January 2016

NEWS COVERAGE PERIOD JANUARY 25TH TO JANUARY 31ST, 2016

TPP TO RAISE US ANNUAL INCOMES BY $131BN

Dawn, January 26th, 2016

WASHINGTON: The Trans-Pacific Partnership (TPP) trade deal would raise US incomes by $131 billion annually after 2030, and a one-year delay in its implementation would cost $77bn in lost income, a think-tank study showed on Monday.

The Peterson Institute for International Economics said its analysis of the TPP deal reached in October between the United States and 11 other Pacific Rim countries found that it would boost US exports by $357bn annually, and by $1.025 trillion annually for all TPP countries together.

Annual incomes for the 12 TPP countries would be $465bn higher after full implementation in 2030 and $492bn higher for the whole world, Peterson said.

The study from the Washington-based, pro-trade economic policy group took a neutral stance on overall job effects, however, using a forecasting model that assumed no net change in employment directly resulting from the pact — only shifts in allocations of jobs.

It did show that there would be some 53,700 US jobs that would "churn" annually during TPP's 15-year implementation period, resulting in job losses in some sectors offset by gains in others.

It estimates that by 2030, some 796,000 jobs will have been added in US export activities due to TPP, with some of these shifted from firms facing stiffer import competition.

"The present analysis does indicate that the benefits of the TPP to the US economy will greatly outweigh adjustment costs, and that economy-wide price and employment consequences will be limited," Peterson said in the report.

Republican leaders in the US Congress have yet to schedule a vote on TPP, which is viewed as essential to the pact's success. Some prominent lawmakers have cautioned against trying to approve it before the 2016 US presidential election in November.

Many TPP opponents in Congress have raised concerns about the trade deal's effects on existing US manufacturing plants, particularly in industries that are vulnerable to low-cost imports, such as auto parts, steel and apparel.

While the Peterson study estimated that overall employment in manufacturing would continue to grow in the United States, TPP would reduce that growth rate by one-fifth, resulting in 121,000 fewer manufacturing jobs in 2030 than without the pact.

US Trade Representative Michael Froman said in a statement that the Peterson study "shows that TPP will raise wages for American workers, grow our economy, and help farmers and businesses export more 'Made in America' products."

The study assumes that implementation of TPP would start in 2017. If this were delayed by one year to 2018, it would reduce the present value of the increased US income generated by the trade deal by around $77bn, with a possible range of $59bn to $115bn.

http://www.dawn.com/news/1235384

PAK-TURKEY: FREE TRADE NEEDED TO BOOST BILATERAL RELATIONS

The Express Tribune, January 26th, 2016.

KARACHI:Pakistan and Turkey need to sign a free trade agreement (FTA) to boost existing trade ties between the two countries, a Turkish business delegation said on Monday.

“Turkish companies want to enhance business with Pakistan by holding business-to-business (B2B) meetings and seek ways to do business together,” Electrical Electronics and Services Exporters Association (EESEA) Vice President Dr Guven Uckan said at the Karachi Chamber of Commerce and Industry (KCCI).

“We want to do business by undertaking joint ventures either in your country or in our country and we are looking forward to sharing technology with Pakistan,” a statement quoted him as saying.

Uckan, who led the delegation, hoped that the FTA, which was being negotiated, would soon be inked, which would surely create a win-win situation for business communities of the two countries.

The delegation consisted of EESEA Vice President Mehmet Kavakhoglu and EESEA members of the managing board Atilla Eren and Hakan Ozturk. Commercial Attaché of the Consulate General of Turkey Murat Mustu also accompanied them.

Speaking on the occasion, Murat Mustu pointed out that it was the second delegation that came to Karachi as a team of the Jewellers Association of Turkey had visited the city last year which succeeded in building good business relations with their counterparts in Pakistan.

Commenting on the production of electrical appliances and machinery in Turkey, Mustu particularly mentioned the high-quality textile machinery, which was also being exported to the European Union.

These products were much better compared to the similar machinery being produced by China, he claimed, adding the machinery and electrical equipment could also be exported to Pakistan but customs duty rates were a bit high, which could only be reduced by signing the FTA.

KCCI President Younus Muhammad Bashir said it was heartening to note that numerous delegations representing various sectors of the Turkish economy had been visiting the KCCI from time to time to look for opportunities of enhancing trade and investment.

He pointed out that Pakistan was a major importer of electrical and electronic goods from around the world and the demand for such products was growing. “In fact, the home appliances business is thriving and key market players expect consumer demand to surge.”

Pakistan and Turkey have the trade volume well below the potential as Pakistan exported commodities worth $322.60 million and imported commodities valuing $238.45 million during 2014-15, showing a trade balance of $84.15 million in its favour.

http://tribune.com.pk/story/1034139/pak-turkey-free-trade-needed-to-boost-bilateral-relations/

SPAIN EXPECTS BILATERAL TRADE TO TOUCH $1B THIS YEAR
The Express Tribune, January 28th, 2016.

Peer Muhammad

ISLAMABAD: Spain has expressed hope that bilateral trade with Pakistan will reach $1 billion this year as it sees a significant potential in both countries to improve economic ties.

Speaking at a meeting with the business community at the Islamabad Chamber of Commerce and Industry (ICCI) on Wednesday, Spanish Ambassador Carlos Morales noted that Spain was the seventh largest trading partner of Pakistan in the European Union and it wanted to further promote bilateral trade.

He said trade between Pakistan and Spain was on the rise, especially after the grant of European Union's GSP Plus status to Pakistan, and it improved 43% in 2014 and 25% in 2015.

Morales highlighted that Pakistan had all the positive things including a young population, a big consumer market as well as natural resources to attract foreign investors but a biased and wrong perception of the country in the world was a major hurdle to realising its full economic potential.

He said about 500 Spanish companies were doing business in the United Arab Emirates and many were showing interest in Iran and India. Pakistani business community, he added, should also reach out to the outside world to show the potential of their products that would help in attracting more investment and promoting trade.

He called the $46 billion China-Pakistan Economic Corridor a highly positive development as it had generated a lot of interest among foreign investors encouraging them to look at Pakistan with more interest.

He suggested that both countries should focus on diversification to improve trade and identified IT as a potential area for mutual cooperation. He asked the ICCI to take a sector-specific business delegation to Spain and assured the chamber of cooperation from the Spanish embassy.

ICCI President Atif Ikram Sheikh stressed that dedicated efforts were required from both sides to enhance the two-way trade.

Pakistan's major exports to Spain were textile products while its imports included all sorts of machinery and parts, chemical material and products, iron and steel.

This showed that bilateral trade was restricted to a few items and other areas needed to be focused on to push commerce between the two sides, he said.

http://tribune.com.pk/story/1035334/anticipation-spain-expects-bilateral-trade-to-touch-1b-this-year/

NEWS COVERAGE PERIOD JANUARY 18TH TO JANUARY 24TH, 2016
PAK-CHINA BUSINESS CONFERENCE BEGINS TODAY
Dawn, January 18th, 2016

ISLAMABAD: A five-day Pakistan-China Business Friendship Conference will start here on Monday.
About 100 Chinese delegates will attend the conference in which prominent Pakistani businesspersons, traders and executives of Chinese companies working in Pakistan will participate.

The conference is being organised by the Ministry of Commerce in collaboration with the Board of Investment and Trade Development Authority of Pakistan (TDAP).

Federal Minister for Commerce Khurram Dastgir Khan, Minister for Planning, Development and Reforms Ahsan Iqbal and Ambassador of China to Pakistan Sun Weidong will inaugurate the conference.

The first leg of the conference will be held in Islamabad on Jan 18 and 19 from where the delegates would travel to Lahore for a day where business-to-business sessions with prominent CEOs and senior executives of top companies headquartered in Punjab will be organised by the Lahore Chambers of Commerce and Industry.

The government of Punjab will arrange field visits for the delegations to major industrial areas.

At the last leg of the visit, the delegation would proceed to Karachi, where Pakistan Business Council, with the support of government of Sindh and TDAP, would host events, including business-to-business sessions with top Karachi-based businesspeople, on Jan 21 and 22.

The Chinese delegates will explore trade and investment opportunities in energy, infrastructure, textiles, agriculture, renewable energy, privatisation, engineering, information and communication technologies and mining sectors.

http://www.dawn.com/news/1233743

MISSING GI LINK IN EXPORTS
Dawn, Business & Finance weekly, January 18th, 2016
MUBARAK ZEB KHAN
ISLAMABAD has failed to enact a Geographical Indications law for protecting ownership rights of commodities that have a Pakistan-specific geographical origin and are distinguishable by their quality, reputation, or other distinct characteristics.

The GIs' use promotes commerce by informing the customer of a product's origin. Often this may imply a certain quality, which the customer may be looking for. GIs can be used for industrial and agricultural products. The law can help improve visibility of several Pakistani export items on the world markets.

A GI draft law is lying with the government for the last 15 years awaiting finalisation. The draft is still to be vetted by the Ministry of Law. It is said that the Intellectual Property Organisation (IPO) has been sitting on it.

The State Bank of Pakistan in its annual report 2014-15 has stressed early enactment of the law to promote exports.Various ministries are just exchanging files while other countries are using Pakistani GIs for their commercial benefits.

The TRIPs Agreement (Trade Related Aspect of Intellectual Property Rights) of the World Trade Organisation came into force in 1995. Pakistan was supposed to comply with the TRIPs standards with respect to GIs by January 1, 2000.

The GI law would enable Pakistan to avail the zero duty regime on basmati rice exports to the European Union market. In 2001, an ordinance on Geographical Indications of Goods (Registration and Protection) was drafted, but it was not implemented.

Legal experts then termed the draft 'vague and ambiguous'. Since then the proposed move was put on back burner. Rice exporters also did not pursue the matter aggressively.

Commerce Minister Khurram Dastgir Khan some months ago ordered his ministry to take up the issue with the IPO, but no progress has so far been reported.
Like several other organisations, the IPO also falls administratively under the Cabinet Division. Analysts suggest that the IPO should be put under the ambit of a technical ministry to improve its capability and performance.
IPO officials say Pakistan registers GIs under certification marks within the ambit of the trademark law. Moreover, they believe that Pakistan is incapable of implementing registration of products under GIs law and should stay on the certification mark route.

But legal experts differ: a GI is not the same as a certification mark. A GI is always attached to specific land and thus bestows significant premiums, for instance, Champagne wine from Champagne in France.

There are so many products in Pakistan with geographical indications. They include basmati rice, Sindhri mango, Shikarpuri pickles, Qasuri methi, Bannu spices, Chinniot furniture, Sialkot's footballs, Multani halva, Hala ki ajrak, Sargodha's kinno, Chaunsa mango; wild mushrooms of Swat, Neeli Ravi buffalo and Chaman grapes etc.

Pakistan has challenged New Delhi's move to secure exclusive right to 'Basmati' brand name, but has done nothing to establish its claim on it as producer of 'Super Basmati'.

The issue is not confined to basmati rice. India has also accorded IP protection to at least two varieties of mangoes which are homonymous to indigenous Pakistani varieties — 'Fazli Mango' of West Bengal and 'Dussehri Mango' of Uttar Pardesh.

Similarly, a citrus fruit — 'kinno' — exclusively produced in Pakistan is now being grown and exported by other countries as Pakistan has no GI law for the protection of its exclusive right.

The GI law would enable Pakistan to file applications to protect its various GIs in such countries.

To avoid monopolies and conflict of interests in registration of GIs, the government needs to look at practices in other countries.

For example, in India, multi-interest boards for each product are established. To protect the interests of Darjeeling tea growers, an India tea board was established. The board is tasked to develop markets for other varieties of tea, and protection of rights of tea growers that fall under its geographical indication.
Such boards can be set up in Pakistan representing all stakeholders and can help to resolve conflicting interest.

With consumers in export markets getting more conscious of identity and quality of products, Pakistan needs to move on with IP legislation and create niche markets for its GI products, particularly for fruits and vegetables.

http://www.dawn.com/news/1233702/missing-gi-link-in-exports

PAKISTAN EYES FREE TRADE PACT WITH IRAN
Dawn, January 20th, 2016

ISLAMABAD: Pakistan has decided to initiate a free trade agreement (FTA) with Iran in the wake of lifting of sanctions on Tehran.

In a meeting with the newly-appointed Ambassador of Iran to Pakistan Mehdi Honardoost on Tuesday, Commerce Minister Khurram Dasatgir Khan said Pakistan was interested in negotiating an agreement with Iran.

"The draft of the FTA template will be forwarded to the Iranian authorities concerned as soon as they express their willingness," the minister added.

He said the lifting of sanctions has provided Pakistan with a historic opportunity to raise mutual trade and investment as leaders of the two nations envisioned in a 2014 meeting.

The next logical step after a preferential trade agreement is an FTA and Pakistan couldn't find a better time to initiate negotiations on a new trade agreement, he opined.
"New circumstances merit new agreements and enhanced cooperation for the mutual benefit of the two neighbours," he added. The banking sectors of the two countries will establish active linkages within weeks to facilitate traders to channel their payments, the minister said.
"In the past few years, lack of recognised and trustable payment mechanism through banks proved to be the single largest factor hindering bilateral trade," he added.

Bilateral trade with Iran, which was nearing $1 billion, fell drastically as a result of sanctions and the unwillingness of banks to finance trade.

"The last hurdle in resuming smooth trade relations between the two countries has been removed, providing an opportunity to implement the projects which have been in limbo for the last few years," the minister opined.

“Pakistan wants more predictability in tariffs on agricultural produce and products from Iran. Iranian duties on agriculture fluctuate widely depending upon the time of harvest ranging from on-seasonal highs to off-seasonal lows. The two sides need to agree on sanitary and phyto-sanitary standards as this proves an unwanted barrier in bilateral trade,” the minister informed the Iranian ambassador.

He hoped the conclusion of an FTA between Pakistan and Iran and inclusion of Iran back into the world trading system would bring more predictability and clarity and the seasonal shifts in duties and trading pattern would give way to surer trading regime.

The commerce minister informed that Pakistan has plans to construct three border posts along the Pakistan-Iran border on modern lines to facilitate the land trade.

“These posts will be linked through a single road which would be further connected with the main arteries leading north,” he explained.

Ambassador Honardoost showed his government’s resolve to reactivate trade relations after the removal of sanctions, in particular with neighbouring countries.

http://www.dawn.com/news/1234061
BIG POTENTIAL EXISTS FOR FRESH FOOD EXPORTS TO IRAN
The Express Tribune, January 22nd, 2016.

KARACHI: Pakistan can easily increase its fruit and vegetable exports to Iran up to $80 million by establishing banking channels with Tehran, said All Pakistan Fruit and Vegetable Exporters, Importers and Merchants Association (PFVA) on Thursday.

“There is immense potential for export of fresh food products to Iran and Pakistan should immediately send a delegation there,” suggested PFVA Chairman Waheed Ahmed in a press release.

oximity, Iran is an ideal market for fresh food items,” he said.

Ahmed said there were many rival fresh food exporting countries that were trying to tap the Iranian market after the lifting of international sanctions. “We urge the government to take immediate measures.”

According to Ahmed, Pakistan could export a huge quantity of meat, rice, oranges, mangoes and guava pulp to Iran.

At present, due to tough regulatory standards and economic slowdown in Europe, Pakistan’s fruit and vegetable exports have come under severe pressure.

Even in Iran, there will be issues of regulatory duties and quarantine rules that Pakistani exporters will have to face.

“Pakistan can tap into this ripe market only if the government takes up and resolves these matters with the Iranian authorities at the earliest,” remarked Ahmed.

http://tribune.com.pk/story/1031973/trade-with-neighbour-big-potential-exists-for-fresh-food-exports-to-iran/
AWARENESS: TDAP ORGANISES SEMINAR FOR FRUIT GROWERS
The Express Tribune, January 22nd, 2016.

ISLAMABAD: The Trade Development Authority of Pakistan’s (TDAP) sub regional office Sukkur arranged a seminar, where it advised growers of export potential fruits to enhance their produce and improve quality for international markets.

The fruit growers and exporters of strawberry, banana, guava and fresh dates were apprised on how to enhance production of these fruits by using modern methods and international standards to earn foreign exchange. Sukkur Chamber of Commerce and Industry President Aamir Ghouri said such kind of seminars should be organised frequently to benefit export traders. He also proposed that TDAP may organise exhibitions in this area and may invite foreign buyers in these exhibitions. Agriculture Extension Director Allah Warayo Rind discussed cultivation of strawberry and grievances of its growers and stressed for using proper methods.

http://tribune.com.pk/story/1031990/awareness-tdap-organises-seminar-for-fruit-growers/\

NEWS COVERAGE PERIOD JANUARY 11TH TO JANUARY 17TH, 2016
FREE TRADE AGREEMENT WITH THAILAND MAY NOT BENEFIT PAKISTAN
The Express Tribune, January 15th, 2016.

LAHORE: Experts have urged the government to complete its homework before engaging into the Free Trade Agreement (FTA) with Thailand as, historically, FTAs have failed to usher favourable terms for Pakistan's exports.

Several high potential export items received no concessions under the FTAs with China, Malaysia and Indonesia, prompting officials to question the agreements.

A study conducted by the Pakistan Business Council reveals that Pakistan's top 50 high potential export items represent a total trade potential of $2.8 billion for the Thailand market. It is another matter, study noted, that the potential was not exploited by Pakistan's exporters as about 38% of these high potential items are already tariff exempted by Thailand. Therefore, in practice, the FTA may not bring much benefit to Pakistan.

The study shows that following the FTA, Pakistan's imports from Thailand will be elevated to $1.71 billion whereas Pakistan exports will increase to a paltry $160 million, pushing the trade deficit to $1.54 billion. Pakistan's export to Thailand without FTA have hovered around $109-118 million in the last four years.

Industry experts stressed that the National Tariff Commission (NTC) lacks the institutional capacity to fulfil its myriad responsibilities, such as setting safeguard measures, performing trade research and tariff rationalisation, and therefore it will be unable to address issues pertaining to the Pakistan-Thailand FTA.

Under the simulation study conducted by PBC, Pakistan's highest growth items are apparel and home textile articles but their actual export value will only grow from current $1.4 million to $6.1 million.

The study further reveals that Thailand's high potential exports to Pakistan are not capital goods, but consumer goods, making the potential trade deficit that will come about after the FTA harder to justify. It may impact the domestic consumer industry more severely the study warned.

They said that signing a FTA as such is not a bad idea if the Pakistani planners negotiate it prudently. However, historically, it seems that either they have failed to ask for concessions or did not press the matter hard enough. This is evident from their failure to secure concession in high potential exports from Malaysia, China and Indonesia, where other countries have either gotten zero or very low duties.

http://tribune.com.pk/story/1027689/fta-with-thailand-may-not-benefit-pakistan/

PM URGES US TO GIVE PREFERENTIAL ACCESS TO PAKISTANI GOODS
Dawn, January 15th, 2016
ISLAMABAD: Prime Minister Nawaz Sharif said on Thursday that the China-Pakistan Economic Corridor project would spur regional economic integration and bring about prosperity in the region.

Addressing a delegation of the US-Pakistan Business Council at the PM House, he said the project was a sign of growing confidence in Pakistan's economy and its future potential.

Pakistan's robust macroeconomic indicators speak for themselves. "Having suffered the ravages of terrorism for years, we, as a nation, have decided to put an end to it, whatever the cost. Our comprehensive counter-terrorism operation, Zarb-i-Azb, is yielding encouraging results. The year 2015 witnessed the lowest number of terror attacks since 2007. We will make every effort that this trend continues to its logical conclusion," he said.

He asked the council to play its role in urging US lawmakers to give importance to providing preferential market access to Pakistani goods.

He expressed the confidence that the council would continue to share with the larger US business community positive experiences of doing business with and investing in Pakistan.

Pakistan is among the few places in the world which offer the promise of resources, geography and people, all at the same time. "Increasing urbanisation, favourable demographics, a growing middle class and economically empowered women and youths are some of the key drivers of growth."

The prime minister said Pakistan had one of the most attractive investment regimes in the world, which allowed foreign investors 100 per cent repatriation of profits and easy convertibility into foreign exchange.

"We believe that a vibrant private sector is essential to a government's ability to provide the best possible services to its citizens. My government is committed to providing an enabling environment, sustained by institutional structures that facilitate and allow the private sector to flourish."
Mr Sharif said the US remained one of the most important economic and trading partners of Pakistan. "Leading US companies have invested billions of dollars in Pakistan and are making healthy profits."
The 14-member delegation included Chairman of the US-Pakistan Business Council, Miles Young, and Vice Chairman Mehmood Khan. US Ambassador to Pakistan David Hale was also present.

Mr Sharif said the US Chamber of Commerce epitomised American enterprise and dynamism. Through the US-Pakistan Business Council, the chamber has been a close and trusted partner of Pakistan and has made commendable efforts to promote business-to-business collaboration between the two countries.

He thanked Mr Young and his team for their efforts in this regard and expressed the confidence that the visit would go a long way in opening up new avenues for trade and investment between Pakistan and the US.
http://www.dawn.com/news/1233087

BILATERAL TIES: UZBEKISTAN INTERESTED TO REVAMP TRADE
The Express Tribune, January 14th, 2016.

ISLAMABAD: Uzbekistan has expressed interest in enhancing bilateral trade with Pakistan, saying that both countries have potential to promote trade relations in multiple sectors.

Ambassador of Uzbekistan Furkat A Sidikov visited the Islamabad Chamber of Commerce and Industry (ICCI) and interacted with the local business community. "Both countries have been enjoying good political relations for long, it is now time to strengthen bilateral trade and economic relations to achieve mutually beneficial results," said Sidikov.

"Uzbekistan is manufacturing high quality tractors, agriculture machinery, heavy duty trucks and buses; Pakistani entrepreneurs should explore possibilities of importing these products from Uzbekistan as they would help improve agriculture productivity and transport facilities in the country," he added.

He further said Uzbekistan was an energy-rich country that exported its surplus power to Russia, China and Afghanistan. "Our country is ready to cooperate with Pakistan to overcome the energy crisis."

Commenting on current trade figures, Sidikov said lack of direct connectivity and information about business prospects was the major reason behind low trade volume between the two countries and added that direct flights will soon begin between Lahore and Tashkent from March this year.

Speaking on the occasion, ICCI President Atif Ikram Sheikh said the leadership of both countries agreed to strengthen ties by enhancing trade and improving connectivity. “Uzbek investors should explore joint-ventures and investment opportunities in the China-Pakistan Economic Corridor (CPEC) project.”

He said many Pakistani products were going to Uzbekistan via Dubai and both countries should focus on promoting direct trade.

“Frequent exchange of trade delegations and single country exhibitions would be the most effective tools in promoting bilateral trade,” he added.
http://tribune.com.pk/story/1027075/bilateral-ties-uzbekistan-interested-to-revamp-trade/

TRADE NEGOTIATORS NEED TO SIGN BENEFICIAL FTAS
The News, January 14, 2016

Mansoor Ahmad
LAHORE: Our trade negotiation strategy is flawed as the free trade agreements (FTA) Pakistan has with other countries are not benefitting us; mainly because our negotiators failed to get concessions provided on high potential Pakistani items, which they accorded to other countries.

