative export surplus.

2. The Ministry of Commerce has in this regard got conducted the following ten studies, which recommend certain measures:

- i. Competitiveness,
- ii. Protection,
- iii. Subsidies and Incentive Regimes,
- iv. Retail Markets,
- v. Wholesale Markets,
- vi. Storage and Warehousing,
- vii. Real Estate,
- viii. Transport,
- ix. Domestic Commerce Survey, and
- x. The State of Market Regulation in Pakistan

3. The domestic trade and industry is being adversely affected by the global economic crises. The Ministry is of the considered view that the threats and challenges of global economic crises can only be met by taking the following measures:

- i) Increased competitiveness of the domestic industry, in consideration of GATT/WTO Regime, both domestically and in the international markets.
- ii) Review of “Market Access” and “Tariff Bindings” position of domestically produced goods in the international markets on multilateral, plurilateral and

bilateral basis considering:

- a) New tariff protection policies of Pakistan's trading partners and such other measures taken by them to counter the impact of global economic crises on their respective economies,**
- b) Identification of new markets and new products for exports,**
- c) Development of criteria for selecting new products and new markets.**

4. The following product and target market criterion needs to be kept in mind while considering market access proposals / measures:

i) Product Criteria

- a) Capacity and capability of the industry to produce competitive goods for the international markets;**
- b) The ability to supply goods that conform to the provisions of WTO Agreements on SPS (Sanitary and Phytosanitary Measures) and TBT (Technical Barriers to Trade);**
- c) Indigenous availability of raw material as per the necessary standard and specifications required to produce the product;**
- d) Dependence of the production on foreign raw materials;**
- e) Availability of requisite skills to produce the product;**
- f) Availability of financial resources;**

- g) Measuring the electricity input cost in the manufacturing process so that preference could be given to seeking market access for products with less electricity input;**
- h) The ability to produce more value added and sophisticated products;**
- i) The ability of the industry to sell the product in the international market without unnecessary governmental assistance;**
- j) Ranking of the product in world exports;**
- k) Capacity for logistic, storage and warehousing.**

ii) Target Market Criteria

Some of the indicators in this regard on the basis of which required market access could be based are:

- a) The size of the economy (GDP) of the target market;**
- b) The Purchasing Power Parity (PPP);**
- c) The per capita income;**
- d) World ranking in imports of the products in question;**
- e) Country / region's major manufacturing industry in case of export of raw materials;**
- f) Market size of the product;**
- g) Income spending on the products in question in the target country or market;**
- h) Trade remedy laws, regulatory burden, tariff protection levels and**

non tariff barriers in the importing country;

- i) Logistic ease and geographical location from Pakistan and from other countries in close competition;**
- j) Identification of the affects of FTA with other countries of the target market on Pakistani products.**

5. Formulation and announcement of short and long term tariff / protection policy considering the following aspects:

- (i) Efficient resource allocation towards the establishment of industries mentioned below:**

Sr. No.	Industry
i)	Export oriented industry
ii)	High value added/ Sophisticated products
iii)	Labour intensive industries
iv)	Large scale industries to achieve economies of scale
v)	Import substitution
vi)	Industry based on indigenous natural resources.

- ii) Increased international competitiveness,**
- iii) Optimization of the existing installed industrial capacity,**
- iv) A restructured tariff regime which can immediately influence investment decisions and cause resources to flow in the desired direction for establishment of intended industrial sectors,**

- v) **Reduction of taxation at investment stage to reduce the cost of doing business,**
- vi) **Rationalization of the tariff protection regime.**

6. The stakeholders and the domestic industry are requested to forward their specific proposals and requests to the Domestic Commerce Wing, Ministry of Commerce on measures required for their respective industrial sectors for:

- i) **Increasing competitive of the domestic industry,**
- ii) **Grant of adequate level of tariff protection / assistance for achieving the aspects mention in para 5 above and announcement in the long term tariff policy, and**
- iii) **Increased market access for indigenous production in foreign markets.**

7. Registered firms, associations or trade bodies can send their specific proposals and requests along with (i) the PCT Nos. and the description of their products and bye products being manufactured or exported, and (ii) complete name and address of business, name of the contact person, telephone and fax numbers and e-mail address etc.

8. The proposals should reach the Domestic Commerce Wing, Ministry of Commerce by 30th April 2009 for

incorporation in the fiscal budget for 2009-10 and the Trade Policy for 2010 at the following address:

Domestic Commerce Advisor

**Domestic Commerce Wing,
Ministry of Commerce,
Government of Pakistan
Room No.324, 'A' Block,
Pak Secretariat, Islamabad.
E-mail: advisor.dc@commerce.gov.pk
Phone: 051-9214175
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STUDY ON THE STATE OF DOMESTIC COMMERCE IN PAKISTAN (DOWNLOADS):

- i.** [Competitiveness](#)
- ii.** [Protection](#)
- iii.** [Subsidies and Incentive Regimes](#)
- iv.** [Retail Markets](#)
- v.** [Wholesale Markets](#)
- vi.** [Storage and Warehousing](#)
- vii.** [Real Estate](#)
- viii.** [Transport](#)
- ix.** [Domestic Commerce Survey](#)
- x.** [The State of Market Regulation in Pakistan](#)