Countries sign FTAs to obtain mutual benefits from trade. They provide freer access on some items to its FTA partner that it imports from other countries at higher tariff. In the same way it obtains duty concession on certain items from its partner to gain advantage over its competitor.
It has been observed that in most of the FTAs signed by Pakistan, its partners have obtained lucrative concessions from us to boot out its competitors from the Pakistani market. However, Pakistani negotiators failed to get similar concessions on many items that have high potential in the partners market. The most painful aspect in this regard is that its FTA partners have accorded concessions on the same items to many other countries.
Pakistan for instance failed to secure concessions that make its high potential export items competitive against China’s other trade partners. It has greater advantage in cotton (HS 52051200), frozen fish (HS 03033900), and leather (HS 41131000) but its tariffs in these eight digit HS code export items are much higher than what China has fixed for ASEAN countries. As China has allowed the import of these items at much lower duty it shows that the Chinese producers are not hurt.

The question is why Pakistani negotiators failed to obtain matching concessions from China or did they ever ask for these in the first place. We failed to obtain concessions that would not hurt Chinese businesses in any way, but ourselves were liberal in granting concessions which hurt our domestic industry. The affected industries include steel, tiles, paper, and paper board. This brings in to question the competence of the trade negotiators.

Trade negotiation is an art through which the negotiators try to grab maximum benefit from the final agreement that is reached; it is true for agreements between private sector entrepreneurs and government to government negotiation.

While negotiating FTA, the experts have to analyse the impact of the concession they are granting to the FTA partner on their home industry. Similarly, by giving certain concessions they assure it would improve the competitiveness of the economy. The concession would reduce the flow of the same items from MFN countries, and if the FTA partner is a neighbouring economy, it would reduce transportation costs on both sides of the border.

For instance importing high technology from China at reduced duty would benefit the local economy, and no jobs would be lost. But allowing import of tiles at concession would hurt the local tiles industry and reduce job opportunities in the country.

If we look at other FTAs, one is Comprehensive Free Trade Agreement (FTA) between Pakistan and Malaysia that became operational from January 1, 2008. Even in this case Pakistan failed to secure significant concessions on high trade potential items, such as HS61 items (accessories, knitted or crocheted) where the duty is 20 percent.

Malaysia imports the same items under HS16 from China at 0 duties and from India at 10 percent import duty. A research by Pakistan Business Council reveals that same discrepancy exists in case of HS84 and HS85 items that relate to gas turbines, vacuum pumps, air conditioners, and refrigerators. Pakistani products under these HS codes face a duty regime of 20 percent while duty on Chinese products is zero and that on India is 10 percent.

Pakistan's export items face less favourable tariffs than the same items from Indonesia's FTA partners China, Japan, South Korea, and India. It is worth noting that barring China, under all the FTAs Pakistan signed with other countries, its exports have ranged from $28 million (Mauritius) to $266 million (Sri Lanka).

One wonders whether it is worthwhile to spend so much time, energy and money to sign such low potential FTAs. Pakistan is now in advance stage of negotiations on FTA with Thailand. Pakistan's exports to Thailand were $61 million in 2004 that increased to $118 million in 2014. Thai exports during the same period increased from $434 million to $876 million. The FTA if signed on the same pattern as the previous FTAs, would increase Thai export substantial to Pakistan, but there would be no significant improvement in Pakistani exports to Thailand.

http://www.thenews.com.pk/print/90085-Trade-negotiators-need-to-sign-beneficial-FTAs

Zehri invites Chinese firms to invest in Balochistan
Dawn, January 16th, 2016

QUETTA: Balochistan Chief Minister Balochistan Nawab Sanaullah Zehri has invited Chinese companies to make investments in the metro train and mass transit projects in Quetta.

Talking to senior officials of leading Chinese investment companies on Thursday night, he said the federal and provincial governments would extend all help and cooperation in the execution of these projects. Sardar Shoukat Aziz Popalzai, president of the Balochistan Economic Forum, was also present.

The chief minister said that his government would provide full security, incentives and other facilities to foreign investors.
Sun Yunxiang, president of Jinzheng Yang Company, and Huang Yaohui, president of some marble export companies, were part of the Chinese delegation.
"An investment-friendly atmosphere has been created in Balochistan," said the chief minister.

"The province has great potential for investment in various sectors."

Mines and Minerals Department Secretary Saeed Ahmed Jamali and additional secretary finance Lal Jan Jaffar briefed the Chinese delegation about investment opportunities in minerals and other sectors along with the provincial government's policy on foreign investment.

The Chinese delegation showed interest in agriculture, fisheries, date processing, exporting beef to China, urban housing and construction of jetties in Balochistan's coastal towns.

The Chinese investors extended an invitation to the chief minister to visit China.

http://www.dawn.com/news/1233363/zehri-invites-chinese-firms-to-invest-in-balochistan

Pakistan, Sri Lanka eye $1bn trade
Dawn, January 16th, 2016

ISLAMABAD: Pakistan and Sri Lanka are striving to boost the bilateral trade to $1 billion from the current $325 million.

This was stated by the Commerce Minister Khurram Dastgir while inaugurating the three-day single-country exhibition in Colombo, along with his counterpart Sri Lankan Minister for Industry Rishad Bathiuddin on Friday.

An official statement of the ministry said that the exhibition would showcase Pakistani brands in engineering, auto parts, agro food, textile and clothing, designer wear, handicrafts and traditional textiles, cosmetics and herbal products, pharmaceuticals, gems and jewellery, carpets and marble.

The soft launch of the fair, organised by the Trade Development Authority of Pakistan and the High Commission of Pakistan, was performed by the prime minister in Sri Lanka earlier this month.

The exhibition is a key step to materialise the target of increasing the bilateral trade to $1bn.

Negotiations have already started to expand the existing Free Trade Agreement (FTA) to trade in services and investment.

Technical level meetings have detailed out the basic framework for inclusion of new subjects in the FTA.

Pakistan has also sought to enhance the export quota of rice to Sri Lanka from the current 6,000 to 10,000 metric tonnes, response on which is still awaited.

Speaking at the ceremony, Dastgir said that the fair would carve out new business partnerships, strengthen the old ones and enhance trade and commerce between the two countries.

http://www.dawn.com/news/1233242http://www.dawn.com/news/1233242

South Korea to import Rs6bn copper annually
Dawn News, 16 Jan, 2016 ,
QUETTA: South Korea has offered to import copper worth Rs6 billion annually from Balochistan.
Ambassador Dr Song Jong-hwan made this offer in separate meetings with Governor Balochistan Mohammad Khan Achakzai and Chief Minister Nawab Sanaullah Zehri on Friday.

Honorary Consul-General of Korea Shama Perveen Magsi, Senator Agha Shahbaz Durrani and other senior officials were also present in these meetings.

Dr Song said that investors and the Korea Import Association would be informed about investment opportunities in the various sectors of the province.

The ambassador discussed setting up of a steel mills in Chagai. Signing of a free trade agreement between Pakistan and Korea was also discussed as it would pave the way for Korean investment in Balochistan.

He showed keen interest in mineral sector and said that Korea was using around 50,000 tonnes of copper in different industries monthly and was importing copper from Chile.

He said that South Korea has to spend more on freight for importing Chilean copper due to long distance between the two countries.

“We can import Rs6bn copper annually from Balochistan,” he offered in the meeting.

Chief Minister Nawab Sanaullah Zehri assured that his government would extend all possible help and cooperation to Korean investors.

He also thanked the Korean ambassador for providing assistance worth $200,000 for rehabilitation of Awaran earthquake victims. He expressed the hope that Korean government arrange more training programmes for officers of Balochistan.

http://pakbiz.com/news/South_Korea_to_import_Rs6bn_copper_annually_nid1711527.html

NEWS COVERAGE PERIOD JANUARY 4TH TO JANUARY 10TH, 2016
51 TRADE OFFICERS SELECTED FOR POSTING ABRO
Mubarak Zaib Khan, Dawn, January 5th, 2016

ISLAMABAD: After a long delay the government has selected 51 trade officers, tasked to promote export and foreign direct investment, for posting in 36 countries.

Annual cost of these postings is estimated at Rs1.7bn.

This is believed to be the biggest batch to get postings through proper tests and interviews. Earlier in 2013, posting like these ones were marred with controversies.

After assuming office in 2013, Prime Minister Nawaz Sharif approved a selection policy for trade officers' postings in foreign missions, introducing some measures to ensure merit.

A well-placed source told Dawn on Monday that prime minister earlier rejected a summary of the commerce ministry as it failed to meet the laid down criteria.

The source said the rejected summary included names of officers who underperformed in the written test.

Moreover, the Ministry of Commerce withheld posting of two of the three candidates who were facing disciplinary proceedings. The third one was proposed to be posted abroad.

The trade ministers/counsel generals who were approved for posting abroad are: Ali Sarfraz Hussain, (posted in Montreal); Abdul Majid Yousafani (Sydney); Abdul Qadir Memon (Hong Kong); Naeem Khan (Shanghai); M. Aamer (Moscow); and Zahoor Motiwala from the private sector at Qandahar.

The officers selected for posting as commercial counsellors are: Ms Nasheeta Maryam Mohsin (Los Angeles); Muhammad Irfan Wahid (New York); Sajid Mehmood Raja (London); Amer Sultan Tareen (Chicago); M. Mohsin Rafiq (Geneva); Shehzad Ahmad Khan (Jeddah); Ahmad Irfan Aslam (Paris); Jehangir Mushtaq (Berlin); Syed Mahmood Hassan (Hague); M. Daud Pirzada (Prague); Ms Saira Imdad

Ali (Rome); Ms Malahat Awan (Almaty); Ms Saima Sabah (Stockholm); M. Hamid Ali (Madrid); Riaz Ahmad Sheikh (Kuala Lumpur); Dr Nasir

Khan (Dubai); Murtaza Siddiq (Buenos Aires); Syed Intikhab Alam (Sao Paulo); Saqib Manan (Bangkok); Abu Bakr Siddique (Tokyo); M. Waqas Azeem (Casablanca); Adnan Iqbal (Seoul); M. Khalid Jamil (Osaka); Haroon Masood (Chengdu); Hussain Salman Khan (Nairobi); Nazar Muhammad (Tehran); and Ms Saulat Saqib (Kabul).

The prime minister has also approved 10 officers for posting as commercial secretaries. These include M. Sohaib Zafar posted at Manchester; Muhammad Khuram (Houston); Fahad Ali (Johannesburg); Kamran Khan (Abu Dhabi); M. Usman (Jakarta); Adnan Younis Lodhi (Colombo); Dr Amir Hussain (Riyadh); M. Suleman Khan (Dhaka); Sumair Mustansar Tarar (Hanoi) and Salman Afzal (Lagos).

After approval of these postings, the premier has also directed the commerce ministry to prepare objective and quantifiable performance evaluation standards and key performance indicators for the trade officers at the earliest.

The ministry was also asked to train these officers before postings, extend their contract on a yearly basis after a fair evaluation of the performance, and to appoint officers fluent in Pashtu and Dari for posting in Qandahar and Kabul.

http://www.dawn.com/news/1230796

TRADERS' TAX AMNESTY: FACTS AND FUTURE CHALLENGES
Umar Cheema, The News, January 05, 2016

Ayub Khan's amnesty scheme succeeded as 7pc revenue contributed to GDP and 71,289 persons brought into tax net; out of 3.5m traders, only 135,000 in tax net; tax on banking transactions likely to increase up to one percent after grace period

ISLAMABAD: A budding entrepreneur of a leading business family in Pakistan popped up on the radar of American tax authorities in 2008 to invest 23 million dollars in the real estate of New York.

Upon questioning about his funding source, he said the money was brought from Pakistan. The investigators subsequently wrote to Federal Board of Revenue inquiring whether the transferred funds were taxed in Pakistan or not.

An amnesty scheme of the PPP government was in the offing by the time allowing rich Pakistanis to whiten black money by paying only two percent taxes. It could generate only Rs2.8 billion; of this amount, Rs40 million was contributed by the scion of the rich family facing the inquiry in America.

The FBR, instead of using this opportunity to recover the due amount of tax, wrote to its counterpart in the US that the money was taxed in Pakistan without mentioning that the person under question was the beneficiary of an amnesty scheme and had not paid a penny before, revealed an official privy to details.

Here questions arise about the efficacy of amnesty schemes and whether the latest move by the PML-N government for luring traders into the tax net through yet another amnesty will be beneficial in the absence of FBR reforms.

To answer these questions, a brief review of the past schemes will be instructive. If the history of tax amnesty schemes in Pakistan is any guide, only the one offered in 1958 had turned out to be productive.

Being a maiden initiative and announced by the first-ever military ruler Ayub Khan, it succeeded in inspiring fear among the public contributing seven percent revenue to the GDP, the doctoral research of Shoaib Suddle, former Federal Tax Ombudsman, had found. (As many as 71,289 individuals were then enrolled in the tax net, according to FBR data.)

The second amnesty granted by Gen Yahya Khan in 1969's revenue contribution to the GDP was only 1.52 percent and 19,600 persons were brought into the tax net. The third was offered by Zulfikar Ali Bhutto that collected revenue of 2.2 percent of GDP. The fourth scheme was during Gen Zia's regime in 1986 that contributed not more than of the 1976 amnesty, Dr Suddle's research completed in 1986 indicates.

That followed an amnesty by the PML-N government in 1997. Although no analysis in terms of the revenue contribution to the GDP is available, yet this money-whitening package generated a meagre sum of Rs141 million tax revenue. Genindividuals into the net and revenue around Rs103 billion.

A collection of Rs2.8 billion through amnesty scheme of 2008 by PPP government has also been mentioned.As far as the recently announced amnesty is concerned, it is not general in nature but only traders' specific. A lot has been written in the newspapers and debated in talk shows about it.

That it will disillusion the honest taxpayers is a predominant argument being advanced. There is no second opinion about this contention but whether we have an honest taxpayer or not should be the foremost question.

Other than salaried class that can't avoid paying tax and the compulsory indirect tax, there is hardly any Pakistani claiming to be honest taxpayer. This correspondent has asked the same question over a time to serving and retired FBR officials in search of an honest taxpayer but failed to find any.

Also the fact remains that the rich are granted amnesty in different forms and one of such was announced during budget of 2015-16 declaring tax exemptions to industry in Khyber Pakhtunkhwa for five years.

The amnesty for traders can't be better described than a carrot and stick policy. The government first imposed withholding tax of 0.6 percent tax on the banking transactions of non-filers and then reduced it to 0.3 percent by bringing traders to the negotiation table.

Official figures have found 3.5 million traders throughout Pakistan and only 135,000 are in the tax net. Trading sector constitutes around 19 percent of the GDP but traders' tax contribution is only 0.05 percent meaning thereby they are virtually out of tax net. Same goes with agriculture sector that forms 21 percent of the GDP but zero tax contribution.

Bringing traders to tax net will be a major achievement of the PML-N government as they are the ruling party's constituency and deadlock is not affordable politically and financially. The scheme has been announced with a modest expectation of enrolling one million traders.

The optimism is not out-rightly misplaced. A refusal to enrolment under this amnesty means an escalating business cost in form of withholding tax of 0.6 percent at each transaction of Rs50,000. That will follow notices from the FBR on the basis of banking data and any protest by non-availing traders attracting no attention. This tax on banking transaction is likely to increase further up to one percent after the grace period of benefiting from amnesty is over.

While opposition parties are dismissive of this policy, including PTI leader Imran Khan, Asad Umar is supportive of it and firmly believes that the energy should be directed towards its improvement instead of politicising it.

However, his major objection during conversation with 'The News' was on levying mere one percent tax for whitening the business capital by traders. The missing point in his argument is that the tax rate of one percent has been fixed keeping in view all-weather amnesty granted through section 111 (4) of Income Tax Ordinance that bars the FBR from questioning foreign remittances.

Majority of the businessmen in Pakistan have been routinely sending money through different channels abroad and bringing it back in shape of foreign remittances with only two percent tax on banking transaction.'The News' have already highlighted it in a story entitle 'Money laundering flourishes under the garb of remittances' basing report on some case studies where billions have been recycled through this channel.

Thus enhancing tax rate for traders under this scheme means defeating the purpose of amnesty as they are likely to whiten money through other channels and remain undocumented. Instead of questioning one percent tax rate, amendment in tax law should be demanded for empowering tax officials to question the source of remittance.

Presently, a political appointee in the FBR is under NAB inquiry for receiving Rs700 million through remittances but is reluctant to disclose who sent the remittances.Another point in the scheme worth highlighting is the clause relating wealth statement. Under the present scheme, any trader declaring income less than one million rupees don't have to declare assets that will likely to encourage mis-declaration by traders.

This preferential treatment to the traders unlike other taxpayers who have to declare assets no matter the declared income is less than one million, should be abolished.

Other issues meriting consideration are the reforms of tax administration. What if traders are brought into the tax net but the FBR is not capacitated enough to ensure due recovery from them.

While the government is bent on bringing them into the net, a matching number of rich individuals discovered by Nadra have gone unaccounted by the FBR since there are many influential figures enlisted.

A study by Nadra in 2012 found 3.5 million rich Pakistanis who frequently travel abroad, live in posh areas, operate multiple banks accounts with more than one vehicles registered in their names but are out of tax net.

Instead of training guns at the government for this scheme, the media, civil society and parliamentary opposition should focus on making this a successful attempt through demanding reforms in tax administration that include its autonomy having tenure-protected chairman who could perform duty diligently and independently in absence of any political pressure.

Less than that, business will remain as usual. No amount of reform commissions will help without implementation of recommendations. Like amnesty scheme, many commissions have been set up before. The commission formed by the PML-N government is not the first one.

http://www.thenews.com.pk/print/86542-Traders-tax-amnesty-Facts-and-future-challenges

PAKISTAN REGAINS ITS SHARE IN AFGHAN TRANSIT TRADE
Mubarak Zeb Khan, Dawn, January 10th, 2016

ISLAMABAD: Pakistan is regaining its share in Afghan transit trade as the flow of commercial containers rose 36 per cent to 49,507 in 2014-15 from 36,274 in the preceding year, official data showed.

The flow of containers, which was 75,288 in 2009-10, fell significantly after the implementation of the new transit treaty in June 13, 2011.

Measures introduced in the new treaty are believed to have diverted transit trade to Iran and India, as both countries have developed infrastructure in and around the Iranian ports of Chabahar and Bandar Abbas.

A customs official said that besides the number of containers, the value of the transit trade also grew in double digits, rising by 35.6pc to Rs255 billion in 2014-15 from Rs188bn a year earlier.

Analysts believe that the surge in imports through transit trade may also give Islamabad the leverage, which it has been enjoyed for decades to assert pressure on Kabul.

However, the emergence of the new two routes for Afghan cargo would also enable Kabul to reduce reliance on Pakistan for trade with the rest of the world.

Afghanistan has raised concerns about long transportation time for consignments from Karachi to Kabul.

A tax official said that to reduce this time the Federal Board of Revenue (FBR) has rolled out a module for physical uploading of all T-1 and cross-border certificates (CBCs) through user IDs issued to the officials of Afghan customs in line with electronic data interchange (EDI) linkage with Afghan customs.

Moreover, traders registration in the web-based one customs (WeBOC) system through one-window customs clearance started by Afghan side would reduce crossing time and help minimise costs.

As for transhipment facilities, Pakistan has already selected two sites — Azakhel and City Railway Station in Peshawar. The official said survey has already been undertaken by Railways authorities to provide the necessary infrastructure at the selected sites.

Pakistan has also made Saturday an operational day for customs clearance of Afghan transit trade. Both countries are now working on a proposal for seven days a week.

The tax official said that to allow transportation of transit goods via Railway, as demanded by the Afghan government, Pakistan Railways has offered to carry 400 containers a week of Afghan transit cargo to Torkham.

The customs clearance model requires multi-modal facility, which was rolled out by the FBR on Nov 2, 2015, the official added.

The Ghulam Khan Crossing Point will also be opened for transit trade, he said, adding that the FBR has also decided to train Afghan customs officials on WeBOC.

Pakistan has allowed 75pc of Afghan transit consignments through green channel immediately upon filing of goods declaration. Of the remainder, 20pc cargo requiring scanning will be cleared in two days and 5pc in three days.

http://www.dawn.com/news/1231901

PAKISTAN SLAPS 16.97PC ANTI-DUMPING DUTY ON INDIAN SORBITOL FOR FIVE YEARS
The News, January 10, 2016

KARACHI: Pakistan on Friday imposed 16.97 percent anti-dumping duty on Indian sugar alcohol, popularly known as Sorbitol, for a five-year period after an investigation found dumping of the industrial input from the neighboring country.

"The National Tariff Commission (NTC) imposed a definitive anti-dumping duty at 16.97 percent on import of Sorbitol from India for a period of five years," the commission said in a statement said.

The NTC's latest decision followed the same provisional anti-dumping duty slapped ad valorem of cost and freight (C&F) price of Sorbitol imported from India for four months effective from August 25, 2015.

The commission said the definitive anti-dumping duty would be in addition to other anti-dumping duty imposed earlier and taxes and duties levied under any other law.

"However, it would not be levied on imports that are to be used as inputs in products destined solely for exports," it said in a statement.

Pakistani trade ministry had launched the probe in last March as a local manufacturer, complained that cheap Sorbitol imports had hurt domestic firms. Names of Indian exporters have not been disclosed.

Sorbitol, mainly used in pharmaceuticals, food, cosmetics and textile sectors, was importing into Pakistan at lower prices and affecting the local industry.

In February 2015, a producer, representing the local industry, filed a complaint that dumped imports of Sorbitol from India had caused and were causing material injury to the local producers.

The commission launched a probe to determine the dumping between Jan. 1, 2014 and Dec. 31, 2014, but its period of investigation to determine the injury caused by dumping to the local industry spanned over two years (Jan. 1 2012 to Dec. 31, 2014).

An NTC's document said that it had determined the normal value and export price of the Sorbitol "on the basis of best information available, as no exporter/foreign producer provided the requisite information to the commission."

"Dumping margin expressed as percentage of weighted average C&F price for all exporters/producers from India is 16.97 percent," it said.

The commission said the local industry suffered material injury owing to, "increase in volume of dumped imports, price under-cutting, price suppression, decline in production, sales and market share and negative effect on capacity utilisation, profitability, productivity, salaries and wages."

The NTC found that Sorbitol had been imported at dumped prices.

"The level of injury is adequate to justify imposition of provisional measures…no exporter/foreign producer from India cooperated with the commission during the investigation," it said.

The commission extended the scope of the provision duty for five years.

"The anti-dumping duty should be collected in the same manner as customs duties were being collected under the Customs Act, 1969," a statement said.

"Duties so collected will be deposited under the head-civil deposits for further deposits in NTC's non-lapsable account established with the Federal Treasury Office, Islamabad."

http://www.thenews.com.pk/print/89118-Pakistan-slaps-1697pc-anti-dumping-duty-on-Indian-Sorbitol-for-five-years#

February 2016

NEWS COVERAGE PERIOD FROM FEBRUARY 22n TO FEBRUARY 28th 2016

FREE TRADE TALKS WITH KOREA LIKELY TO START AFTER JUNE

The Express Tribune, February 23rd, 2016.

FAISALABAD: South Korean Ambassador Dr Song Jong-hwan has voiced the hope that formal negotiations with Pakistan for a free trade agreement will start immediately after June this year and called trade liberalisation a necessary step for doubling the trade volume between the two countries.

Speaking to the business and trade community at the Faisalabad Chamber of Commerce and Industry (FCCI) on Monday, Song said the existing trade volume was far less than the potential and the two countries must explore it for their mutual benefit.

Quoting reasons for the unsatisfactory trade relationship, he said the absence of FTA and unavailability of trade-related information were the main factors behind the poor performance.

He pointed out that Pakistan and Korea had shared a similar agriculture base, but the latter switched from traditional agriculture to mechanised farming. "Korea is now considered among top 10 economies of the world and Pakistan will be able to follow us to gain economic prosperity."

He revealed that last year he had visited 11 chambers of commerce in Pakistan and it was his third visit to the FCCI. The ultimate objective was to bridge the gap between business communities of the two countries.

The ambassador added there was already a large presence of Korean companies in Pakistan and more could be convinced to invest and start joint ventures.

Speaking about visa issues, he said he would direct the visa section to issue visas to all genuine businessmen, particularly on the recommendation letter of the FCCI.
“Similarly, Korean banks will also be encouraged to open branches in Pakistan, which will facilitate the business community of the two countries in finalising financial deals under a safe and reliable banking cover.”

Discussing the importance of textile, he said Korea had set up a textile section in the National Textile University, which would help to upgrade the existing textile sector of the city. Similarly, “we are also helping the University of Agriculture to produce agricultural appliances for increasing the per-acre yield.

The ambassador directed officials of Kotra – a state-funded trade and investment promotion agency – to review the proposal of setting up its office in Faisalabad in order to provide after-sales service to buyers of the Korean machinery.

FCCI Vice President Jamil Ahmad said trade between Pakistan and Korea in fiscal year 2014 stood at $1.03 billion.

The trade volume stood largely in favour of Korea as Pakistan exported $377.89 million worth of goods while its imports stood at $657.58 million.

As Pakistan had a growing youth population and the Korean government had allowed market access to unskilled workers, vocational and technical training programmes could help enhance productivity, Ahmad suggested.

http://tribune.com.pk/story/1052260/opening-up-commerce-free-trade-talks-with-korea-likely-to-start-after-june/

TPP ALSO IN OUR INTEREST

Business Recorder, February 24, 2016

The Trans-Pacific Partnership (TPP) agreement signed on February 4, 2016 among 12 Pacific Rim countries that includes Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the US and Vietnam is rightly being seen the world over as a move by the US to firmly counter the rise of China on the global economic and political front. And one would readily agree with the opinion expressed by Business Recorder in its editorial “Countering China” on February 16 that with the rise of Chinese economy to claim an important place on the global economic scene, the anxieties of developed nations continue to grow and that the TPP “aims to slash tariffs and trade barriers for an enormous 40 percent of the global economy excluding China.”

How much China would be hurt by the TPP and how it would try to meet the challenge would certainly be an engrossing global concern in the coming years as the TPP would come up for ratification by the member countries over the next two years. And how it is going to impact the economies of developing countries like Pakistan is also likely to be debated by concerned quarters as the TPP comes into operation.

Here is what some of the global thinkers believe how the TPP is likely to adversely impact the economies of developing countries: Nobel laureate, Joseph Stiglitz commented that TPP “may turn out to be the worst trade agreement in decades.

In 2016, we should hope for the TPP’s defeat and the beginning of the new era of trade agreements that don’t reward the powerful and punish the weak”. In 2014, Noam Chomsky warned that the TPP is “designed to carry forward the neoliberal project to maximise profit and domination, and to set the working people in the world in competition with one another so as to lower wages to increase insecurity.”

US Presidential candidate Senator Bernie Sanders has stated that trade agreements like the TPP "have ended up devastating working families and enriching large corporations." Another Nobel Prize-winning economist, Paul Krugman, said: "… there isn't a compelling case for this deal, from either a global or a national point of view.

" Krugman also noted the absence of "anything like a political consensus in favour, abroad or at home." Economist Robert Reich contends that the TPP is a "Trojan horse in a global race to the bottom, giving big corporations and Wall Street banks a way to eliminate any and all laws and regulations that get in the way of their profits. The Friends of the Earth have spoken out against the TPP.
The TPP is a multidimensional pact but it would be in Pakistan's interest, especially in the interest of our textile tycoons – the members of All Pakistan Textile Manufacturers Association (APTMA) – to go through rather minutely the TPP's chapter on Textiles and Apparel. According to the chapter's overview, the TPP will create export opportunities for Made-in-America clothes, fabrics, and yarns and support jobs in the United States.

Here is the central theme of the chapter: This objective (export opportunities for made-in-America textiles) is advanced by a "yarn-forward" approach that requires use of yarns and fabrics from TPP countries in end products qualifying for preferential treatment under TPP. The yarn-forward approach, according to the deal, also will help to develop a regionally-integrated supply chain that will promote long-term growth and investment in this sector in the United States.

Pakistan is the world's third largest supplier of yarn. And most of our textiles are exported to the US (30% plus), Canada (1.4%) and Australia (0.9%) – all TPP members. South Korea (1%) is also expected to join TPP soon. So should not we be worried enough to study rather closely this particular TPP chapter to see how it would impact our textile exports, if at all?

To ensure that the benefits of TPP go to TPP workers and businesses, TPP requires a "yarn forward" rule of origin, which means that to get the lower tariffs offered in TPP, goods must be made within the free trade area using US or other TPP country's yarns and fabrics. This again needs to be closely studied by Pakistan as our exports are mainly made up of yarn, thread and fabric.

There is also a special feature for Vietnam (which is becoming a vital market for textile lately), linking improved access to the US market for cotton pants to the purchase of US-made cotton fabric.

The Textiles and Apparel chapter's strong enforcement provisions and customs cooperation commitments would enable US Customs officers to work with other TPP countries to make sure that when traders claim their goods should get the lower tariffs and better treatment available under TPP, those claims are genuine.

This includes authority for US Customs officials to work with TPP counterparts to fight customs offences, such as duty evasion, smuggling, and fraud.

The Textiles and Apparel chapter also secures close customs cooperation among TPP Parties to facilitate effective enforcement of the rules. TPP will eliminate tariffs on US exports of textiles and apparel to the other TPP markets, with many tariffs going to zero on day one, and others being phased out.

Some special commitments include protections for the US exporters and producers to ensure that they have a fair chance to show their goods meet the rules and therefore qualify for the lower tariffs and better treatment available under TPP.

According to a US claim its textile and apparel industry is 'a major US manufacturing employer, with employment in the US totalling more than 370,000 jobs on average in 2014, and the value of industry shipments rising from $48.7 billion in 2009 to $56.7 billion in 2014. US textile and apparel manufacturers sold nearly $11 billion worth of products to TPP countries in 2014, an increase of around 50 percent from 2009, helping to make the US the world's fourth-largest exporter of textile products.'

It is further claimed by Washington that the textile and apparel industries in the TPP region would require 'many of the high-technology textile products in which US producers are most competitive, including those using composite materials and carbon fibers.'

http://www.brecorder.com/articles-a-letters/187/19455/

NEWS COVERAGE PERIOD FROM FEBRUARY 15th TO FEBRUARY 21st 2016
PAKISTAN, US TO HOLD STRATEGIC TALKS ON FEB 29
The Express Tribune, February 18th, 2016.

ISLAMABAD: Pakistan and the United States will hold a ministerial level 'strategic dialogue' in Washington later this month to discuss a range of issues, including bilateral cooperation and regional security.

The 6th round of the Strategic Dialogue will take place on February 29 in the US capital, said a statement issued by the Foreign Office on Wednesday.

Prime Minister's Adviser on Foreign Affairs Sartaj Aziz and US Secretary of State John Kerry will co-chair the dialogue. This will be the third annual meeting since the PML-N government assumed office in 2013.

The Strategic Dialogue covers cooperation in economy, energy, education, science, law enforcement and counter-terrorism, security, strategic stability, non-proliferation and defence.

Aziz chaired an inter-ministerial meeting on Wednesday to review progress of the previous rounds and prepare for the upcoming round of the Strategic Dialogue to further strengthen partnership with a special focus on expanding trade and investment cooperation, according to the statement. The meeting was attended by Planning and Development Minister Ahsan Iqbal and Petroleum Minister Shahid Khaqan Abbasi.

The Strategic Dialogue was initiated by the Obama administration in an effort to reassure Pakistan that Washington's relations with Islamabad were not merely linked with Afghanistan.

http://tribune.com.pk/story/1049347/bilateral-cooperation-pakistan-us-to-hold-strategic-talks-on-feb-29/

NEWS COVERAGE PERIOD FROM FEBRUARY 8th TO FEBRUARY 14th 2016
INSTITUTIONAL ANOMALIES IN HALAL TRADE
Dawn, Business & Finance weekly, February 8th, 2016

ASHFAK BOKHARI

NOW that the Pakistan Halal Authority Bill needs only a formal nod of the Senate to become a law, many must be expecting a major breakthrough in halal trade.

But it may not come off too soon, given the anomalous nature of the organisational setup raised to regulate the trade.

The current arrangement, under which the Pakistan Halal Authority (PHA) will function, suffers from lack of synergy between the related bodies which can jointly run the project successfully. Pakistan National Accreditation Council (PNAC), which will play a central role in deciding about and issuing halal certification, is a subsidiary unit of the Ministry of Science and Technology and not of the Ministry of Religious affairs. The federal science and technology minister will head the PHA. The Ministry of Science, it is obvious, cannot be expected to have full know-how of promoting halal trade (which goods should be classified as halal or haram as defined by religion). Unless this anomaly is addressed, halal trade may not pick up.

What should have been the task of the ministries of commerce (trade promotion) and religious affairs (what is halal and haram) has been handed over to the science ministry. It is interesting to note that this ministry does not have the mandate to stop the sale or purchase of items that might contain 'haram' ingredients, according to Fazl Abbas Maken, secretary of the ministry. This, he told the Senate committee meeting, was a provincial subject to check the sale of items containing haram ingredients.

PNAC Director General Ismat Gul Khattak while addressing the standing committee said that Pakistan wanted to establish its own accreditation system for halal foods instead of relying on the World Trade Organisation and its recommendations. But the federal science minister says that the PNAC has been created as a requirement of the WTO to reduce technical barriers to trade like other developed countries did.

In March, the PNAC will hold a conference of Islamic scholars to review the list of items and ingredients that are acceptable under the Islamic laws. The Chairman, Senate Standing Committee on Science and Technology, Osman Saifullah Khan told the meeting that the new law would help the government check the menace of adulteration in foodstuffs. Besides, it will address consumers concerns about the provenance of foodstuffs, cosmetics, pharmaceuticals, etc to know whether these have been prepared in accordance with, and conform to, Islamic principles.

The bill was passed by the National Assembly on December 6 and was sent to the Senate. The Senate's committee approved the bill in its meeting on January 25 which was attended by only two senators besides the committee's chairman. No wonder, under the rules this is the quorum required for holding meetings and passing bills.

Once the bill is passed and the Pakistan Halal Authority comes into existence, it will be the first and only legal entity at the federal level dealing with the halal sector. The provinces can legislate similar laws to set up their own bodies although the federal law will be applicable across the country. It will also mean initiating a plethora of steps towards enabling the country secure a reasonable share in the huge global halal market dominated by non-Muslim countries. Brazil is the largest player exporting halal products worth $4.73bn followed by India $2.11bn and Australia $1.63bn.

Currently, the presence of Pakistan's halal products in export market is nominal owing to lack of a legal and recognised authority at the national level though having a huge potential of halal exports. At many places its halal products are not accepted by customers for absence of a halal logo by a certified agency or carrying a logo of uncertified agency.A recent survey showed that many consumers in China and Africa are unwilling to buy Pakistani products for this reason.

Many exporters are of the view that since Pakistan is a Muslim country their goods such as meat must be presumed to be halal and they need not carry a logo. The Pakistan Halal Authority will address such problems by raising awareness level of the exporters. No product shall be exported from Pakistan unless it bears the halal logo of the PHA, nor will any article be imported unless it has been certified as halal by an accredited certification body.

http://www.dawn.com/news/1238152

FOOD MINISTRY TO SET UP WTO CELL
The Express Tribune, February 10th, 2016

Peer Muhammad

ISLAMABAD: In a bid to be more in sync with international standards, the Ministry of National Food Security and Research is planning to establish a special World Trade Organization (WTO) cell.

A senior officer in the ministry shared that a lack of a specialised WTO cell in the ministry has resulted in the absence of a proper mechanism to assess international pricing and policies trends pertaining to agriculture commodities.

The officer explained that the WTO has several agriculture specific polices therefore, there needs to be a unit that will look into the organisation's guidelines based on scientific and technical data protecting national interest.

However, he added that despite the absence of such a cell, the ministry successfully presented its case at the WTO conference held in Nairobi in December last year and foiled attempts of regional countries to allow the public stockholdings of agriculture commodities. Such a step would have hurt the interest of Pakistani farmers because they are not supported in the same way as their international counterparts.

Certain regional countries, particularly India lobbied at the WTO meeting to allow for the public stockholdings of agriculture commodities. But, he said, the WTO put off the matter till its next meeting to be held in 2017 on the stance taken by Pakistan and some like-minded countries.

"We felt the need of a special WTO cell since it will holistically work on the policy issues and frameworks keeping in view international trends on the agriculture commodities prices and production," said the officer.

Initially, the ministry itself will financially support the special cell and next year a budget under the Public Sector Development Programme will be allocated. However, the officer opined that no financial and technical assistance will be availed from any international agency to avoid any influence on policies pertaining to the WTO..

http://tribune.com.pk/story/1043497/food-ministry-to-set-up-wto-cell/

GERMANY FOR MORE TRADE WITH PAKISTAN
Dawn, February 10th, 2016

LAHORE: With a young and growing population of nearly 200 million people, Pakistan is an interesting market which cannot be ignored in the long-run by multinational companies, said the German Ambassador to Pakistan, Ina Lepel on Tuesday.

She was speaking at the inauguration ceremony of Bosch's office in Lahore, the first in the country.

"Bosch's latest venture is an important milestone in our bilateral economic relations with Pakistan," the German Ambassador said.

The German Ambassador noted that Pakistan was expected to register a steady GDP growth rate of 4.5 per cent over the next two years according to the International Monetary Fund, with lower inflation positively affecting domestic purchasing power.

Reflecting on Pakistan's economic growth, President Bosch Turkey and Middle East, Steven Young said: "We are keen to be part of Pakistan's rising growth story."

http://www.dawn.com/news/1238469

MALAYSIAN HC SIGNALS BILATERAL TRADE EXPANSION
Business Recorder, February 11, 2016

The Malaysian high commissioner has signalled the bilateral trade expansion and claimed Pakistan "is a strong potential market". Hasrul Sani Mujtabar, talking to Lahore Chamber of Commerce and Industries Senior Vice President Almas Hyder and Vice President Nasir Saeed, urged Pakistani businessmen to be more aggressive in terms of business activities in Malaysia to compete with other competitive markets in this era of globalisation.

He advised the Pakistani business community to actively participate in international conventions scheduled to be held in Malaysia in the forthcoming months. "Doing business in a country, such as in Pakistan, is always very profitable," the diplomat added. Senior Vice President Hyder said, "Malaysia has set a unique benchmark by way of successfully launching its own model of modernisation with indigenisation. The technological base of Malaysia is strong and this is because of enhancing the quality of technical and vocational education. Malaysia and Pakistan signed a Free-Trade Agreement in January 2008 but it has yet to prove useful to both of us. We already have the platform which must be utilised for a win-win situation." About declining the trade trend between the two countries, Senior Vice President Hyder said, "We need to take immediate steps to regain that level of bilateral which went as high as $2.97 billion in 2011. In 2014, the level of bilateral trade further dipped to $1.51 billion from $2.12 billion in 2013. The balance of trade has been in favour of Malaysia and over the past five years this gap has constantly been closing."

He also urged the diplomat to play an active role to encourage his country's investors to consider Pakistan as a safe destination for investment. "Joint ventures in livestock and dairy, food processing, energy, chemicals, Halal products and especially in solar panels can further strengthen the trade ties between two countries," he added. Vice President Saeed then told the diplomat to help visas facilities on the Lahore Chamber recommendation and urged Malaysian firms to participate in the third Expo Lahore which is to begin between April 8 and 10 at the Expo Centre in Lahore.

http://www.brecorder.com/business-and-economy/189:pakistan/15103:malaysian-hc-signals-bilateral-trade-expansion/?date=2016-02-11

BANK TRANSACTIONS: TRADERS TAKE OUT RALLY AGAINST WHT IMPOSITION

Business Recorder, February 14, 2016

Traders and shopkeepers belonging to various trade bodies held a big demonstration in front of Multan Press Club in protest against imposition of withholding tax on bank transactions describing it unjust and IMF imposed tax.

The demo was led by Khawaja Suleman Siddiqui, central leader, Muhammad Akhtar Butt, Sheikh Javed Akhtar, Matloob Husasain Bukhari, Shahid Mehmood Ansari, Arif Fasih-ullah, Shehzad Akram, M.Idrees Butt and Javed Akhtar Khan. Traders of more than 22 bazaars of Multan city took part in the protest rally.

Rejecting the tax, they said the unfair withholding tax should be abolished immediately; otherwise they would be forced to close their shops and markets for an indefinite period. Carrying banners and placards, they chanted slogans against this ill-advised tax imposed by the federal government.

Khawaja Suleman Siddiqui said traders across the country rejected this forced tax and all the businessmen would support traders in their fight against this injustice. It was a cruel tax that would hurt the national economy and national exchequer while promoting unlawful transaction of money like Hundi and others ways, they said.

All traders from Karachi to Khyber Pakhtunkhwa, they said, were united on this point and if the government did not review its decision to do away with the tax, traders would be forced to go on strike.

They said banks had no data of the Federal Board of Revenue (FBR) and they were imposing 0.6 per cent withholding tax even on those who filed income tax. The FBR had also failed to keep complete data.

Instead of imposing this unnatural tax", tax net be widened, they said, adding that except for traders, widows, pensioners and other poor people also made transactions and they had to pay 0.6 per cent tax as well. Traders explained that this withholding tax of 0.6 per cent, which was being imposed on those who did not file income tax, would have to be paid on withdrawal of over Rs 50,000 in cash and even on online bank transactions of the same amount.

http://www.brecorder.com/business-and-economy/189:pakistan/16384:bank-transactions-traders-take-out-rally-against-wht-imposition/?date=2016-02-14

NEWS COVERAGE PERIOD FROM FEBRUARY 1ST TO FEBRUARY 7TH 2016
LIMITED REGIONAL INTEGRATION BARRIER
Business Recorder, February 03, 2016

M ZIAUDDIN

South Asia is one of the most dynamic regions in the world, but it is also one of the least economically integrated. Intra-regional trade accounts for just 5% of total trade, compared with 25% in the Association of Southeast Asian Nations (ASEAN).

With shared history and culture, the South Asia region has a huge potential for economic integration but issues on national identity and internal consolidation have caused political tensions and mistrust between countries, and as a result, intra-regional integration is limited.

By building common interests across borders, regional integration could enhance stability in this volatile region – which is home to 570 million or 44% of the world's poor – and pave the way for countries to cooperate on urgent and shared climate change-related challenges which aggravate the risks to sustainable growth.

A latest World Bank study (Global Economic Prospects – January 2016: South Asia) has identified South Asia's limited regional integration as one of the factors undermining its potential for a quick economic take off.

Average trade costs between country pairs in South Asia are 85 percent higher than between country pairs in East Asia reflecting flows of goods and capital across borders are low compared to other regions. Exports have increased by much less over the past two decades than in other regions.

While the larger countries in the region predominantly trade outside the region, India is the dominant trading partner for the smallest countries in the region: Bhutan (mainly hydroelectricity), Nepal (textiles, agriculture, tourism) and Afghanistan (for which, Pakistan too is a major trading partner).

A number of factors are said to be at work for the low regional integration: poor transport connectivity within South Asia and to global markets; poor trade facilitation policies reflected in high costs of trading across borders in general; and restrictions on doing business with countries within the region that are in some cases due to strained political relations and have contributed to substantial numbers of South Asians migrating overseas in search of better employment opportunities.

While global non-integration has reduced exposure to global shocks in the short-term, these very factors limit the potential of South Asian firms to fully benefit from the strengthening demand in the United States and Europe over the medium term.

The degree of integration at the regional level, measured by flow in goods, capital and ideas, is very low. This is despite shared cultural ties, extensive common borders, and high population densities with large populations living close to border areas.

Although economic linkages between South Asia and the rest of the world have deepened in recent decades, progress has been slow and uneven.

High-income countries and China account for the bulk of exports earnings, portfolio investments, FDI and aid. Regional integration, meanwhile, has lagged considerably. The exceptions are within-region remittances: the Bangladesh-India migrant corridor, for instance, is the third largest in the world.

Unilateral trade liberalisation measures introduced in the late 1980s and 1990s have led to rising trade flows between South Asia and the rest of the world. Still, the degree of integration remains much lower in South Asia than in other major developing regions, with exports amounting to a fifth, or less, of GDP in most countries.

Moreover, export flows tend to be highly concentrated, with the European Union and the United States as major trading partners notwithstanding a recent shift of India and Pakistan toward East Asia and Sub-Saharan Africa.

Relative to GDP, capital flows to South Asia are lower than those to East Asia and the Pacific and Europe and Central Asia regions, reflecting underdeveloped capital markets as well as inflow restrictions in some countries. They are dominated by banking sector flows, mainly from the United Kingdom. Financial integration is limited by restrictive domestic policies. For instance, in India, notwithstanding some gradual liberalization over the years, and in Sri Lanka non-resident holdings of government debt remain capped.

India receives over 90 percent of the region's FDI and portfolio inflows, a substantial share of which originates from Mauritius and Singapore (low-tax countries with which India has double taxation treaties). In recent years FDI has tended to head into services rather than mining or industry.

China has made substantial investments into the region in recent years, in extractives in Afghanistan, renewable energy in Nepal, port construction in Sri Lanka, and manufacturing and infrastructure in Pakistan.

Within-region FDI accounts for only a small share of all FDI inflows. Bhutan, Nepal, Maldives and Sri Lanka do, however, receive non-negligible amounts of FDI from India. Cross-border investments from India have flowed into energy and public sector-linked investment in Nepal; chemicals, food processing, banking and garments production in Bangladesh, and a similarly diverse range of sectors in Sri Lanka over the past decade.

Within-region migration flows are also substantial: the Bangladesh-India migrant corridor is the third largest in the world (after the Mexico-US and Ukraine-Russia corridors), with more than 40 percent of Bangladeshi emigrants located in India. India also hosts large numbers of migrants from Bhutan, Nepal and Sri Lanka, and Pakistan from Afghanistan.

Although the bulk of aid flows to South Asia originate from OECD countries, among non-OECD countries both India and China are increasingly important sources of development finance (mixing grants, loans and project finance).

The recently signed US $46 billion China-Pakistan Economic Corridor (CPEC) agreement should see rising investment in energy, port and transport infrastructure in Pakistan over the next few years.

India, meanwhile, allocates nearly a two-third of its foreign aid budget to Bhutan, and significant amounts to Nepal, Afghanistan, Sri Lanka and Bangladesh. Several countries run sizable merchandise trade deficits with India, including Nepal, Bhutan, Bangladesh and Sri Lanka.

Large imports from India include mainly capital goods (in Bhutan, related to hydropower investments), other production-side inputs and food in the smaller landlocked countries. In Bangladesh, for instance, these comprise mainly cotton for the garment sector, food and other consumer goods.

Limited global and regional economic integration in South Asia partly reflects business environments that have constrained the ability to do business across borders and policies that have weighed on competitiveness, growth and job creation.

For instance, an improvement in South Asia's infrastructure to around 50 percent of East Asia's could improve intraregional trade by about 60 percent.

http://www.brecorder.com/articles-a-letters/187:articles/12867:limited-regional-integration-barrier/

12 NATIONS SIGN TRADE DEAL AS US SEEKS TO COUNTER CHINA
Dawn, February 5th, 2016

AUCKLAND: The biggest trade deal in history was signed on Thursday, yoking 12 Pacific rim countries in a US-led initiative aimed at wresting influence from booming China.

The ambitious Trans Pacific Partnership (TPP) aims to slash tariffs and trade barriers for an enormous 40 per cent of the global economy — but pointedly does not include Beijing.

“TPP allows America — and not countries like China — to write the rules of the road in the 21st century,” US President Barack Obama said after the pact was signed in New Zealand.

The deal — whose birth was fraught by domestic opposition in the US and in other key players, such as Japan — is a key plank of Obama’s so-called “pivot” to Asia, as he seeks to counter the rising power of China.

Trade ministers from 12 participating countries — Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam — signed the pact in Auckland early Thursday.

Beijing was muted in its reaction to the deal, saying its officials were studying the 6,000-page document.

A commerce ministry statement said China would “actively participate in and facilitate highly transparent, open and inclusive free trade arrangements in the region”.

Although the signing marks the end of the negotiating process, member states still have two years to get the deal approved at home before it becomes legally binding.

Ratification may prove far from easy, notably in the United States, where poisonous election-year politics are likely to stymie co-operation over a deal opponents have spun as a job killer.

While the 12 trade ministers were shaking hands in Auckland, thousands of protesters clogged the streets outside to voice their opposition. They argue the TPP will cost jobs and impact on sovereignty in Asia-Pacific states.

American economist and Nobel Prize winner Joseph Stiglitz believes the TPP “may turn out to be the worst trade agreement in decades.

“In 2016, we should hope for the TPP’s defeat and the beginning of a new era of trade agreements that don’t reward the powerful and punish the weak,” he recently wrote in The Guardian newspaper.

http://www.dawn.com/news/1237461

GULF FOOD 2016 EXPO: ARGENTINA OFFERS HELP TO FACILITATE BUSINESS CONTACTS
Business Recorder,February 06, 2016

MUHAMMAD RIAZ

Argentina has offered its cooperation to facilitate contacts between the Pakistani businessmen and the companies coming from Argentina to attend Gulf Food 2016 Expo being held in Dubai from February 21 to 25. It is pertinent to mention that as many as 4,069 companies from all over the world are taking part in the Gulf Food 2016 Expo to be held at the Dubai world Trade Centre.

This time, Pakistan would have biggest pavilion in Gulf Food Expo where 51 companies would represent Pakistan under the umbrella of Trade Development Authority of Pakistan (TDAP). The expo is one of the biggest and most awaited events concerning with food service and hospitality sectors in the Middle East.

This year, leading Pakistani food products companies will be participating in this exhibition and would display their full range of products including rice, juices, pickles assorted, canned fish, edible oil, fresh fruits and vegetables, chilled mutton and beef, frozen meat products, syrups assorted, confectionery items, bakery items, tea, dried seeds, herbal and health products, milk products, honey and dry fruits under Pakistan pavilion situated in Zabeel pavilion.

Last year, 41 companies participated in the Gulf Food Exhibition under TDAP which keeping view the increasing demand from the exporters has made extra reservation of stalls and most of the companies are accommodated in Pakistan pavilion. TDAP will design thematic pavilion for Gulf Food Expo as it will attract more buyers and visitors. Furthermore, TDAP will also design special directory of exhibitors and all Trade Missions at Middle East will be requested for sending invitations to prospect buyers to visit Pakistan pavilion.

The Embassy of Argentina in Islamabad has written a letter to the Lahore Chamber of Commerce and Industry and informed its President Sheikh Muhammad Arshad that 52 Argentine companies are visiting Dubai to attend the exhibition and would remain present at the Argentine national pavilion.

The embassy also forwarded complete details including products and contact person's particulars of all the 52 companies for onward circulation among the LCCI members. The embassy's offer is aimed at providing an opportunity to the Pakistani businessmen to explore future business ties to enhance trade between the two countries.

http://www.brecorder.com/business-and-economy/189:pakistan/13850:gulf-food-2016-expo-argentina-offers-help-to-facilitate-business-contacts/

12 PAKISTANI EXPORTERS TO ATTEND 'WORLD FOOD MOSCOW' SHOW

Business Recorder, February 06, 2016

Trade Development Authority of Pakistan (TDAP) has arranged participation of 12 exporters from agricultural sector in World Food Moscow exhibition to improve volume of trade with Russia.

The other objective of the participation was to help exporters introduce and capture Russian market. Sources at TDAP on Friday said the Authority is also arranging participation of 15 exhibitors in International Sports Exhibition in Moscow this year.

The sources said to get competitive market access in Russian Federation by lowering the customs duties applicable on Pakistani goods,

Ministry of Commerce has requested Ministry of Foreign Affairs to request Eurasian Economic Union for initiation of talks for a Free Trade Agreement. Another event is Heimtextil Moscow – a leading exhibition for textile products and TDAP arranges participation of Pakistani exporters in this exhibition every year.

Regarding bilateral trade between Pakistan and Russian Federation in last 5 years, the sources said during 2010-11 Pakistan's exports to Russian Federation were $183.57 million and imports from Russian Federation were $163.42 million while total volume of trade was $346.99 million.

During 2011-12, Pakistan's exports to Russian Federation were $189.61 million, Pakistan's imports from Russian Federation were $202.05 million and total volume of trade was $391.67 million.

During 2014-15, exports to Russian Federation were $183.84 million and imports were $206.45 million and total volume of trade was $390.29 million. In order to gain competitive market access in EEU, Ministry of Commerce in consultation with Ministry of Foreign Affairs is reaching out to EEU to initiate a dialogue for a Free Trade Agreement.

http://www.brecorder.com/business-and-economy/189:pakistan/13830:12-pakistani-exporters-to-attend-world-food-moscow-show/

PAKISTAN, THAILAND FINALISING DRAFT OF FREE TRADE ACCORD
The Express Tribune, February 6th, 2016.

Peer Muhammad

ISLAMABAD: Pakistan wants to extend all those concessions to Thailand under a proposed free trade agreement (FTA) that are already available to China in a similar arrangement.

"Pakistan and Thailand have held many brainstorming sessions at official and ministerial levels since last year and currently the draft of FTA is being finalised," said a senior officer in the Ministry of Commerce.

"After finalising the text, the list of trade items under the FTA will be exchanged," he added.

At present, Pakistan's imports from Thailand are worth $843 million with exports amounting to $125 million. Both countries have an ambitious plan to boost bilateral trade to $5 billion annually.

"Pakistan wants to be part of Asean (Association of Southeast Asian Nations) to become a vibrant economy in future. It has already signed FTA with Malaysia and discussions with Indonesia are under way for reaching an accord," said the officer.

"Within the Asean bloc, Thailand is a key player in the global value chain, especially in automobiles, electrical appliances and electronics," said the official. "Facilitating cross-border movement of goods and services between the two countries will encourage the original equipment manufacturers to base their operations in Pakistan to take advantage of cheap labour."

On the other hand, Pakistan could take benefit of Thailand's technological edge in high-end product design and manufacturing.

As the two sides have agreed to double the volume of bilateral trade by 2018, a joint trade committee will be constituted for government-to-government consultation and a joint business council will be set up for interaction between private sectors of the two sides.

It was further decided by the ministries of commerce of both sides to commission feasibility studies for the FTA.

The official said potential also existed for boosting intra-industry trade in several product segments most notably knitted or crocheted fabrics, articles of apparel, accessories and leather products.

"Both types of trades could bring benefits for the two countries in terms of enhanced competition and efficiency, lower prices and improved product quality and variety."

According to a study conducted to highlight the trade potential between the two sides, Thailand had comparative advantage in more than 1,000 commodities, which constituted around 21% of Pakistan's total imports worth $45 billion.

Pakistan, on the other hand, had comparative advantage in 684 commodities that constituted about 3% of Thailand's total imports worth $225 billion.

"Past few decades have shown a phenomenal rise in global production-sharing arrangements due to technological advancements that have made geographical fragmentation of production activities an increasingly viable option," noted the official, adding Asia had emerged as a global hub of manufacturing with increasing integration of east and Southeast Asian economies in the global production networks.

"Pakistan due to its geographical location, better connectivity with Central Asia, reasonable physical infrastructure, state-of-the-art telecommunication services and well-developed finance and insurance sectors is better positioned to become part of the global manufacturing chain," he said.

http://tribune.com.pk/story/1041202/unfettered-market-pakistan-thailand-finalising-draft-of-free-trade-accord/
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March 2016

NEWS COVERAGE PERIOD FROM MARCH 28th TO APRIL 3rd 2016

SINO-PAK TRADE LIKELY TO INCREASE BY 24 PERCENT

Business Recorder, April 3, 2016

Naveed Butt

Trade between Pakistan and China is likely to increase by 24 percent after completion of China-Pakistan Economic Corridor (CPEC) projects especially relating to energy and infrastructure, it is learnt.

According to the sources, CPEC would play a significant role in making Pakistan one of the most attractive transit trade routes in the world as the route would open immense trade opportunities for Pakistan with other regional countries as well.

Sources added that that trade route, in future, could link central Asia via Afghanistan, and gave the Central Asian countries an easier access of sea route to Far East and Australia.

Most of CPEC projects relating to energy, Gwadar Port and infrastructure would be completed by end-2018 and the $46 billion corridor projects envisage construction of infrastructure projects such as motorways, expressways and rail lines to bolster connectivity. Various power projects would also be established to help Pakistan meet its growing energy requirements.

The sources said Pakistan was also discussing Industrial Economic Zones with China which would be established along side the route of CPEC. They said a meeting of Economic Zones Joint Working Group (EZJWG) of Pakistan and China was going to hold next week of that month to discuss the matter relating to establishment of industrial zones.

According to documents available with Business Recorder, the economic zones would target various sectors including food, pharmaceutical, engineering, fruit/food packing for exports, textile value addition, marble industry, minerals and cutting and polishing, industries of mosaic furniture, construction of material vendors, herbal medicine and agriculture implements etc.

The Karak Special Economic Zone is also under design which would target oil and gas sector. This industry would refine 100,000 barrels of oil per day while approximate $5 billion investment is expected. Federal government has proposed to establish 1000MW gas based power house for this sector.

The sources said the industrial zone would require energy at a time when the country was already facing shortfall of power. However, the government has launched many projects of energy under CPEC to meet the power shortfall.

Source further said that China would also benefit from that economic corridor, which would greatly reduce China's trade route from 12,000 kilometres via sea, to 2,000 kilometres via land ie from Kashgar to Gwadar.

In future, the sources said China could also use Gwadar to build a naval base which would increase influence of China in the region. At present 40 percent of the world's oil is extracted from the Gulf region and its transportation is through the Persian Gulf and it is expected that all the oil shipments from the Gulf Co-operation Council (GCC) countries will be shipped via Pakistan to China.

According to media reports, Ambassador of Tajikistan Sherali Saidamir Jononove had said his country would benefit from that opportunity and would become a partner in CPEC.

The Ambassador also said Prime Minister Nawaz Sharif would participate in the transmission line laying ceremony of CASA-1000 electricity project in Tajikistan in May next month. Tajikistan will export more than 1000MW hydel electricity to Pakistan under the project.

http://www.brecorder.com/top-stories/0/32066/

NEWS COVERAGE PERIOD FROM MARCH 21st TO MARCH 27th 2016
PROSPECTS OF PAK-AFGHAN TRADE TIES DISCUSSED
Business Recorder, March 22, 2016

LAHORE: The chairman of the Pakistan Afghanistan Joint Chamber of Commerce and Industry says "if both official and unofficial trade is calculated between Pakistan and Afghanistan, Afghanistan could rank third in the list of Pakistan's trade partners, which is estimated to be up to $5 billion."

The comment by Chairman Muhammad Zubair Motiwala came on Monday as he addressed a conference jointly arranged by the Punjab Board of Investment and Trade in Lahore meant to discuss the prospect of increasing and improving the trade in collaboration with the Pakistan-Afghanistan Joint Chamber of Commerce and Industry.

Afghan Ambassador Syed Abrar Hussain and Nestlé Pakistan Chairman Syed Yawar Ali also attended the conference. The chief guest was Provincial Industries Minister Chaudhry Mohammad Shafique.

In his address, Chairman Zubair said both countries had a total of 20 joint business ventures and there was need for Pakistani exports of automobiles, electronics, furniture, pharmaceutical goods and warm clothing to Afghanistan.

"Similarly, Afghanistan can export cement, sugar, iron and agriculture goods to Pakistan," he added.

He also suggested that to enhance the trade, Pakistan should set up trading zones, free-trade areas and offer tax incentives to various businessmen, with revamping Pakistan's visa system for business community.

Speaking with the media, board Chief Executive Officer Amna Cheema stressed the importance of the trade, saying, "This conference is a step in the right direction towards better relations with our neighbour."

The board's Projects and Policy Research Director, Khurram Afzal Malik, then gave a presentation about the socio-economic climate of the Punjab, which included various metrics and statistics concerning the province.

http://epaper.brecorder.com/2016/03/22/3-page/743251-news.html

GOVT PLANS TO EXPAND TRADE DIPLOMACY
Dawn, March 24th, 2016

ISLAMABAD: The Ministry of Commerce has evolved a comprehensive three-pronged strategy of trade diplomacy in the multilateral, regional and bilateral arenas for increasing Pakistani products' market access.

As part of the strategy, an integral part of the new trade policy, these new markets will be explored through research, new trade missions, exhibition, delegations, and linkages through Export-Import (EXIM) Bank.

An outreach strategy for Africa, Commonwealth of Independent States (CIS) and Latin America is being adopted.

At multilateral level, entering into multilateral arrangements for better market access such

as Trade Facilitation Agreement (TFA), Information Technology Agreement (ITA) and Government Procurement Agreement (GPA) under the ambit of the World Trade Organisation will be pursued.

The policy proposes new measures to enhance access to regional markets such as the Gulf Cooperation Council (GCC), the Association of Southeast Asian Nations (Asean), the South

Asian Association for Regional Cooperation (Saarc), Afghanistan and Central Asian Republics (CARs).

The commerce ministry has already started work to initiate free trade agreements (FTAs) with Thailand, Turkey and Iran. A feasibility study is being done for South Korea. The ministry is

also working on FTAs with Nigeria and Jordan, while an agreement with China will be revised to get preferential market access for Pakistani exporters.

According to the commerce ministry document, despite immense potential, the regions of South and Central Asia are among the least integrated regions of the world despite immense potential, with intra-regional trade less than 5pc primarily caused by high costs due to infrastructure, missing links and lack of transit agreements.

Opportunities are, therefore, immense for greater regional connectivity and enhanced cooperation through transit trade agreements. The Ministry of Commerce is working on achieving shared prosperity through better connectivity and transit trade through resolution of outstanding issues in Afghanistan-Pakistan Transit Trade Agreement (APTTA).

As part of the policy, the negotiation and early conclusion of APTTA was on the agenda of the commerce ministry. Effective implementation of International Road Transports (TIR) Convention is another step to promote regional trade.

It is also under consideration to reactivate Quadrilateral Transit Trade Agreement (QTTA) among Pakistan, China, Kyrgyzstan and Kazakhstan.

A regional trade office was established at the Ministry of Commerce to take institutional lead on formulation of a Pakistan-Afghanistan-Central Asia regional economic integration framework.

To improve the functioning of the ministry and its attached departments, a task force has been established to suggest measures for restructuring the ministry as well as its trade promoting organisations including Pakistan Horticulture Development and Export Company, and the Trade Development Authority of Pakistan.

Intellectual Property Organisation (IPO) will be placed under the ministry as its current placement under the cabinet division has not been able to build the required synergies between the trade policy and the IPR policy.

Moreover, capacity-building requirements of the previously established institutions/organisations under the Ministry of Commerce have also been identified. A task force to conduct expeditious work on improving railway services for exporters will also be established.

http://www.dawn.com/news/1247498

BIG TRADE DEALS THREATEN GLOBAL WARMING FIGHT
Business Recorder, March 24, 2016

The legal powers that global companies would gain under huge Pacific and Atlantic trade deals could erode efforts to combat global warming, the Sierra Club said Wednesday. The environmental group said the two pacts championed by Washington would allow foreign investors to use private tribunals to challenge public policies aimed at restricting the use of fossil fuels.

“Forty-five of the 50 private corporations historically responsible for the most climate-disrupting emissions would be empowered to challenge climate policies” if the two trade deals are implemented, the Sierra Club said in a new report. The report took aim at investor-state dispute settlement (ISDS), one of the most contentious provisions in the already-agreed Trans-Pacific Partnership (TPP) treaty, and the Transatlantic Trade and Investment Partnership (TTIP) still in negotiation.

ISDS offers companies access to international arbitration of disputes with the countries they invest in. That can expand their protection against unfair treatment, but critics claim it would allow them to override country’s justice system and national policies. ISDS is already in place in bilateral US trade deals but would be greatly expanded under the 12-country TPP and under TTIP, which would govern trade and investment between the United States and the European Union.

The Sierra Club said ISDS opens the way for mining and energy companies to claim compensation if government policies hinder their plans for investment in fracking, offshore and onshore drilling, and pipelines. It notes that, under the existing North American Free Trade Agreement (NAFTA), Canada’s TransCanada has threatened to seek $15 billion in compensation via an ISDS tribunal after the US government last year blocked its Keystone XL oil pipeline project.

It also cited US oil fracking company Lone Pine Resources’ 2013 NAFTA arbitration challenge against Canada’s Quebec province for the allegedly arbitrary revocation of its “right” to drill for oil and gas under the St. Lawrence River. With TPP and TTIP, claims like this could soar, said Ben Beachy, a senior policy advisor on trade at the Sierra Club. “No previous trade deal has granted such broad rights to firms with such broad interests in maintaining US fossil fuel dependency.”

“The corporations that would gain this ability are the world’s largest polluters,” he said. Defenders of the trade deals say that the TPP explicitly gives governments the right to implement policies on the environment and health in the public interest. “Countries retain the right to regulate in the public interest,” the office of the US Trade Representative has said. But the Sierra Club report calls the TPP provisions “far too weak to offer adequate protection” and still allows investors the right to bypass domestic courts.

http://www.brecorder.com/general-news/172/28663/\

‘PAKISTAN MUST CAPITALISE ON IRAN OPPORTUNITY’
Dawn, March 25th, 2016

Shahab Nafees

KARACHI: It’s about time Pakistani industries and businesses started to capitalise on a sanctions-free Iran, whose economy is set to make a strong comeback in the years to come, said speakers at a forum held on Thursday.

Participants at the Pakistan-Iran Business Opportunity Forum, organised by the Pakistan Business Council (PBC) in collaboration with the Ministry of Commerce, agreed that lifting of international sanctions against Iran in January 2016 has led to an increased interest in that country, which is the second largest economy in the Middle East and North Africa region with exports of nearly $74 billion and imports of $54bn in 2014.

Iran's Consul General Mehdi Sobhani said that in this era of interdependence, bilateral trade was too small considering the size of the two economies. He questioned why Iran-Pakistan gas pipeline and other such projects have been stuck in limbo when other countries were doing business with Iran, even during the time of "cruel sanctions against my country".

He said there was significant potential for trade between the two countries. "Pakistan is suffering from energy shortage. Iran can help end this ordeal."

Prime Minister Nawaz Sharif has recently expressed the hope that the upcoming two-day visit of Iranian President Hassan Rouhani, who is due today, will help revitalise bilateral ties.

PBC Chairman Atif Aslam Bajwa said Iran was currently taking far greater advantage of the existing Preferential Trade Agreement, leading to a great disparity in Pakistan's imports and exports. He believed Pakistan should exercise caution before signing more trade agreements with the neighbouring country.

Trade Development Authority of Pakistan Secretary Rabiya Javeri Agha said the country was lagging behind other regional countries in commercial ties with Iran. "Trade is about money. But trade is also about trust," she said.

On a question about non-traditional exports, like pharmaceuticals, to Iran, she said Pakistan did not have a single plant approved by the US Food and Drug Administration (FDA) compared to some 800 FDA-approved facilities in India.

According to a PBC report, Pakistan's exports to Iran were $43m in 2014 while imports were $185m. However, the report noted wide discrepancies between the trade figures provided by the two countries. During the same year, for example, Iran reported exports to Pakistan at $837m and imports at $261m.

Pakistan's top potential exports to Iran are rice, cotton and petroleum preparations, with a potential of $1.6bn, $123 million and $100m, respectively.

State Bank of Pakistan Executive Director Operations Ashraf Khan and Pak-Iran Investment Company Limited Managing Director Nadeem Karamat also spoke on the occasion.

http://www.dawn.com/news/1247733

TRADE POLICY 2015-18

Business Recorder, March 26, 2016

The Federal Minister for Commerce Khurram Dastgir unveiled the three-year Strategic Trade Policy Framework 2015-18 with the overarching objective of achieving $35 billion exports by 2018, the election year, which at first glance appears to be more realistic than previous trade policies given that the current level of exports is around 24 billion dollars.

The budgeted amount for the achievement of this ambitious trade policy in the current year was 6 billion rupees; however, sources in the Commerce Ministry informed Business Recorder that with only three months remaining in the current year they would propose to the Finance Minister to defer this amount to next fiscal year.

There is little doubt that the Finance Minister would readily accede to this request as it would reduce the pressure on him by that amount in terms of meeting the deficit target agreed with the International Monetary Fund team under the 6.64 billion dollar Extended Fund Facility.

Be that as it may, without the necessary funding and with tax concessions announced in the trade policy unlikely to be implemented till next year's budget, again because of Ishaq Dar's focus on meeting the deficit agreed with the Fund team, the trade policy is in effect a two-year policy – 2016-2018. And this raises the question of whether the 11 billion dollar increase in exports that the policy envisages is indeed realistic as it is a two-year period and not three.

The policy consists of four pillars, in marked contrast to previous policies that either focused on import substitution or export promotion: product diversification and sophistication which one would hope envisages producing exportable products rather than exporting what we produce, market access, institution development (though no mention was made during Dastgir's press conference as to which institutions would be developed and how) and trade facilitation.

Dastgir asserted that the main reason for Pakistan's poor performance in exports is a competitiveness crisis which he defined as heavy reliance on only two products. He further averred that cotton output fluctuates which is in the nature of the crop; however, what he ignored was the fact that the fluctuation in farm output, including cotton, is also attributable to government policies particularly the lack of support extended to the agriculture sector by the federal government.

This is unlike our regional competitors who extend massive subsidies on fertiliser and other inputs, including high quality seed as well as on the maintenance and expansion of the irrigation system.

The trade policy envisages providing support to the agri-business sector with a 50 percent support on the cost of imported new plant and machinery for specified undeveloped regions or 100 percent mark-up support on the cost of imported new plant and machinery throughout Pakistan.

This concession raises two questions: would the envisioned support be extended by the commercial banking sector and if so this scheme may well go the way of the Prime Minister's youth scheme as the private banking sector's requirements for a loan can only be met by those with guarantees/assets? And if the government is to bear the cost then one would have to wait and see if this is budgeted for the next fiscal year.

With the IMF programme still ongoing, it is unlikely that the Dar-led Finance Ministry would be able to extend any subsidy in 2016-17.

A short-term strategy, the Commerce Minister noted, would target three markets (Iran, China and Afghanistan) and focus on four products (horticulture, meat and products, jewellery, basmati rice).

It is unclear how Dastgir defines short-term as many economists would define it as at least 2 years with respect to raising exports by 11 billion dollars which is the duration of the entire policy.

Two of the three target identified markets raise a lot of questions given that our official trade with Iran has never been high while our trade with Afghanistan remains hostage to the ongoing conflict in relation to dealing with the Taliban. China, as the minister stated in his press conference, is suffering from an economic downturn which incidentally is not expected to reverse in the next year or so.

With respect to the four products it is necessary to point out that the three countries are unlikely to be buying jewellery given the state of their economies. Meat and products or horticulture exports would perhaps have been more successful were the focus Middle Eastern countries.

Basmati rice would be a product that is saleable in the three countries however India exports basmati rice and takes the lead in sales to Iran and Afghanistan.

Dastgir maintained that leather, pharmaceuticals, fisheries and surgical instruments have higher export potential. Indeed, but the fact remains that these items are already being exported and if cotton and products are taken out of the equation these items are high on the list of generating export revenue

. One would have hoped that the focus would have been on leather manufacturers including footwear, engineering goods and sports goods.

The new policy aims to boost pharma exports. But so far none of the 600 pharma companies has the World Health Organisation (WHO) approval let alone certification by FDA of the US or European Drug Regulatory Agency's certification.

Perhaps, TDAP could help out in paying the dollar 20,000 fee and facilitate the visit of WHO inspectors to local pharma companies. WHO certification would allow export of Pakistani drugs in case of emergency to WHO-registered countries.

To conclude, the delay in approval of the trade policy, attributed to the Prime Minister, shortened its duration to two years; and while one would have expected the Commerce Minister to present a two instead of a three-year policy or failing that to extend it to 2019 yet for the Sharif administration the buck stops in 2018 – the election year.

One must not lose sight of the fact that Finance Ministry holds the key to successful exports. It has consistently denied refund/rebates to exporters – which are due as far back as 2002. We need to 'walk the talk' or else it will remain 'talk the talk'.

Export diversification (in terms of products and regions) and greater market access have been aims of trade policy for over two decades with little or no progress. We are afraid that mere rhetoric will not suffice.

Incremental refunds have never worked. Let us not create another circular debt in the export sector as we have done in the energy sector. Refund of taxes to exporters is long overdue. But our fiscal woes continue to worsen. We need to urgently issue bonds as planned and seek permission from the International Monetary Fund (IMF) in this regard.

http://www.brecorder.com/editorials/0:/29073:trade-policy-2015-18/?date=2016-03-26

NEWS COVERAGE PERIOD FROM MARCH 14th TO MARCH 20th 2016
INDIA-AFGHANISTAN TRADE THROUGH PAKISTAN
The Express Tribune, March 14th, 2016.

Pakistan-Afghanistan relations are multi-dimensional, encompassing political, economic, cultural and people-to-people ties. Because of many unresolved issues, the relationship has been, for the most part, a roller coaster ride. Seldom have the two countries been able to realise and profit from the enormous latent potential of bilateral ties that could have a substantive impact on the lives of their rank and file.

It is mind-boggling how, living in such close proximity and sharing such deep historic bonds of affinity, Islamabad and Kabul have failed to develop a better understanding of the perceptions, fears and suspicions in each country that impinge on the formulation of policy affecting their mutual ties.

A few months ago, the adviser to Pakistan's prime minister, while on a visit to the United States, asserted that Pakistan will not accept a Taliban government in Afghanistan. The statement was denounced, not by the Taliban but by the presidential spokesman in Kabul who emphasised that it is not Pakistan but the people of Afghanistan who have the right to choose the type of government and people who would lead such a government. In other words, Afghans would not tolerate any covert interference, even if such intervention would attempt to weaken the government's enemies.

Such a lack of comprehension for Afghan sensitivities has been the fatal hallmark of the formulation of Pakistan's thinking on issues affecting its relations with its western neighbour. Another area where this lack of concern for Afghanistan's sovereignty is manifested is the naive attempts by Islamabad to guide Kabul's policy in its relations with India.

This India-centric approach is fundamentally a negativistic concept that seeks to restrict India's role in Afghanistan assuming that by so doing, it (Islamabad) would create a hegemonic or an exclusive strategic space for itself that will enhance Pakistan's geo-political and economic interests.

There are two important points to be noted in this theory. One, such an attitude or policy has not worked. Despite Pakistan's many overtures and deep contacts with Kabul, the bilateral Afghan-India relations have continued to grow.

India has made an investment worth $2 billion in Afghanistan, becoming the 4th biggest donor to its rehabilitation. More importantly, India is viewed by most Afghans as a friend and ally.

Two, the policy tends to alienate Afghans more than Indians because they lose vast opportunities of easy, direct trade with India via Pakistan's land route.

Denying the use of the land route for trade between Afghanistan and India has been an inexplicably bad preposition. It has caused immense and deep resentment, not only in the ruling circles but also amongst the population of Afghanistan — a resentment that borders on hostility.

As a matter of fact, allowing the use of the land route for transit goods between India and Afghanistan would have been a tremendous and, perhaps, decisive factor that could have opened possibilities for more extensive contacts in other areas. The Pakistani transport sector could have directly benefited from the transit trade.

Pakistan and India could then begin to take each other into confidence with regard to their roles in Afghanistan, which would not necessarily be mutually exclusive. Trade brings people together like no other activity.

And what has Pakistan gained as a consequence of the denial of the Wagah-Torkham route to both India and Afghanistan? Nothing, except the ire of the Afghans and a deepening level of distrust with India.

Persisting with policies that bring little comfort and so much misery is beyond one's comprehension. Those who would justify such an approach on grounds of 'reciprocity' for what India is presumed to be doing in Balochistan against Pakistan's national interests, need to think again.

India's alleged interference in Balochistan or Pakistan's in India is a longstanding issue that relates to the broader problem of the overall relations between the two South Asian neighbours. That problem would not go away soon. But in this case, it's more a matter of our relations with Afghanistan.

Good relations with Afghanistan are an indispensable ingredient of our foreign policy. At stake is not only the stability and security of our 2,200-kilometre-long border, but also trade with Central Asia, benefiting from Afghanistan's vast, untapped mineral resources, investment, more than 80,000 expatriate workers, besides of course 1.5 million Afghan refugees still on the soil of Pakistan.

Can we afford to lose our relevance to Afghan peace, Afghanistan's reconstruction and rehabilitation and having invested so much in that country now destroy our goodwill because we would continue pursuing a policy that has not delivered and is not likely to deliver any positive outcome in the future?

While the world moves on, while borders are vanishing, while trade, investment and energy corridors are becoming the order of the day in a new globalised environment, we in India and Pakistan seem totally oblivious to the powerful currents of change sweeping the world.

We are, as far as our relations are concerned, frozen in time — even as millions of people in South Asia go hungry every day and 440 million in India and more than 45 million in Pakistan live below the poverty line.

We owe it to the teeming millions living in the subcontinent to wake up to the realities, forego our jingoistic and pathetically absurd notions of nationalism and begin to dispassionately reappraise our policies in order to help create an environment of trust, tolerance and accommodation, in which to pursue the goal of closer economic, political and cultural contacts for the benefit of the people and the region.

http://tribune.com.pk/story/1065060/india-afghanistan-trade-through-pakistan/

ITALIAN COMPANIES EXPLORING OPPORTUNITIES IN PAKISTAN

Dawn, March 15th, 2016

KARACHI: With a population of 200 million people, Pakistan is a massive and interesting market, said Pierantonio Cantoni, International Business Development Manager at Associazion Italiana Commercio Estero (AICE) on Monday.

In his presentation at a seminar on 'Doing Business With Italy', he said over 76 per cent of Pakistan's exports, mainly textiles and clothing, find their way into the European Union. He stressed on the need for increasing bilateral trade between Pakistan and Italy.

Italy offers its expertise in the fields of agriculture, machinery, leather, food, marble and stones as well as waste management equipment and packaging industry.

He noted that Pakistan's imports of marble and stones went down from one million euros in 2012 to 380,000 euros in 2014.

Earlier, giving an overview, AICE's David Doninotti said that Italy is home to 60 million people and a very diversified industrial economy with 6 million registered companies.

He said that Germany was the biggest trade partner of Italy followed by China, USA and Switzerland. The Netherlands and Belgium, despite being small, non-industrial countries are also important trading partners. In the case of Pakistan, we can look out for similar prospects, he noted.

Italy's imports from Pakistan amounted to 500 million euros while exports came to 400m euros in 2014.

Mr Dario Orsini of Alba Milagro, which produces special fertilisers, Mr Roberto Vavala' of packaging company Goglio and Mr Federico Cellini of Italmec shared their companies profiles.

Consul General of Italy Gianluca Rubagotti explained visas were not issued based on connections. "Our embassy has a very pro-business approach. If you fulfill the criterion and documentation which proves you are a true businessman, you will get the visa," he said.

He said the purpose of the event was to present the Italian economy and the opportunities it could offer to Pakistani businessmen.

The event was organised by the Embassy of Italy in Islamabad and the Italian Consulate in Karachi, in collaboration with the Italian Development Committee. The delegation of 50 Italian companies would hold business-to-business meetings on Tuesday and then move to Lahore and Islamabad.

http://www.dawn.com/news/1245705

PAKISTAN, IRAN DISCUSS TRADE ISSUES
Dawn, March 17th, 2016

ISLAMABAD: Ahead of the Iranian president's visit to Pakistan, the Ministry of Commerce on Wednesday explored avenues to boost bilateral trade to $5 billion in five years after lifting of international sanctions.

In a meeting presided over by Commerce Minister Khurram Dastgir Khan, various proposals came under discussion to boost and diversify exports. Two visiting officials of the Iranian trade ministry also attended the meeting.

Pakistan's exports to Iran are limited to few products as 63 per cent of the proceeds come only from rice. Exports to Iran fell to $43 million in 2014 from $182m in 2010, while imports plunged to $186m in 2014 from $884m in 2010. UN sanctions on Iran were the biggest reason behind this drop.

The collector customs Quetta informed the meeting that there was a threefold increase in revenue at Pakistan-Iran border. The representative of the State Bank reported said that there were no restrictions on trading through formal banking channels.

The commerce minister informed the Iranian officials that Pakistan was interested in holding exhibitions.

Mr Dastgir said that Pakistan wanted to diversify its export basket to Iran by exporting home appliances, light engineering products and value-added textile products.

The meeting was informed that there was a high demand for food items in Iran, and Pakistan had already secured an export order of 100 tonnes of meat.

The commerce minister said relevant authorities in the Iran's health ministry would be persuaded to fast-track authorisation of licences to Pakistani rice mills.

Both sides have already discussed freight train operations on a regular basis. Pakistan has proposed that till freight traffic picks up, Iranian authorities may also introduce concessionary freight traffic by rail between Zahedan-Quetta section.

Pakistan has also sought a response from Iran on tariff and non-tariff trade barriers. Iran has diverted its trade towards India and Turkey in the last four years, and there is a marked increase in its bilateral trade with these two countries in recent year.

Pakistan signed a preferential trade agreement with Iran in 2006, but there have been little benefits because of high tariff on Pakistan's exportable products.

http://www.dawn.com/news/1246138

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Dawn, March 15th, 2016

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http://www.dawn.com/news/1245705

UZBEKISTAN WANTS TO ENHANCE BILATERAL TRADE: ENVOY
Business Recorder, March 19, 2016
SIALKOT: Ambassador Of Republic Uzbekistan to Pakistan Furqat Sidiqov has said that Uzbekistan and Pakistan the two Islamic countries are enjoying cordial and friendly relations. "We are keen to enhance the volume of bilateral trade between the two countries and both sides should work for availing the advantage of their geographic proximity to boost cooperation," he said.

Speaking to the members of Sialkot Chamber of Commerce and Industry (SCCI), he said Uzbekistan and Pakistan governments were agreed to enhance bilateral trade volume between the two countries to 300 million dollars during next five years.

He informed the house that Uzbekistan Airways would soon start its service from Pakistan which would be helpful in bringing businessmen and people closer. Uzbekistan government was working on five-point agenda for further improving its economy and to bring radical changes in every sphere of life, he added.

Special economic zones had been established for accommodating foreign investors and at present a large number of foreign companies were successfully functioning in those Special Economic Zones, he said.

The Ambassador highlighted the achievements and prospects of economic development of the country. The gross domestic products of the country in 2015 grew by eight percent, production of industrial goods increased by eight percent while agriculture products swelled by seven percent and construction and assembling works by 18 percent, he said.

In his address of welcome Acting President SCCI Muhammad Sarfraz Butt said there was a huge scope for quality products of Sialkot to be exported to Uzbekistan that needed to exploit to the maximum through mutual cooperation. Sarfraz said Pakistan and Uzbekistan had been enjoying cordial bilateral relations since the independence of Uzbekistan in 1991. Over the years, Pakistan and Uzbekistan had been working for realising the goal of establishing functional transport corridors and institutionalizing business linkages, he said.

Bilateral trade between Pakistan and Uzbekistan is relatively low and volume of trade between the two countries is over USD 24 (M). “I firmly believe that we can increase the volume by creating strong connections between business communities of the two countries.”

http://epaper.brecorder.com/2016/03/18/5-page/741804-news.html

NEWS COVERAGE PERIOD FROM MARCH 7th TO MARCH 13th 2016
MEETING MULLS MEASURES TO BOOST HALAL MEAT EXPORT
Business Recorder, March 07, 2016

A meeting of the representatives of the Local Government Department, Khyber Pakhtunhwa and Agriculture, Livestock and Co-operatives Department, University of Agriculture Peshawar and the private sector was held here on Sunday. The meeting was chaired by Senior Minister Local Government Inayatullah Khan.

The minister appreciated the progress so far and directed for initiation of a summary for approval of the Chief Minister, regarding academic component at the University of Agriculture Peshawar and an autonomous DSP Board for boosting Halal meat export.

The meeting was attended by Mohibullah Khan, Special Assistant to Chief Minister for Livestock and Fisheries; Syed Jamal-ud-Din Shah, Secretary, LGE&RD; Professor M Subhan Qureshi, Dean FAHVS UAP/Chief Patron Dairy Science Park; Dr Sher Muhammad Director General Ext L&DD, Dr Ahmad Naveed, Director General Res L&DD and others.

The minister appreciated the concept of the Dairy Science Park to support the farmers’ income, value-addition in the province, self-employment to the youth and hygienic food production.

Professor M Subhan Qureshi presented the plan for implementing the Diary Science Park. Sufficient progress has been made under the Park so far. Seven companies have been established including Dairy Life Cattle Feed, Farmers Sausage Company, Royal Dairies, DSP Innovations, Meat Park, Silage Factory.

He informed that collaboration had been made with the US Department of States for Biorisk Management, Chinese Academy of Agricultural Sciences for industrial research, Khyber Medical University for public health initiatives and Pakistan Army for introduction of elite semen to medium sized farms and export.

http://www.brecorder.com/agriculture-a-allied/183/23512/

NEPALI ENVOY URGES STRONG BILATERAL TRADE, COMMERCE TIES
Business Recorder,March 10, 2016
Nepali Ambassador to Pakistan Bharat Raj Paudyal on Wednesday said that Nepal and Pakistan were enjoying highly cordial relations since long but there is still a great need for developing strong trade and commerce ties between the two friendly countries.

Talking to acting President Sialkot Chamber of Commerce and Industry (SCCI) and members of executive committee of the chamber, he said, “We are making utmost efforts for developing trade and commerce relations with Pakistan on top priority basis.”

The ambassador urged the exporters and manufacturers of Sialkot that they should explore Nepali market and concentrate on developing direct interaction with their counterparts.

He called upon Sialkot Chamber of Commerce and Industry (SCCI) that a trade delegation should be constituted for the visit of Nepal and full cooperation and assistance would be extended to the members of the proposed delegation during its visit to Nepal. T here are wide opportunities for Pakistani business community for opening new vistas of trade and commerce and their visit to Nepal would certainly supportive in ascertaining the possibilities of demands of Pakistani products in the Nepali market, he said. The ambassador on this occasion said that a single country trade exhibition would also be arranged for the introduction of Pakistani products in Nepali market.

The ambassador expressed the hope that business community of Sialkot would play its instrumental role in accelerating the pace of bilateral trade between the two friendly countries for enhancing trade volume because the existing trade volume is at its lowest ebb.

Speaking on the occasion acting President SCCI Muhammad Sarfraz Butt assured that business community of Sialkot will extend its full support in enhancing the trade between the two countries.

http://www.brecorder.com/business-and-economy/189:pakistan/24177:nepali-envoy-urges-strong-bilateral-trade-commerce-ties/?date=2016-03-10

PAKISTAN-BELARUS JMC MEETING VOWS TO ENHANCE TRADE TO $1 BILLION
Business Recorder, March 10, 2016

MUHAMMAD RIAZ

Pak-Belarus Joint Ministerial Commission meeting ended in Lahore on Wednesday with a strong resolve to enhance the bilateral trade to $1 billion. The second session was jointly chaired by Commerce Minister Khurram Dastgir Khan and his Belarus Industry counterpart, Vitaly Vovk. Both sides also agreed to hold the third meeting in September, 2016 in the Belarus city of Brest.

The maiden meeting resolved to enhance bilateral economic cooperation in sectors including commerce, investment, industry, agriculture, energy, health and pharmaceuticals, education, technology and other sectors of mutual interest. The two countries also agreed that industrial cooperation between Pakistan and Belarus must aim at becoming strategic partners in the areas of value-added export-oriented industries.

It also discussed the implementation of the programme named “Road map of bilateral cooperation between the Republic of Belarus and Islamic Republic of Pakistan in the short and medium term”, signed last year.

In his meeting with the co-chair, Minister Dastgir shared details of fiscal incentives and liberal investment regime being offered at special economic zones and those of export processing where Belarusian entrepreneurs can set up their production units.

A consensus was reached on removal of tariff and non-tariff barriers that were essential for trade facilitation. The absence of banking channels was identified by Pakistani side as one of the biggest non-tariff barriers. The commission underlined the importance of creating a viable banking mechanism for carrying out effective economic transactions.

It also emerged that a meeting of representatives of central banks would be held in the first half of 2016 to establish direct banking links. Both sides then agreed to establish sub-group of the Joint Trade Committee to identify potential products for goods exchange operations and agree on quality and quantity for goods exchange operations.

And Belarus agreed to simplify visa procedures for Pakistani businessmen to enhance the bilateral economic ties and assured its full support on Pakistani request for the Free-Trade Agreement with the Eurasian Economic Union.

An agreement will be signed between the State Customs Committee of the Republic of Belarus and the Customs Wing of the Federal Bureau of Revenue, enabling a delegation of Pakistani Custom to visit Belarus by May 2016.

Pakistani side said installation and commissioning work of an assembly line for Belarusian tractors were completed in May 2015 and after trial production, regular production has been started. Based on the results of producing the first Belarusian tractor, a procedure for the yearly localisation plan is being carried out.

Consultations between aviation authorities of the two countries on providing air services and the possibilities of opening the direct flights between Belarus and Pakistan will be held in Minsk in April 2016. On the sidelines of the session, the Belarusian Co-chair also met Governor Malik Muhammad Rafique Rajwana, Chief Minister Shahbaz Sharif and Minister for Mines and Minerals Sher Ali Khan.

They agreed to collaborate on training Pakistani doctors and paramedics in higher medical educational institutions of Belarus, retraining and advanced training of medical and pharmaceutical personnel in various specialties and training of medical specialists in clinical residency.

http://www.brecorder.com/business-and-economy/189:pakistan/24176:pakistan-belarus-jmc-meeting-vows-to-enhance-trade-to-$1-billion?date=2016-03-10

TRADE DEFICIT WIDENS 4.22% TO $15.1 BILLION
The Express Tribune, March 12th, 2016.

ISLAMABAD: Pakistan's trade deficit worsened to $15.1 billion in the first eight months of the ongoing fiscal year, as the government failed to exploit opportunities in the shape of steep decline in global crude oil prices and duty-free status for its exports to the European markets.

The trade bulletin released by the Pakistan Bureau of Statistics on Friday showed the value of imports was more than double the value of exports for the second month in a row.

The trade deficit – gap between exports and imports – widened 4.22% to $15.1 billion from July to February, reported the national data-collecting agency.

The trade deficit was $612 million higher than reported in the comparative period of the last fiscal year. It almost nullified the $728 million gains Pakistan made due to increase in workers' remittances during July-February.

The PBS would release the details of imports and exports for July-February later. However, the seven-month data showed that the country got a bonanza of $2.9 billion due to reduction in global crude oil prices. Despite the huge benefit, the trade deficit ballooned due to massive decline in exports.

Pakistan is also availing the 'Generalised System of Preference' (GSP) Plus scheme from the European Union (EU) that allows it to export a range of products at virtually zero duty to the bloc of 27 nations. Despite this facility, textile exports during the first seven months plunged by over 9% to $7.4 billion.

From July through February, the exports nosedived to $13.87 billion, which were $2.12 billion or 13.3% less than the receipts in the comparative period of the last fiscal year, reported the PBS. A major reason behind the steep fall in exports was the absence of an enabling business environment, as the government has massively increased the cost of doing business by levying numerous indirect taxes.

The PML-N government has so far failed to announce a 'three-year strategic trade policy framework' after the last one expired in June 2015.

The imports during July-February period contracted almost 5% to $29 billion. The imports were $1.5 billion less than the comparative period.

Annual performance

On annualised basis, the trade deficit also widened by 6.7% to $1.5 billion in February. It was $95 million higher than the one posted in February last year, according to the PBS. The trade deficit widened due to 4.7% reduction in exports and marginal growth in imports.

On annualised basis, the exports stood at $1.8 billion in February, $89 less than the receipts in comparative period. The imports last month stood at $3.3 billion, which were almost at January's level.

For this year, the government has set the economic growth target at 5.5%.

http://tribune.com.pk/story/1064205/8mfy16-trade-deficit-widens-4-22-to-15-1-billion/

INDIA, GULF COUNTRIES IN TALKS ON OIL-FOR-FOOD SCHEME
Dawn, March 12th, 2016

NEW DELHI: India is in talks with some Gulf nations to buy oil to fill its strategic reserves and sell food in return, seeking to use its position as the world's third-largest oil importer to both secure energy supplies and boost exports.

Indian Oil Minister Dharmendra Pradhan told reporters the idea was still fluid, but New Delhi had held preliminary conversations with the United Arab Emirates (UAE).

Prime Minister Narendra Modi and Abu Dhabi's crown prince, Sheikh Mohammed bin Zayed Al Nahyan, have discussed the issue twice, Pradhan said.

"We are discussing various models," Pradhan added.

India imports about four-fifths of its oil needs, with bulk of that supplied from the Middle East. A global supply glut has oil-rich countries there struggling to boost sales.

India is also the world's biggest rice and wheat producer after China and has large stocks of the staples.

Countries in the Middle East import food in large quantities as the region has less arable land and water.

The cost of food imports there could double to $70 billion in 20 years, as climate change hits crop yields and the population rises, an analyst at the International Centre for Agricultural Research in the Dry Areas told the Thomson Reuters Foundation last year.

On Feb 1, rice stocks at the state-run Food Corporation of India were 16.2m tonnes, against a target of 7.6m tonnes. Wheat stocks totalled 20.3m tonnes, higher than the target of 13.8m.

"They can buy food from here and store in India or in their countries; and we can buy oil from there and store in our strategic storage," Pradhan said.

Pradhan said such a deal would help Indian farmers secure a new market for their produce, mainly rice and wheat.

The mechanism envisaged by India will be different from the United Nations-designed oil-for-food programme, in which Iraq was allowed between 1996 and 2003 to sell oil in exchange for goods that met basic humanitarian needs, including food and medicines.

Pradhan said India had offered the UAE a part of its Mangalore strategic reserves to store oil. Under the arrangement being proposed by the Indians, the Gulf state would be allowed to use about a third of that oil for trade, while keeping the rest for India to use as strategic reserves.

India will complete the first phase of its strategic reserve to store 39m barrels by May and later this year begin work on the second phase which will have a capacity to hold 91.6m barrels, Pradhan said.

http://www.dawn.com/news/1245065

FRESH FRUITS: IMPORT FROM AFGHANISTAN INCREASES TO 245,000MT

Business Recorder, March 12, 2016

PESHAWAR: The import of fresh fruits from Afghanistan to Pakistan via Torkham and Kurram Agency has increased to 245,000 metric tons during the first eight months of the current fiscal year.

According to Customs Collectorate Peshawar, during previous fiscal year 2014-15, around 168,000 metric tons of fresh fruits imported to Pakistan from Afghanistan, showing an increase of 46 percent and the value of import of fresh fruits from Afghanistan has increased to Rs 11 billion against Rs 5 billion in the last fiscal year.

The duty and taxes on the import of fresh fruits has also jumped from Rs 643 million to Rs 1.8 billion during the current fiscal year, reflecting an increase of 182 percent over the last year.

Among the import, grapes remained the top commodity as around 162,000 metric tons were imported from Afghanistan showing an increase of 42 percent.

The import of apple has also witnessed tremendous increase which is 32,000 metric tons against the last year's import of 8,000 tones, showing an increase of 297 percent.

Similarly, import of pomegranate has increased from 8,000 metric tons to 11,000 metric tons this year.

As for exports from Pakistan to Afghanistan, it has increased by 13 percent against the last fiscal year from Peshawar.

Kinno export has increased from seven metric ton to 784 metric tons. Banana export with an increase of 45 percent has jumped from 32,000 metric tons to 46,000 metric tons.

Overall export of fresh fruits from Pakistan to Afghanistan via Torkham has increased from 73,000 metric tons to 196,000 metric tons, reflecting an increase of 168 percent.

http://epaper.brecorder.com/2016/03/12/8-page/740145-news.html

CALL FOR PROMOTION OF PUBLIC-PRIVATE PARTNERSHIP

Business Recorder, March 12, 2016

KARACHI: Speakers at the meeting of Shura Hamdard Karachi Chapter urged upon the government to promote private-public partnership and self-reliance in order to make the country dependent on its own resources.
The meeting was held on Friday on the theme: “Privatisation of Institutions”, presided over by Haq Nawaz Akhtar, former Chairman, Pakistan Steel Mills, at a local hall.
Speaking on the occasion, economist Dr. Shahid Hassan Siddiqui said that the money received from the privatisation of national institutions must have been spent on infrastructure and social sector. But, the governments had spent this huge money on reducing the budget deficit, which was the result of corruption, mismanagement and tax evasion, he added.

The national exchequer is incurring a loss of Rs5000 billion annually due to corruption, mismanagement, tax evasion and avoiding imposition of taxes on some sectors of economy in the country, he said, adding that in 22 years from 1991 to 2013 the governments that came into power in the country had obtained an amount of about Rs. 477 billion out of the sale of PTCL and four banks, but, instead of spending this huge money on social sectors, 90 percent of this amount had been spent on the payment of loans and only 10 percent was allotted to social sector. In fact, the act of privatisation was a disputed deal of loss and failure. The balance amount of 800 million of PTCL sale has not been paid to Pakistan so far, though the PTCL was running in profit, he concluded.

Haq Nawaz Akhtar said that privatisation would not be successful in the country because the industries that have been nationalised or privatised in the past were dead now or near to die, because of lack of experience and ability in the managers, who were responsible to run them.

He was of the view that the strategic industry should never be privatized and be remained in public sector. “Had PIA not been a government institution, Pakistan would have not been able to become an atomic power as this airline had provided the country with those things that were essential and not possible to obtain through a private airline. PIA had given birth to Singapore Airlines and Emirate Airlines,” he added.

http://epaper.brecorder.com/2016/03/12/9-page/740166-news.html

US PRESIDENTIAL RACE FINDS AN ODD BOGEYMAN: FREE TRADE
Dawn, March 13th, 2016

WASHINGTON: The United States has long been a leader of the free-trade movement around the world, and President Barack Obama set major trade treaties at the centre of his economic initiatives.
Which makes it all the more odd that free trade has become a certified villain among candidates battling to succeed Obama in the White House.
And while it is not uncommon for Democrats to criticise free trade, the candidates of the Republican Party, long a defender of free trade, are falling over each other to demonstrate who is more protectionist.

That has raised questions over whether the next occupant of the White House will pursue ratification of one of Obama’s signal achievements, the Trans-Pacific Partnership trade deal (TPP), and complete negotiations on another, the Transatlantic Trade and Investment Partnership (TTIP).

On the Democratic front, Hillary Clinton, who supported the TPP talks as Obama’s secretary of state, now tells voters she does not like the pact. “I don’t believe it’s going to meet the high bar I have set,” she said.

“We’ve learned a lot about trade agreements in the past years, sometimes they look great on paper,” she said, pointing to the 2012 bilateral trade treaty with South Korea. “Looking back on it, it doesn’t have the results we thought it would have,” she said.

Socialist rival Bernie Sanders, who is trailing Clinton, is firmer in his opposition. He said the TPP would be “disastrous” for American workers and serves only corporate needs in a “race to the bottom.”

REPUBLICANS EQUALLY CRITICAL: Among Republicans, the tone is hardly different.

Donald Trump, the real estate tycoon leading the pack, said the TPP “is going to lead to nothing but trouble” and has declared he would hit Mexico, China and Japan with high tariffs. “Let’s slap a 45 per cent tariff on Chinese imports,” Trump declared in January.

In a debate Thursday night, Trump’s main rival Senator Ted Cruz declared: “I opposed TPP, and have always opposed TPP….We’re getting killed in international trade right now.” Such rhetoric has made US business, which has strongly backed both of Obama’s pacts, nervous.

“We are concerned the prescriptions that have been offered are even worse than the disease,” John Murphy, senior vice president for international policy at the US Chamber of Commerce, told AFP. “Trade has been a huge part of the recovery.”
The new tone is deeply at odds with the US history of championing open borders and low tariffs.

In 1994 Democratic president Bill Clinton completed the controversial North American Free Trade Agreement that lowered barriers on trade with Canada and Mexico.

In his wake Republican president George W. Bush pushed ahead with a number of bilateral and regional trade pacts.

Obama’s TPP and TTIP pacts are far more ambitious, extending well beyond trade in goods to setting standards for investment and technology. He called them “agreements for fair and free trade that level the playing field for our workers, open new markets for our businesses.”

“These kinds of agreements reflect the realities of a 21st century economy,” he said last year.

ANGRY VOTERS: But American voters do not appear persuaded, and the White House candidates understand that.

“What we are seeing is the consequences of trade policies that for years have never focused on helping Americans adjust to rising global economic competition,” said Edward Alden, a trade expert at the Council on Foreign Relations.

Critics point to the downturn in US industry over the past two decades. Since 1994 the number of workers in manufacturing has dropped by 30pc.

“There were a lot of people left behind by the globalisation and they’re showing in this election that they’re upset about it,” he said.
The secretiveness of TPP and TTIP negotiations has also stoked opposition.
“The time when you just negotiated and came to an agreement and people said, ‘hmmm, that’s fine’ — those times are gone,” said the European Union’s chief trade negotiator Cecilia Malmstroem on a visit to Washington. “People want to be involved, they want transparency.”
If the change in tone persists after Obama’s successor moves into the White House in January 2017, it could make it much harder for the Europeans to strike a TTIP deal with Washington.

But the Chamber’s Murphy said that the reality of the need to support ever-liberalising trade rules will quickly come to the next president, as it did Obama.

“We’ve been there before. There’s a long tradition in American politics that the new occupant of the Oval Office often finds that trade is a tool needed for economic prosperity and national interests.”
http://www.dawn.com/news/1245302/us-presidential-race-finds-an-odd-bogeyman-free-trade

NEWS COVERAGE PERIOD FROM FEBRUARY 29th TO MARCH 6th 2016
WORLD TRADE BACK TO CRISIS LEVELS AS EMERGING MARKETS’ DEMAND SLIDES
Dawn, Business & Finance weekly, February 29th, 2016

Shawn Donnan
WEAKER demand from emerging markets made 2015 the worst year for world trade since the aftermath of the global financial crisis, highlighting rising fears about the health of the global economy.

The value of goods that crossed international borders last year fell 13.8pc in dollar terms — the first contraction since 2009 — according to the Netherlands Bureau of Economic Policy Analysis’s World Trade Monitor. Much of the slump was due to a slowdown in China and other emerging economies.

The data released last Thursday represent the first snapshot of global trade for 2015. But the figures also come amid growing concerns that 2016 is already shaping up to be fraught, with more dangers to the global economy than - previously expected.
Those concerns are casting a long shadow over a two-day meeting of G20 central bank governors and finance ministers due to start on February 27. The International Monetary Fund this week warned that it was poised to downgrade its forecast for global growth this year, saying the leading economies needed to do more to boost growth. The Baltic Dry index, a measure of the trade in bulk commodities, has been touching historic lows. China, which in 2014 overtook the US as the biggest trading nation, this month reported double-digit falls in both exports and imports in January. In Brazil, which is experiencing its worst recession in more than a century, imports from China have collapsed.

Exports from China to Brazil of everything from cars to textiles shipped in containers fell 60pc in January from a year earlier while the total volume of imports via containers into Latin America's biggest economy halved, according to Maersk Line, the world's largest shipping company.

"What we are seeing right now from China is not only a phenomenon for Brazil, we are seeing the same all over Latin America, declining [Chinese export] volumes into all the markets," said Antonio Dominguez, managing director for Maersk Line in Brazil, Paraguay, Uruguay and Argentina. "It has been going on for several quarters but is getting more evident as we move into the year [2016]."

There are some signs a rebalancing is under way in places such as Brazil. The collapse in Brazilian imports from China has been accompanied by a rise in exports from Brazil to Asia, driven in part by a 40pc depreciation of the real against the dollar over the past 12 months. "On a global level, most indicators suggest trade growth will remain very weak," said Andrew Kenningham, senior global economist for Capital Economics. "But we do not believe world trade is about to fall off a cliff."

Largely because of currency swings and a collapse in the price of commodities, the value of both exports and imports fell in every region last year.
http://www.dawn.com/news/1242439/world-trade-back-to-crisis-levels-as-emerging-markets-demand-slides
ENERGY, EDUCATION SECTORS: PAKISTAN, JAPAN SIGN TWO AGREEMENTS
Business Recorder, March 02, 2016
Pakistan and Japan here on Tuesday signed bilateral agreements for two projects to support energy and education sectors in Pakistan. The Government of Japan has agreed to provide grants approximately worth 1,967 million yen ($17.5 million) to the Government of Pakistan through Japan International Cooperation Agency (JICA) in order to strengthen training facilities on power grid operations and to build around 25 girls' schools.

The bilateral agreements were signed between Junya Matsuura, Charge d'Affaires ad interim of Japan to Pakistan and Tariq Bajwa, Secretary, Economic Affairs Division (EAD). On the occasion, Grant Agreements on the details of implementation of these projects were signed between Yasuhiro Tojo, Chief Representative of JICA and Syed Mujtaba Hussain, Joint Secretary of EAD.

"The Project for Strengthening Training Center on Grid System Operations and Maintenance", will support Technical Service Group (TSG) of National Transmission and Despatch Company (NTDC). JICA completed its technical cooperation project in 2014 for capacity building for trainers of grid system operators of NTDC. This grant aid project will bring about a synergy with outcome of the technical cooperation.

"The Project for Upgrading Primary Girls Schools into Elementary Schools in Northern Rural Sindh", which actually is the second phase of the on-going project, and will build around 25 elementary-middle schools for girls in the rural areas of Northern Sindh Province (Khairpur, Sukkur, Ghotki, Shikarpur, Larkana and Dadu) to improve and expand girls' access to middle education in rural areas of Sindh.-PR
http://www.brecorder.com/fuel-a-energy/193/21460/

TEXTILES, LIVESTOCK AND DAIRY IN HIGH DEMAND IN IRAN

Business Recorder, March 05, 2016
Iran is in high demand of textiles, meat, dairy and livestock based products, therefore Pakistani dealings in these sectors must avail this business opportunity. The Lahore Chamber of Commerce and Industry (LCCI) Senior Vice President Almas Hyder stated this on his return from a six-day Iran visit.

He took a 26-member delegation to Iran who visited Tehran, Sheraz, Mashhad Chambers of Commerce and Industry, Qom Free Zone and Industries located in TUS Industrial Estate, Mashhad apart from having B-2-B meetings with their Iranian counterparts and high government officials. The delegation received very warm reception in Iran. On the arrival of Tehran Airport, the delegation was received by the Staff of Commercial Section of Pakistan Embassy.

Almas Hyder said that Iran has a higher requirement of our textile products including T-Shirts, Denim Jeans and Home Textiles. There is a need to form a textile delegation comprising leading companies, as soon as possible. He said that there is also a great demand for meat therefore Pakistani meat exporters should avail this opportunity. "The Iranian side wanted that the agreed gas pipelines between Pakistan and Iran should be connected soon. The Iranian power companies can provide 5000 megawatt electricity to Pakistan which roughly cost US $1.5 billion to connect electricity to eliminate load shedding from Pakistan", he added.

He said that at the moment, we have very limited air connection with Iran. There is a dire need of more flights between Islamabad, Lahore, Karachi and Tehran, Shiraz, Mashhad and Isfahan. We need assistance from the airlines of both the countries to build the air connection and their frequency to enable businessmen to travel. He said that road and rail Links are also needed to improve with the neighbouring countries. He said that direct shipping between Iran and Pakistan will also help boost the mutual trade.

He said that as announced by the President, Islamic Republic of Iran that they wanted to enhance their trade with Pakistan up to US $5 billion. In this regard, necessary steps should be taken by the Pakistani side. He informed the Iranian counterparts that Punjab Government had offered scholarships to Iranian students to study in engineering and medical in Pakistan. He said that these scholarships should be increased up to 100 and students of business management should also be included.

Almas Hyder said that banking channels between Pakistan and Iran should be started immediately to overcome the smuggling issues faced by both the countries. He said that Preferential Trade Agreement (PTA) between two countries should be signed and Industrial cities on Pakistan-Iran borders may be set up to stop the smuggling. He said that long term multiple entry visas should be issued to businessmen of both the countries for the promotion of bilateral trade. He also urged the government to delegation for Iran.

Pakistan is eagerly looking forward to expanding trade relations with Iran as there is a vast scope for trade boosting between the two countries. Iranian businessmen are keen to work hand in hand with their Pakistani counterparts therefore Pakistani businessmen should avail this opportunity to the maximum. Joint ventures between Pakistani and Iranian businessmen are the only way to explore the huge opportunities generated after lifting of sanctions from Iran.

He said that Pakistan and Iran not only have common border but also share a glorious history. Pakistan and Iran have close cultural affiliations and both have remained steady trading partners as well but in recent years, the momentum of trade has been seriously affected. Almas Hyder said that both countries need to find ways to increase the volume of two way trade. We are already exporting meat to Iran. Dairy sector can be another area to be explored for this purpose.
http://epaper.brecorder.com/2016/03/05/5-page.html

Trade pact with Turkey to be signed next week
Dawn, March 6th, 2016

MUBARAK ZEB KHAN

ISLAMABAD: After a lapse of around 10 years, Pakistan and Turkey have decided to sign a framework next week to initiate talks on free trade agreement, an official told Dawn on Saturday.

A Turkish delegation will reach Islamabad next week to sign the framework with Pakistani counterpart to break the deadlock. The proposed treaty is scheduled to be implemented from 2017.

Once the framework was signed, the official said, both the sides will start work on identifying tradable items for reduction of customs duties.
Commerce Minister Khurram Dastgir Khan confirmed to Dawn that the framework will become a basis for initiation of talks on FTA between the two countries.

“I have raised this issue with Turkish leadership during my last visit to Ankara,” Dastgir said.
Turkey is part of the European Union Customs Union (EUCU). The EU Generalised System of Preferences Plus (GSP+) scheme, which is effective from Jan 1, 2014 offers duty-free market access to newly selected countries including Pakistan.

Turkey as part of the EUCU offers similar market access to all countries excluding Pakistan and one African country. “I have urged Turkish authorities to remove this anomaly being meted out to Pakistani exporters,” the minister said. Both the countries had started deliberations on closer trade ties in 2004, but failed to conclude a Preferential Trade Agreement (PTA) because Ankara being member of the EUCU was obligated not to offer duty reduction on industrial goods.Despite limited scope for Pakistani products, Ankara in 2011 imposed 18 per cent additional duty on import of fabrics/made-up textiles and 27pc additional duty on garments from Pakistan.
There was also the quantity-based restriction on exports of rice. Several times this issue was raised with Turkish authorities, but no progress has so far been achieved.

An official source told Dawn that Pakistan will share a list covering 278 tariff lines under the FTA with Turkish authorities.

Turkey, however, will seek opening up of Pakistan’s automotive and pharmaceutical sectors. Ankara hints to share a list of 717 tariff lines for concessions with Islamabad. Making the FTA meaningful, Pakistan will demand abolishing of normal tariff as well as additional duties on export of agriculture and food products to Turkish market. Pakistan is, however, asking for placement of those products on the concessional list which attract over 15pc duty at the import stage.

A trader told Dawn that Pakistan’s livestock sector has the potential to considerably raise exports as its meat was more delicious and cheaper when compared with Turkish meat.

On the other hand, Turkey has expertise in shipping, road infrastructure network and export processing zones which will be helpful in China-Pakistan Economic Corridor and other transit routes.

In the non-tariff areas, there is a potential for elimination of non-tariff barriers for each other, reciprocal participation in trade fairs and exhibitions and organising trade delegation programmes.

Both the sides have the potential to explore possibilities of investment opportunities in defence industry, food processing and packing, automotive industry and auto parts, household appliances, construction material, textiles, leather machinery and finished products, sports goods and surgical instruments.

http://www.dawn.com/news/1243805

April 2016

NEWS COVERAGE PERIOD FROM APRIL 25th TO MAY 1st 2016

OBAMA DELIVERS STRONG DEFENCE OF INTERNATIONAL TRADE DEALS

Dawn, April 25th, 2016

HANOVER: President Barack Obama delivered a strong defence of international trade deals on Sunday in the face of domestic and foreign opposition, saying it's "indisputable" that such agreements strengthen the economies and make US businesses more competitive worldwide.

Obama, on a farewell visit to Germany as president, is trying to counter public scepticism about a trans-Atlantic trade deal with Europe, while also facing down criticism from the 2016 presidential candidates of a pending Asia-Pacific trade pact.

Despite all that, Obama said, "the majority of people still favour trade. They still recognise, on balance, that it's a good idea."

"It is indisputable that it has made our economy stronger," Obama said about international trade. He said he was confident the trans-Atlantic trade deal could be completed by the end of year, to be presented for ratification.

Obama said that once the US presidential election is over and politics settle down, the trans-Pacific pact can "start moving forward."

Obama, at a news conference with German Chancellor Angela Merkel, said the leaders had discussed economic and security issues facing Europe. He credited Germany for being a strong partner on efforts to counter the militant Islamic State (IS) group and to provide humanitarian relief to refugees fleeing the fighting in Syria.
But he reiterated US opposition to the idea of establishing a "safe zone" in Syrian territory because of it would be impractical to put in place. "As a practical matter, sadly, it is very difficult to see how it would operate short of us essentially being willing to militarily take over a chunk of that country," he said.
Thousands of people took to the streets in protest in Hanover on Saturday, before Obama arrived. Some carried placards that said "Yes We Can — Stop TTIP!" It was a riff on Obama's 2008 presidential campaign slogan.

In November, more than 100,000 people in Berlin protested against the proposed pact.Proponents say the deal would boost business at a time of global economic uncertainty.Critics fear the erosion of consumer protections and environmental standards.

Negotiators in Washington and Europe are trying to finalize key parts of the deal before the end of the year, after which Obama's successor and election campaigns in major European countries could further complicate the already difficult negotiations.

Obama said it was important to conclude negotiations even though ratification would be unlikely before he leaves office. "But if we have that deal, then the next president can pick that up rapidly and get that done," he told the BBC in an interview broadcast on Sunday.

It's not certain that the next president would pick up where Obama leaves off on the trade deal.

http://www.dawn.com/news/1254181

FRANCE ENVOY FOR ENHANCING BILATERAL TRADE

Business Recorder, April 26, 2016

Ambassador of France to Pakistan Ms Martine Dorance on Monday said that France and Pakistan are enjoying highly cordial relations since long and these ties would be further strengthened with the passage of time. Addressing the members of Sialkot Chamber of Commerce and Industry (SCCI), she said, “We were making adequate efforts for extending full cooperation and support to Pakistan in various fields”.

The ambassador underscored the need of collective efforts for enhancing the volume of bilateral trade between the two friendly countries. She stressed upon the business community of Pakistan that they should import different products from France. The Ambassador lauded the role of business community of Sialkot for establishing an International Airport on self-help basis and set a unique precedent for the business community of the world.

In his address of welcome, acting President SCCI Muhammad Sarfraz Butt said that there is huge scope for quality products of Sialkot to be exported to France, which we need to exploit to the maximum through mutual cooperation. Trade is at the heart of what we do at Sialkot, and for us trade and development go hand-in-hand he said.

Sarfraz further stated that Pakistan and France have always enjoyed cordial relations based on mutual trust and confidence in each other’s expertise. The SCCI acting President said bilateral trade between Pakistan and France once again exceeded €1 billion (€1.13 billion), compared to €991 million for the previous year.

Pakistan has significantly benefited from the grant of the Generalised Scheme of Preferences (GSP+) trading facility by the European Union in 2014 which has increased our trade with France, he said. Sarfraz said, “We look forward to enhance the bilateral trade and interpersonal relations through creating effective linkages with the Embassy of France in Pakistan”.

In order to exploit the true potential which both the friendly countries hold, it is important for the business community on both sides to interact and create strong trading relationships, he said.

http://www.brecorder.com/business-and-economy/189:pakistan/40112:france-envoy-for-enhancing-bilateral-trade/?date=2016-04-26

LCCI, BBC INK MOU ON TRADE RELATIONS
Business Recorder, April 26, 2016

The Lahore Chamber of Commerce and Industry and the British Business Centre (BBC) on Monday inked a memorandum of understanding (MoU) aimed at expansion of trade and economic ties between Pakistan and United Kingdom. The LCCI Senior Vice President Almas Hyder and the British Business Center Chief Executive Officer Malahat Awan signed the MoU on behalf of their respective of organisations.

British High Commissioner Thomas Drew, Provincial Finance Minister Ayesha Ghaus Pasha and Head of Department for International Development Ben French were also present on the occasion. Basic objective of the MoU is to encourage, promote and facilitate effective cooperation in the areas of trade, investment, technology and related economic & industrial activities by establishing effective communication between member companies of both the organisations with particular reference to the private sector.

The British Business Centre’s Chief Executive Officer Malahat Awan said the Centre would ensure ease of doing business between the two countries through facilitating the business community.

The MoU will help improve collaboration between the two organisations; she said and added that British Business Center would give the companies of both the countries a cost-effective, in-country physical resource to facilitate quick access to the information and expertise necessary to achieve business success.

British High Commissioner Thomas Drew said that the British Business Center opened earlier this year. It fulfils the commitment, given by Prime Minister Cameron to Prime Minister Nawaz Sharif, that the United Kingdom government, with the assistance of the Pakistan government, would establish a new body in Pakistan to boost bilateral trade and investment between our two countries.

He said that the Center would work throughout the country. But today's signing in Lahore is particularly special for us – not just because we do so on the day that we are also celebrating the Queen's Birthday in Lahore – but because Lahore, and the province of which it is capital, he added.

He said that businesses should be working together here and thriving. "It is a message I give here and one I give back in the UK. And this MoU is an important part of it. Through it, the British Business Center can assist in opening up the opportunities available to a wide business and audience in the UK" he added.

Provincial Finance Minister Ayesha Ghaus Pasha said that Pakistan is one of the biggest and emerging markets of Asia. Punjab is trillion plus economy and it has strong commercial, service and industrial sectors which have a lot of scope for the foreign investors.

She also welcomed the MoU between the Lahore Chamber and British Business Center saying that facilitation to the businessmen would certainly give more strength to the business ties between the two countries.

The LCCI Senior Vice President Almas Hyder said that this MOU is a result of close co-ordination between the LCCI and British High Commission. The UK has always been a major trading partner of Pakistan. These facts clearly validate such a strong commercial ties between two countries that UK comes at 1st place among the top export markets in the Europe for Pakistan. With regard to major importing countries to Pakistan from EU, UK takes the 2nd position.

He said that it is good to witness upward trend in both exports and imports between Pakistan and UK. From 2013 to 2014, our exports to UK jumped up from US $1.43 billion to $1.66 billion. Similarly, the value of imports from UK also followed the same trend as it rose from $545 million to $600 million in the same period. These positive trends caused the bilateral trade to increase from $1.98 billion to $2.26 billion. We need to maintain this trend, he said.

He said that UK has been contributing a sufficient amount in net flow of foreign investment in Pakistan. We at present are facing number of challenges in attracting new FDI. We want that UK based investors should consider Pakistan for investments. It goes without saying that you can play pivotal role in this regard.

"Pakistan was awarded GSP plus status by European Union Commission which became effective in January 2014 till 2017. We anticipated an increase in Pakistan's exports to EU roughly to dollar 2 billion per year but it did not happen. We look up towards you to get greater access to European markets", he added.

http://www.brecorder.com/business-and-economy/189:pakistan/40120:lcci-bbc-ink-mou-on-trade-relations/?date=2016-04-26

PAKISTAN, AZERBAIJAN TO BOOST TRADE TIES
Dawn, April 29th, 2016

Syed Irfan Raza

ISLAMABAD: Pakistan and Azerbaijan agreed on Thursday to expand bilateral cooperation in the fields of trade, gas and electricity besides introducing road and air connectivity.

This was decided at a meeting of the Pakistan-Azerbaijan Joint Commission (PAJC) held here on Thursday. The meeting was co-chaired by Shahid Khaqan Abbasi, Minister for Petroleum and Natural Resources, and Yavar Jamalov, Minister for Defence Industry of Azerbaijan.

Over the last two days, meetings were held between experts of the two countries on a number of issues, especially trade and commerce, energy, agriculture, education, science and technology and other matters of mutual interest.

At the end of the meeting, a protocol was signed by the two countries.

Both sides decided to enhance business-to-business contacts through a Joint Business Council which is scheduled to meet later this year.

They also agreed to facilitate talks and subsequent signing of MoU between the State Oil Company of Azerbaijan (SOCAR) and the Pakistan State Oil Company (PSO) and other nominated entities of Pakistan under the inter-governmental agreement (IGA) for trading crude oil, refined oil products, LNG and Liquefied Petroleum Gas (LPG) as well as joint development of new facilities for their import. SOCAR will execute activities through the SOCAR Trading S.A, which is SOCAR's wholly-owned affiliate.

During his stay here, Azerbaijan's Defence Industry Minister Yavar Jamalov met President Mamnoon Hussain, Prime Minister Nawaz Sharif and Minister for Defence Production Rana Tanvir Hussain.

http://www.dawn.com/news/1255167/pakistan-azerbaijan-to-boost-trade-ties

NEWS COVERAGE PERIOD FROM APRIL 18th TO APRIL 24th 2016
NEED TO BOOST TRADE TIES WITH MAURITIUS STRESSED
Dawn, April 19th, 2016

ISLAMABAD: President Mamnoon Hussain and President of Mauritius Dr Ameenah Firdaus Gurib-Fakim agreed here on Monday to strengthen bilateral ties in the fields of education, health and trade.

During a meeting held at the Aiwan-i-Sadr, the two sides emphasised close collaboration for the mutual benefit of their countries.

President Hussain said that Pakistan gave priority to its relations with Mauritius.

He said that the current volume of trade between Pakistan and Mauritius did not match their true potential and emphasised a free trade agreement between the two countries to enhance business activity.

Mr Hussain called for establishing air links between Pakistan and Mauritius for promotion of trade, tourism and people-to-people contacts.

He observed that Pakistan was contributing significantly to the financial sector of Mauritius and mentioned that three branches of a Pakistani bank were already working in Mauritius.

Besides, he said, Pakistani doctors were providing free medical services at some hospitals in Mauritius.

He welcomed the training of Mauritian students at Pakistani educational institutions in fields of medicine, engineering and pharmacy.

He said that Pakistan and Mauritius held unanimity of views on several international matters.

President Firdaus proposed holding of a Pakistan Week in Mauritius and holding of exhibitions for promotion of Pakistani goods and culture.

The Mauritius leader, who is a biodiversity scientist, lauded the quality of Pakistani educational institutions, especially the Hussain Jamal Ibrahim Institute of Chemistry.

She invited President Hussain to visit Mauritius, which he accepted.

http://www.dawn.com/news/1252991

AFGHANISTAN LOSING INTEREST IN TRADE LINKS WITH PAKISTAN
The Express Tribune, April 21st, 2016.

Peer Muhammad

Islamabad: Afghan authorities appear to have lost interest in pushing forward any trade related agreements with Pakistan with the alternative route via Iran close to being finalised.

Last week, on April 11, Iran, Afghanistan and India finished negotiating the details of the trilateral transport and transit pact, meant to provide legal framework to operate trade corridors via Iran's Chabahar port.

This development could possibly downgrade Pakistan's importance from being the primary facilitator of India-Afghanistan trade to a mere back-up. This means that Pakistan has potentially lost a great opportunity to build strategic trade ties with regional economies.

Officials in the Ministry of Commerce told The Express Tribune that Afghan authorities were slower in responding to the proposed bilateral and transit trade related matters and it seemed that they were least interested towards Pakistan and would rather devote their time and energy towards materialising the trilateral agreement with Iran and India.

"All this happened because Pakistan refused to include India in the Pak-Afghan transit trade agreement," noted the official.

Afghanistan insists that India must be part of the transit trade agreement in the same way as Pakistan uses Afghan soil to reach Central Asian states.

The officer cited a draft agreement pertaining to the Preferential Trade Agreement (PTA) that the ministry had sent months ago. He insisted that there has been no response from the other side.

"We have learnt that they have shared the draft agreement with their security agencies for clearance, which is surprising for us," said the official.

Moreover, the maiden meeting of the Pak-Afghan Joint Business Council (JBC) has not been held even after its establishment around five months ago to discuss issues and to devise strategies for enhancing bilateral trade.

The JBC was supposed to hold its first meeting in February 2015, but it could not take place.

"We have again asked the Pakistan Federation of Chambers of Commerce and Industry (FPCCI) to set another date in this regard. However, the ministry has not received any response from FPCCI. The members of the JBC have already been notified from each side."

http://tribune.com.pk/story/1088955/in-disarray-afghanistan-losing-interest-in-trade-links-with-pakistan/

ITALY SEEKS TO ENHANCE BILATERAL TRADE TIES
Business Recorder, April 22, 2016

Ali Hussain

Pakistan and Italy on Thursday agreed to further strengthen bilateral relations and enhance cooperation in diverse fields, particularly economy, trade, defence and culture. This was agreed at a meeting between Adviser to the Prime

Minister on Foreign Affairs Sartaj Aziz and the visiting Italian Foreign Minister Paolo Gentiloni, here at Foreign Office.

Speaking at a joint news conference along with the Advisor, the Italian Foreign Minister described the talks as useful and productive, adding that the two countries are working together in several sectors, but there is need to further build on these relations.

He said that Italy was one of the major economic partners of Pakistan and the two sides were looking towards promoting relations in different sectors including, agriculture, food chains and textile.

The Italian Foreign Minister pointed out that one billion euro bilateral trade reflected that his country was one of the 10 main economic partners of Pakistan and emphasised on strengthening it further.

He said that the two countries had common views on many international issues including on the reforms and expansion of the UN Security Council and the democratic role of the UN.

About war against terrorism, the Italian Foreign Minister said that his country was on the ‘same page’ with Pakistan in its fight against terrorism and was ready for close cooperation in counter-terrorism.

He pointed out that Italy and Pakistan had a defence agreement in place since 2009 and the two countries were exchanging expertise and intelligence sharing in fighting terrorism.

He said that the two sides were also co-operating in Afghanistan for stabilisation of that country which is Pakistan’s close neighbour, adding that peace and stability in Afghanistan was in the strategic interest of Pakistan.

He pointed out that one of the key elements in stabilising Afghanistan was the political and diplomatic solution. He further said that Italy had a strong commitment to eliminate terrorism after 9/11 incident.

Referring to the four-nation Quadrilateral Co-ordination Group (QCG) peace process, he expressed the optimism that the process could pave the way for political solution to the Afghan issue, adding that the process requires strong commitment by all member countries.

He said the success of coalition against Daesh in Iraq and Syria should not give the militant organisation space in any other country like Afghanistan and Libya.

He said that his discussions with the Adviser also covered the economic corridor projects which will not only benefit Pakistan but also other countries.

Referring to various terrorist attacks in Pakistan, he also expressed condolences on behalf of the Italian government over the incidents of terrorism.

Earlier, welcoming the visiting Italian Foreign Minister, Adviser to the Prime Minister said that it was a good time to intensify efforts for further collaboration as both the countries had witnessed economic growth and stability over the past few years.

He said that the two countries had a number of mechanisms including a joint economic commission since 2006 which is holding meetings for the last 10 years.

Aziz said that the two countries had also agreed to establish Pakistan-Italy Cultural Forum to provide umbrella to all cultural activities. He said the two countries were committed to promote defence cooperation under the defence agreement of 2009.

During his talks, he said that the two sides exchanged views on entire range of relations including political, defence, cultural, economic and trade. He said that Italy was Pakistan's third largest trading partner in the European Union.

To a question, the Adviser rejected the impression that Pakistan was not protecting its minorities, adding the country's Constitution guarantees protection of minorities without any discrimination of caste and creed. He said that the recent terrorist attack in Lahore Park was just a blowback of the ongoing successful military operations against the terrorists.

http://www.brecorder.com/top-stories/0/38783/

IRAN FOR PROMOTING TRADE WITH PAKISTAN
Dawn, April 23rd, 2016

LAHORE: Iranian Ambassador to Pakistan Mehdi Honardoost said on Friday that lack of trade information was a major reason behind low Pak-Iran trade volumes.

He was speaking at the Lahore Chamber of Commerce and Industry (LCCI). Iranian Consul General Muhammad Hossain Bani Assadi and LCCI office-bearers were also present on the occasion.

The ambassador said following Iranian President Hassan Rouhani visit to Pakistan, a new era of cordial relations between the two countries has begun.

Iranian businessmen are keen to enhance relations with their Pakistani counterparts and they should come forward and start joint ventures, he said.

The Iranian ambassador said Pak-Iran Gas Pipeline project could be completed in short span of time.

This project must be completed as energy is necessary for all trade and economic activities, he stressed. He added the Iranian Embassy would extend all possible facilities to Pakistani businessmen interested in doing business with Iran.

LCCI Senior Vice President Almas Hyder said soon after lifting of sanction, a high-powered trade delegation of the chamber visited Iran to explore cooperation in textile, fruit, vegetables and meat sectors.

He said two delegations would also visit Iran in May to further seek trade and investment opportunities. Mr Hyder said Iran had an urgent requirement of Pakistan's textile products as well as meat.

He said Iranian power companies could provide $ 1.5 billion worth 5,000 megawatt electricity to Pakistan for which the two governments need to negotiate a deal.

He said there was an urgent need for increased road, rail and air links between Pakistan and Iran.

Mr Hyder suggested banking channels between Pakistan and Iran should start immediately to overcome the issue of smuggling faced by both countries.

He further suggested that Preferential Trade Agreement (PTA) between two countries signed several years ago must be activated.

http://www.dawn.com/news/1253785

TRANS-ATLANTIC TRADE DEAL IN FOCUS WHEN OBAMA VISITS GERMANY
Dawn, April 24th, 2016

BERLIN: When US President Barack Obama opens the world's largest industrial fair in the northern German city of Hannover on Sunday, he'll be leading a delegation of American companies hoping to conquer new markets abroad.

He’ll also be trying to complete one of his presidency’s main pieces of unfinished business — a trans-Atlantic trade pact.

Officials in Washington and Brussels are trying to clinch key parts of the deal before the end of the year, after which a new US president and election campaigns in major European countries could complicate negotiations.

Proponents of the agreement — known as the Trans-Atlantic Trade and Investment Partnership, or TTIP — argue that lowering tariffs and harmonising rules would give a much-needed boost to businesses at a time of global economic uncertainty. Or as Obama put it when the talks launched three years ago: “New growth and jobs on both sides of the Atlantic.”

But this rosy view of TTIP hasn’t caught the public’s imagination, particularly in Germany.

More than 100,000 people protested in Berlin in November against the proposed pact. On Saturday, police estimated some 35,000 marched against it in Hannover, carrying placards with slogans such as “Yes We Can — Stop TTIP!” Organisers put the turnout at 90,000.

Trade unions, nationalists and green groups have lobbied hard against the deal, claiming that it will drive down wages, erode consumer protection and environmental standards.

The discussions, due to resume on Monday in New York, have come under criticism for the secretive manner in which they’ve been conducted. National lawmakers are only allowed to view draft documents in special reading rooms and are forbidden from talking about the documents with experts, the media or their constituents.

Proposals to create dispute settlement tribunals have also stoked fears.EU trade chief Cecilia Malmstrom envisages special investment courts that would rule in disputes between governments and companies that feel they face undue legal hurdles to their business.
Critics say such courts could place the interests of corporations above those of democratically elected governments, citing a recent case where tobacco giant Philip Morris sued Uruguay over a law requiring graphic warnings on cigarette packages.
Alfred de Zayas, an American law professor and UN human rights expert, argues that such courts are unnecessary in countries that abide by the rule of law, such as the United States or the EU’s 28 nations.

Backers of the special courts say they would prevent cases from being heard by American jurors who don’t understand the complexities of international trade law, and ensure that US companies don’t face discrimination in European countries with high rates of corruption.

Juergen Hardt, a German lawmaker and the government’s coordinator for trans-Atlantic cooperation, believes some of those leading the fight against TTIP “have other motivations” beyond trade. “They also want to incite anti-American feelings,” he said.

The EU’s executive branch is trying to promote the benefits of a deal. On its website, it suggests that TTIP will boost demand for European delicacies like cheese, hams, wine, olive oil, spirits, and chocolate. “High tariffs at US customs — up to 30 per cent — make some of these hard for Americans to afford — and difficult for European farmers and firms to export,” it says.

TTIP’s backers hope images of Obama in Europe — where his popularity remains high — will counter those of tens of thousands protesting the deal. “One of the main misunderstandings is that we’d be doing the Americans a big favour,” said Hardt.

“As an export nation, where more jobs depend on export than in any other country, Germany has the greatest interest in free trade. So I think the Americans would be doing us more of a favour agreeing to such a pact than the other way around.”

In her weekly video message Saturday, Chancellor Angela Merkel said everything has been done to improve the transparency of the negotiations — within reason. And she stated anew that European standards won't be eroded. "We are not falling behind our standards, but securing those we have in Europe today on the environment and consumer protection," she said.

Yet time may be running out for a deal. A spokesman for Germany's Economy Ministry told The Associated Press that no draft proposals have been exchanged about numerous areas of negotiation. The two sides are also divided about the issue of tariff reductions and the opening up of the markets for services and procurement.
"In order to achieve negotiating success this year, it will be crucial to make significant progress by the summer on technical questions, so that the final negotiations are restricted to a few, politically sensitive areas," said Andreas Audretsch, the ministry spokesman.

https://www.dawn.com/news/1254015

NEWS COVERAGE PERIOD FROM APRIL 11th TO APRIL 17th 2016
BRITAIN TO SET UP BUSINESS SUPPORT CENTRES IN PAKISTAN
The Express Tribune, April 12th, 2016.

LAHORE: Pakistan is an emerging market and British businessmen recognising its importance are ready to enhance trade and economic ties with their Pakistani counterparts to avail themselves of the opportunities, said British Deputy High Commissioner in Karachi John Tucknott.

Visiting the Lahore Chamber of Commerce and Industry (LCCI), he said, "We want to work with you, give us ideas, give us projects; the UK is ready to extend maximum cooperation."

He said there had been a positive change in Karachi in terms of law and order situation, adding the number of UK companies working in Pakistan reflected the fact that the former recognised it as a potential market.

"These are the most exciting times for the UK-Pakistan commercial ties to grow as synergies exist in private sectors of the two countries," said Tucknott.

To further increase bilateral trade and investment, the UK Investment and Trade is planning to establish British business centres in major cities of Pakistan. The centres would provide advice and support to companies that want to grow their businesses overseas.

LCCI Senior Vice President Almas Hyder said Pakistan was a safe country for doing business and invited UK businessmen to accelerate the pace of joint ventures with Pakistan's businessmen.
Talking about trade, Hyder said the volume was increasing at a healthy pace. "From 2013 to 2014, our bilateral trade went up from $1.98 billion to $2.26 billion, which is due to increase in exports to the UK amounting to $223 million."

The LCCI official said after the US, contribution of the UK to the net flow of foreign investment in Pakistan was the highest. "It will enhance investment in Pakistan and help in maintaining international peace, attaining economic stability and ensuring long-term prosperity.

"Considering the dire need of FDI, we look at you for playing some supporting role in bringing investment from the UK," Hyder added.

http://tribune.com.pk/story/1083047/furthering-partnership-britain-to-set-up-business-support-centres-in-pakistan/

PACE OF FALL IN EXPORTS 3 TIMES FASTER THAN IMPORTS
The Express Tribune, April 13th, 2016.

Shahbaz Rana

ISLAMABAD: Pakistan's trade deficit worsened to $16.9 billion in the first nine months of the current fiscal year, which was $3.7 billion higher than the projection made by the International Monetary Fund (IMF), putting foreign currency reserves under some pressure.

The trade bulletin, released by the Pakistan Bureau of Statistics (PBS) on Tuesday, showed that both exports and imports contracted in July-March 2015-16, but the pace of decline in exports was three times faster than imports.

The trade deficit – gap between exports and imports – widened 5.5% to $16.9 billion, reported the national data collecting agency. It was $882 million higher than the gap in the corresponding period of previous fiscal year and was also more than the remittances the country received during the period.
The IMF had anticipated that the trade gap during nine months would stand at $13.7 billion, but the actual figure was way larger than that.

This may have implications for the country's foreign currency reserves that are also taking a hit from the slower-than-anticipated growth in remittances. The State Bank of Pakistan on Tuesday released the remittances data for the first nine months, which showed only 4.1% growth.

In March, the inflow of worker remittances amounted to $1.5 billion, 3.14% lower than February 2016 and 8.7% lower than March 2015.

All international financial institutions are warning about the slow pace of growth in remittances and its implications for the external sector stability.

The trade deficit widened despite a $3.1-billion bonanza that the country got in shape of a sharp fall in the oil import bill due to a plunge in global prices from July to February. Oil imports during the eight months amounted to only $5.1 billion.

From July through March, exports dropped to $15.6 billion, which were $2.3 billion or 12.9% less than the receipts in the same period of previous fiscal year, reported the PBS.

A major reason behind the fall in exports, which were also $973 million less than the IMF projection, was the absence of an enabling environment for businesses.

Last week, IMF Director Masood Ahmad said Pakistan's exports were hurt by multiple factors including competitiveness concerns and appreciation of the real exchange rate was not the sole factor affecting the growth in export shipments.

In the IMF's view, Pakistan is losing competitiveness in the wake of a fall in cotton prices, appreciation of the real exchange rate, power outages and an unfavourable business climate.
Imports during July-March shrank 4.2% to $32.5 billion. These were $1.4 billion less than the comparable period of previous year, but roughly $3 billion higher than the IMF forecast.
On an annualised basis, the trade deficit widened 20.5%, or $315 million, to $1.85 billion in March this year, according to the PBS. The deficit expanded on the back of around 10% fall in exports and 3.8% rise in imports.

Exports stood at $1.74 billion in March, $184 million lower than the receipts in the same month a year earlier. Imports, however, rose $131 million to $3.6 billion.

http://tribune.com.pk/story/1083604/july-march-data-pace-of-fall-in-exports-3-times-faster-than-imports/

PAK-THAILAND: 'BILATERAL TRADE CAN BE DOUBLED TO $2 BILLION'
The Express Tribune, April 13th, 2016.

KARACHI: There exists scope to double the volume of bilateral trade between Thailand and Pakistan, said Ambassador of the Kingdom of Thailand Suchart Leingsaeengthong, while talking to journalists at the Thai Royal Consulate General on Tuesday.

"The Free Trade Agreement (FTA) between Thailand and Pakistan is likely to be concluded this year, which would not only facilitate trade but also help in promoting ties between the two countries," he said.

He further said that though the present trade volume between the two countries stood at $1 billion, but it could be doubled to $2 billion in the next three years.

Leingsaeengthong also highlighted the role of the private sector in enhancing trade ties and said exchange delegation of traders' organisations would help in selecting right products for import from both countries. "Holding conferences and promoting tourism would also be beneficial in bringing the people together."

He also stressed on improved law and order situation in the metropolis, which would in turn help spur trade and economic activities.
http://tribune.com.pk/story/1083612/pak-thailand-bilateral-trade-can-be-doubled-to-2-billion/

RICE TRADE DELEGATION TO VISIT MOZAMBIQUE
Business Recorder, April 14, 2016

Federation Pakistan Chamber of Commerce and Industry (FPCCI) has decided to send a rice trade delegation to Mozambique to explore new export opportunities. It was decided in the third meeting of FPCCI Standing Committee on "Rice Exports" held on Wednesday at Federation House, Karachi. The meeting was chaired by Rafique Suleman, Chairman FPCCI Standing Committee on Rice Exports and presided by Abdul Rahim Janoo immediate past Senior Vice President FPCCI.

The main focus of the meeting was to discuss the new range of seeds recently developed and handed over to National Institute of Biotechnology and Genetic Engineering (NIBGE) and Pakistan Agricultural Research Council (PARC) respectively. During the meeting Rafique Suleman announced to invite Director General of Department of Plant Protection as well as senior representatives from NIBGE and PARC on FPCCI platform to discuss the development of new seeds as well as plant quarantine.

"It was also decided that FPCCI Standing Committee on Rice Exports will lead a trade delegation to Mozambique in the month of August with co-ordination of Shaikh Khalid Tawab, Senior Vice President FPCCI and Honorary Consul General, Mozambique," he added. He informed that Mozambique was one of the leading rice importing countries and importing some 0.4 million tons annually, out of which Pakistan's share was some 20 percent or 0.1 million tons, therefore it had decided to send a trade delegation of Pakistani rice exporters to explore that market.

It was also decided to write letters to Chief Minister, Sindh and Nisar Khuhro to set up a meeting to discuss the issues of market committee faced by Rice Exporters of Pakistan which was the main cause of falling rice exports in the country, he said. He informed that last year Philippine had given three samples of non basmati rice seeds to PARC and one seed to NIBGE for production in Pakistan. As the one-year has completed, it has decided to invite the heads of both institutes to know about the expected production of Philippine's seeds in Pakistan.

http://www.brecorder.com/agriculture-a-allied/183/35541/

SAUDI ARABIA BANS SHRIMP IMPORTS FROM PAKISTAN
Dawn, April 15th, 2016

KARACHI: Saudi Arabia has banned shrimp imports from Pakistan, a worrying development for the Marine Fisheries Department (MFD) as other countries may follow suit.

Pakistan exported about 2,016 tonnes of seafood (valued at $7.494 million) to Saudi Arabia, including 189 tonnes of shrimp ($2.175m) in 2015.

The country's overall annual fish and fish preparations' exports stand at around 140,000 tonnes, fetching around $350m. The share of shrimp exports is around 12,000 to 14,000 tonnes a year.

The ban came in the wake of information circulated by the World Organisation for Animal Health (OIE) regarding emergence of white spot disease in Pakistani shrimp. However, the MFD suspects misunderstanding as Pakistan has yet to start shrimp farming, and entire catch of shrimp consists of open-sea operations.

The MFD believes that the disease only occurs in cultured shrimp as the white spot virus does not infect wild shrimp.

The department has urged the Fisheries Development Commissioner to approach Saudi Arabian government through the Ministry of Foreign Affairs for lifting the ban.

Moreover, the department also seeks identification of the infected consignment, and the exporter who shipped it.

In addition, the ministry may ask the OIE to remove Pakistan's name from the list of countries where white spot disease in shrimp is found, and try to access the source that reported the occurrence of the disease here.
Last month, the Royal Embassy of Saudi Arabia in Islamabad informed the Ministry of Foreign Affairs of Pakistan that depending on the reports of OIE, the Saudi Food and Drug Authority (SFDA) has noticed the emergence of the disease in Pakistani shrimp.

The SFDA has notified to its inspection authorities for imported food to stop inspection of fresh, chilled or frozen shrimp consignments from Pakistan until stabilisation of health conditions.

However, the followings exports are exempted from the ban: headless and peeled products (except the remains of shrimps including its tail), provided that physical and lab examination of all consignments is performed; processed products ready for direct human consumption (like spiced, ready for grilling, frying or by any method of cooking); and heat-treated products to ensure eradication of viruses as mentioned in the article 3, 6, 9 of Aqua Animal Health Code recommended by OIE.

The Saudi Embassy had asked the Ministry of Foreign Affairs to convey the information to all concerned authorities and businesses at its earliest.

Sources said Pakistan experimented aqua culture white shrimps production in Dabheji area in supervision of Fisheries Development Board under the food ministry headed by a leading exporter whose experience in fisheries had been as a marketing agent but non-technical in production of aqua culture.

A consignment was produced and sold to a local processor who, without declaring it as aquaculture shrimps, managed to get health certificate from the MFD which may have also missed out testing as they do it only for shipments to the European Union.

That consignment is apparently believed to have caused the ban on shrimp imports to Saudi Arabia.

During the last two years, India and Thailand also suffered heavily due to the disease caused by mismanagement.

http://www.dawn.com/news/1252141/saudi-arabia-bans-shrimp-imports-from-pakistan

NEED WE FEAR SANDERS' TRADE VISION?
The Express Tribune, April 15th, 2016.

Syed Mohammad Ali

The primary race for the Democratic contender for the US presidential elections is becoming increasingly intense. While nowhere as divisive as what is going on in the Republican camp, it is interesting to note how the two Democratic frontrunners have also come to adopt divergent positions on many important issues, including that of trade, which has major implications, not only for the US, but for the rest of the world as well.

While Hillary Clinton projects herself as a realist, Sanders' so-called 'social-democratic' position has gained evident support amongst voters who are disgruntled with the increasing shift of the Democrats to the political centre, including its patronage of big business and their failure to address socio-economic disparities.

Besides talking about the need for more progressive taxation and increased government regulation of corporate profiteering, Sanders' stance against unbridled economic liberalism also extends to trade issues. His recent statements, reported by the New York Daily News, on the need for altering terms of trade, has caused quite a furor. Speaking about the need to make trade fair, Sanders criticised major US corporations which have been maximising their profits by shifting jobs away from the US, to countries which pay workers measly wages and have lax environmental standards.

To address this problem, Sanders asserted that wages and environmental standards in the rest of the world need to be raised at least to the standards which currently exist in the US, and if this doesn't happen then the US needs to reconsider which countries it needs to engage in trade with. This latter assertion, in particular, has provided Sanders' critics an opportunity to portray him as someone who wants to hurt the very poorest people on Earth by preventing the US from trading with these countries, only to keep US jobs from being outsourced.

These critics think that Sanders' plan to only do business with countries which comply with much higher wages and environmental standards would, in effect, prevent most countries, except a small number of industrialised and rich countries, from trading with the US. They have thus deemed Sanders to be a protectionist, whose trade vision will undermine the only comparative advantage which developing countries possess.

Unconditionally free trade, Sanders' opponents suggest, remains one of the best tools available for fighting extreme poverty around the world. These free trade proponents, however, seem oblivious to the evident 'race to the bottom' in terms of labour exploitation and neglect of environmental and other health and safety standards within poorer countries, in the desperate attempt to attract multinational corporations to invest in their countries.

Numerous research studies, including the work of UNCTAD, shows how the benefits of global trade have not been distributed fairly across the world, especially to the bulk of the workforce in poorer countries, despite their instrumental role in increasing global productivity.

Admittedly, Sanders current position on limiting trade with countries which do not comply with US environmental and wage standards, needs to broadened so as to not only address the concerns of job losses within the US, but also to provide impetus to support workers' rights to unionise abroad, and to strengthen the push for stricter environmental protections and prevention of indentured servitude and slavery, and other forms of exploitation, which plague the current global trade system.

Sanders, however, is the only presidential candidate who acknowledges that US trade policies influenced by corporate interests are disastrous for American workers and for workers abroad. Thus, with someone like Sanders as the US President, the rest of the world would have a much better chance of seeing major reforms in the current profit-maximising and exploitative global production system, than under Hillary Clinton, or any of the Republican candidates.

Unlike Hillary Clinton, who has established ties and support from Wall Street financers and multinational corporations, for her election campaign and for the charity work being done by the Clinton Global Initiative, Sanders' prior record on trade and development issues is much more encouraging. In 1999 and 2000, then Congressman

Sanders introduced the Global Sustainable Development Resolution calling for the US to offer preferential market access for less developed countries as a means to accelerate development and counter global inequality.
His work on the HOPE for Africa initiative also sought to prevent the US government from acting on behalf of large pharmaceutical companies to challenge African attempts to produce and distribute low-cost medicines.

Sanders winning the Democratic race, and possibly the US elections, would allow him the chance of using his influence to compel institutions like the World Bank, the International Monetary Fund and the World Trade Organisation to begin crafting trade and economic development policies which are pro-poor, in practice, rather than in rhetoric alone.

http://tribune.com.pk/story/1084649/need-we-fear-sanders-trade-vision/

FRANCE WANTS TO BOOST BILATERAL TRADE
Business Recorder, April 15, 2016

A three-member delegation of French lawmakers is in Pakistan to mark the start of a "new chapter" in politico-economic and cultural ties between the two countries. France, having $1.5 billion bilateral trade with Pakistan, is looking for new vistas for what Senator Pascal ALLIZARD said "increased" French investment in certain sectors of Pakistan economy.

"Energy, agro business, health, water and sanitization and utilities," Senator Pascal cited as the targeted sectors while talking to Business Recorder at Alliance Francaise de Karachi on Thursday. "We can have increased investment in these sectors," he added. Accompanied by senators Francoise CARTON and Patricia MORTHET-RICHAUD, the president of Pakistan-France Friendship Association visited and addressed at the cultural centre the French community living in this commercial hub of the country.

Pakistan is home to around 500 French nationals, 111 of them residing in Karachi. There are 58000 Pakistanis in France, according to the French legislator. Pascal said his was the first official French delegation having arrived in Pakistan after a "long" period of eight years. "We are here to strengthen ties between the two countries," he said. Security, he added, was the "core" sharing subject of bilateral ties for Paris with Islamabad. Prior to Karachi, the French delegate said to have met acting President Mian Raza Rabbani in Islamabad and CM Punjab Shahbaz Sharif in Lahore.

"We definitely want to develop a new chapter in our relations with Pakistan," he said. On economic front, Senator Pascal said, a business delegation from his country was due in Pakistan by the end of this year. He said the present $1.5 billion Pak-French bilateral trade volume was "not enough". "It is not enough and we can do better to increase this," the parliamentarian said. He said his side would be looking into the possibility of different Joint Ventures on public-private partnership basis.

To a query, he said his delegation was travelling "well protected and well guarded" in different cities of Pakistan. "We did not have any feeling of insecurity". Asked if his government was rethinking its immigration policy in the wake of recent Paris attack, the senator said crises like these had helped European Union (EU) to progress. "We have heightened security (to guard the borders of EU)," Pascal said. To another query on Islamophobia in France post terrorist attacks, the French official reaffirmed his country's resolve to the basic principal of secularism.

"Secularism, to French people, warrants freedom for everybody… when we had separated church and state in 1905 it was not against the Muslim community." He viewed that Islam and Catholic Church shared no common hierarchy. "A general majority of French people have nothing against Islam and Muslim people," the lawmaker said. Earlier, Consul General in Karachi Francois Ball'orso also addressed the local French community. Also, a 40,000 euro donation cheque was presented to Alliance Francaise de Karachi.

http://www.brecorder.com/business-and-economy/189:pakistan/35795:france-wants-to-boost-bilateral-trade/

NEWS COVERAGE PERIOD FROM APRIL 4th TO APRIL 10th 2016
TRADE POLICY PROMISES WITHOUT PATH
Dawn, Business & Finance weekly, April 4th, 2016

Manzoor Ahmad

THE long delayed Strategic Trade Policy Framework for 2015-18 was finally announced last week. It aims to enhance exports to $35bn by 2018, which would require a miracle.

Exports have been falling in recent years but the new benchmark would mean boosting them by 36pc annually.

We've never managed to do this in the past. Fortunately, previous governments had similar ambitions: in 2007, a target of $43bn to be achieved by 2013 was fixed and later $95bn cumulative exports were to be achieved during 2012-15.

Sadly, the goals went unmet, they are now forgotten and few questioned why or how we failed.

The rationale provided in the new STPF, for achieving this jump of almost 50pc in exports over the next two years, are certain supposed enablers such as product sophistication and diversification; access to new markets; institutional development and strengthening, and trade facilitation. However, none of these are new. They are mere wish lists without any clear idea as to how they would be realised.

The elephant in the room is our tariff policy. It needs serious overhaul. There is no example of any other country addressing its trade policy without focussing on the tariff policy, since the two are closely linked.

Pakistan has failed to reform its tariff structure since 2002 and in fact in recent years has reversed many of the earlier reforms. For example, until July 2014 a substantial number of industrial raw materials and machinery were duty-free. Now almost none of the 6,000 tariff lines are zero-rated. Enhanced import duties on raw materials and machinery have obviously reduced competitiveness of the economy and consequently the volume of exports is rapidly falling.

Pakistan's economy was already among the least integrated and the most protected ones in the world and in the last two-three years this isolation has been exacerbated. When the WTO reviewed Pakistan's trade policy in early 2015, it noted "overall tariff levels remain high, which weakens productivity growth and constitutes an impediment to efficient resource allocation and the integration of Pakistan into global value chains."

The key issue that should have been addressed in the trade policy was how to make Pakistan and its industries a part of global value chains (GVCs). In other words, how can we make it easier to import and export intermediate inputs. It is being a part of the value chains that determines the success of any country in raising its exports and attracting foreign investment.
The policy should have been a roadmap for adopting a 'whole-of-the-supply-chain' approach. For this purpose, it should have addressed certain vital issues such as improving business environment, lowering taxes on international trade, and getting rid of the import substitution policies.

Unfortunately, there is little or no commitment in the policy to address any of these issues. Pakistan's ranking in the World Bank index on the Ease of Doing Business for '"Trading Across Borders' has been slipping each year.

Our recent commitment under the WTO Trade Facilitation Agreement shows very low ambition. In fact, the indications are that Pakistan would not be undertaking any reforms in its existing trade facilitation regime.

In fact, there seems to be a disconnection between various policymaking bodies of Pakistan. For example, the recently announced Automotive Development Policy continues import substitution in sharp contrast to the export-led growth envisioned by the commerce ministry.

The STPF seeks transitioning from a 'factor-driven' economy to an 'efficiency-driven' and 'innovation-driven' economy. In view of these lofty goals, one would have expected the ministry to accede to the WTO Information Technology Agreement and wrap up its deliberations, which have been going on for the last 18 years.

On the contrary, the trade policy has restricted import of 3D printers which will only be allowed with the permission of the ministry of interior.

Many view this new technology as the harbinger of a third industrial revolution. This takes us back to the days when at the beginning of the information technology era computers were subjected to cumbersome import procedures. Must we repeat that mistake by depriving our economy of the latest innovations?

The STPF has announced several new schemes to be supported through subsidies. Hand-outs are always welcomed by potential beneficiaries and the government should have realised that such schemes have been grossly misused in the past.
Several scams involving billions paid in export subsidies to fake exporters during the PPP regime are still under investigation. We also open our exports up to the risk of retaliatory duties. By giving subsidies to some sectors and denying them to others the government is picking winners and losers. This should not be the role of the state.

The framework is more a list of promises than a path towards export-led growth. It speaks to the competing goals on the minds of policymakers: raise revenue by increasing the cost of trade or grow the economy by boosting exports.

For better or for worse, it's unlikely that much will change within the lifespan of this new document. Pakistan needs a more coherent trade policy to remain competitive and achieve growth rates similar to our neighbouring countries.

http://www.dawn.com/news/1249774/trade-policy-promises-without-path

PAK-IRAN PACT TO PREPARE FTA GROUND: PIAF
Business Recorder April 4, 2016

LAHORE: Pakistan Industrial and Traders Associations Front (PIAF) Chairman Irfan Iqbal Sheikh said on Sunday that pact between Pakistan and Iran would remove non-tariff barriers in bilateral trade and prepare ground for a free trade agreement (FTA).

Talking to media here, he said that it was remarkable that both the countries agreed to work on issuing long-term multiple-entry visas to businessmen and increasing direct air flights to boost the prospects of trade.

Trade in agriculture and mineral sectors offered tremendous scope, and Pakistan and Iran were ideally placed and capable enough to complement each other.

"The prospects of export of services are far greater in transportation, financial, communication, insurance and IT fields," he mentioned.
The PIAF Chairman said, "We can get cheaper oil from Iran and by exporting rice to Iran, we can get millions of foreign exchange.

By formulating a better strategy we can get our share back from Iranian market as India has overcome nowadays. The trade is extended to up to USD 7 million."

He termed the signing of five-year Strategic Trade Cooperation Plan (2016-2021) as the beginning of a new era, which provides a great opportunity to the two nations to enhance economic cooperation to new heights.

Irfan Iqbal Sheikh urged the Commerce Ministry to explore various avenues to enhance bilateral trade to USD five billion in five years, in accordance with the vision of the top political leadership of the two countries during recent visit of Iranian President.

He termed it a good omen that Iran would hold a trade and investment exhibition in Pakistan in September this year, adding that private sector of two countries should take lead in strengthening bilateral relations in all sectors.

While, the PIAF Vice chairman Tanveer Sufi also welcomed the recent trade ties with Iran and hoped that with the re-continuation banking system, the import-export would start and LCs would open from both sides which would be beneficial for Pakistan as exports needed some support for going in upward direction.

http://www.brecorder.com/top-news/world/288480-pak-iran-pact-to-prepare-fta-ground-piaf.html

PAK-CHINA TRADE PACT IN FAVOUR OF BEIJING: SARTAJ AZIZ
The Express Tribune, April 6th, 2016.

Peer Muhammad

ISLAMABAD: Foreign Affairs Adviser Sartaj Aziz has said the free trade agreement with Beijing is currently more in favour of China than Pakistan and efforts are under way to make it more favourable for Pakistan.

The prime minister's aide was giving a briefing on Tuesday to the Senate Standing Committee on Commerce about Pakistan's trade diplomacy for promotion of trade and investment in the country. The highest exports of Pakistan are to the US followed by China. The country's highest imports are from China.

The adviser told the Senate panel that the existing Free Trade Agreement (FTA) with China was inclined in favour of the Chinese. Both the countries are considering signing another agreement to balance the trade flow in favour of Islamabad.

A number of FTAs and preferential trade agreements are also under discussion with other countries and Pakistan's interest will be protected while finalising them, he added.

Aziz said Pakistan's exports had dwindled in the past five years because of certain domestic and international factors. "The government is focusing on effective trade diplomacy to boost exports," he said.

About avenues of trade with Iran, the adviser said that US sanctions on Iran were still in place and businessmen were experiencing difficulties in opening Letters of Credit (LC) in dollars. He added, however, traders could open LCs in Euro to undertake business with Iran.

He informed the Senate committee that Iran and Pakistan recently signed a five-year strategic trade plan, under which the annual bilateral trade would be taken to $5 billion in the next five years.

"We have proposed and plan to take certain effective steps to achieve the trade target," said Aziz. The pact was signed during the recent visit of Iran's president to Pakistan.

Pakistan has also announced its Strategic Trade Policy Framework 2015-17 to boost its exports to $35 billion while focusing on effective trade diplomacy through its consulates to explore new markets in the world.

PPP Senator Saleem Mandviwalla, who is a member of the committee on commerce, observed Pakistan, unlike other countries in the region, had failed to tap the potential of trade and investment with Iran in the backdrop of the lifting of the sanctions.

He mentioned the PPP government had signed the Iran-Pakistan pipeline project despite the sanctions and opposition by the international community.

Mandiwalla questioned when the government planned to construct the pipeline on the Pakistani side when Iran has already completed the project on its side.

Senator Usman Kakar said border trade with Iran and Afghanistan from Balochistan must be taken away from the control of interior ministry and frontier corps and handed over to the commerce ministry.

Mandviwalla pointed out that Pakistan's exports declined by $2.2 billion during 2015-16 as compared to the previous year, saying the government has failed to turn around exports while countries like Bangladesh and Vietnam were performing far better.

He also said the government had failed to reap the benefits of GSP+ status granted by the European Union (EU) for which PPP government had made untiring efforts.

http://tribune.com.pk/story/1079498/pak-china-trade-pact-in-favour-of-beijing-aziz/

WTO CUTS 2016 TRADE FORECAST TO 2.8PC
Dawn, April 8th, 2016

GENEVA: The World Trade Organisation (WTO) on Thursday revised its 2016 global trade forecast downward by more than one percentage point, warning that a slowdown in China and broad market volatility continued to threaten growth.

In September, the WTO estimated that global trade would rise by 3.9 per cent this year, but lowered that projection to 2.8pc, in an updated forecast.
"Trade is still registering positive growth, albeit at a disappointing rate," WTO director general Robert Azevedo said in a statement.

Various factors were continuing to apply downward pressure on global commerce, the Geneva-based body said.

The rout on commodities prices has shown few signs of reversing, while the full extent of the slowdown in China — the world's top commodities consumer — remains uncertain.

The WTO listed "a sharper-than-expected slowing in China (and) worsening financial market volatility" as factors that could further suppress global trade this year.

But, the 2.8pc growth forecast could prove to be an underestimate if efforts by the European Central Bank to stimulate eurozone growth are successful, the WTO said.

http://www.dawn.com/news/1250563/wto-cuts-2016-trade-forecast-to-28pc

May 2016

NEWS COVERAGE PERIOD FROM MAY 23rd TO MAY 29th 2016

APTMA URGES GOVERNMENT TO TAKE STEPS TOWARDS BOOSTING EXPORTS

Business Recorder, May 24, 2016

The All Pakistan Textile Mills Association Chairman, Tariq Saud has demanded restoration of immediate viability and adoption of proposals for a zero rating regime for exports of the entire textile value chain. He said burdening of industry with presumptive, innovative and further taxes would not be acceptable to the industry. He said the industry was no more cost effective due to the tax burden.

The textile industry exports would remain sluggish unless the end product becomes cost effective. “The government can tax the products meant for domestic consumption but the exports of value added textile industry should be zero rated both for registered and unregistered buyers for the entire textile value chain.” He was leading a delegation of the Association on Monday, which called on the ministries concerned in Islamabad ahead of the announcement of budget for the fiscal year 2016-17.

The delegation called on the Minister for Petroleum and Natural Resources, Secretary Commerce and Secretary Finance. The APTMA Chairman has also demanded introduction of 5 percent DLTL for the entire sub sectors of textile value chain to mitigate the incidentals of local taxes, levies and cess. He also said the turnover tax on textile industry should be reduced to 0.25 percent from existing one percent. He further said both the GIDC and electricity surcharge should be withdrawn immediately to make the industry competitive regionally.

He said the add-on of the RLNG should be reduced in order to boost its consumption and attracting fresh investment to the sector. “The SNGPL was charging 10 percent UFG for RLNG and 4.5 percent for gas while the actual industry UFG was even less than 4 percent,” he said. He urged the minister to revise the UFG in between 4% to 4.5% on textile industry. He has also demanded the government to allow the release of 35000 bales of cotton stranded at the Wagha border.

He further sought withdrawal of 5% sales tax and 3% customs duty on cotton import. He also demanded 15 percent Regulatory Duty on subsidised, under-invoiced and mis-declared import of yarn and fabric in domestic commerce.
http://www.brecorder.com/cotton-a-textiles/185:pakistan/48526:aptma-urges-government-to-take-steps-towards-boosting-exports/?date=2016-05-24

CPEC TO TRANSFORM REGION INTO TRADE, BUSINESS HUB: PRESIDENT
Business Recorder, 24 May 2016

ISLAMABAD: President Mamnoon Hussain Tuesday said that China-Pakistan Economic Corridor (CPEC) is a historic step forward under which the development of road, rail, sea and air infrastructure projects would transform the whole region into a hub of regional and global trade.

The President was addressing an inaugural ceremony of Beijing Forum at the National University of Sciences and Technology (NUST).

President Mamnoon said the CPEC would not only lead to robust regional connectivity but also be a foundation of the historical “One Belt – One Road” vision of China, ushering in an era of global peace, prosperity and stability.

The Pak-China relations were a model for the whole world and both the countries had always adopted a common stance at all forums for resolution of international issues, regional peace and stability, he added.

Both countries had wholeheartedly extended cooperation to the international community for achievement of these objectives.

Adviser to the Prime Minister on Foreign Affairs Sartaj Aziz, Minister for Defence Production and Science & Technology Rana Tanveer Hussain, Chairman Peking University Council Prof. Zhu Shan Lu, Ambassador of People’s Republic of China to Pakistan Sun Weidong and Rector NUST Lt. Gen. (R) Muhammad Asghar were also present on the occasion, said a press release.

The President expressed satisfaction that Islamabad had been chosen for holding the Beijing Forum’s first ever session outside China.

He observed that it was a matter of satisfaction that National University of Sciences & Technology (NUST) and Peking University had taken the initiative for organizing this event for which both of the eminent institutions and their organizers deserved praise.
President Mamnoon said that educational institutions not only lay the foundation for national progress and prosperity, but also become a source of transmitting rich traditions and bonds of friendship between nations to coming generations.

He noted that the joint effort by the two leading institutions of Pakistan and China was a step towards achieving this goal, adding that such efforts would bear fruit, benefitting China, Pakistan and the entire humanity.

The President said the youth of both friendly countries would play a leading role in this endeavor as highlighted by the founder of Pakistan Quaid-e-Azam Muhammad Ali Jinnah.

President Mamnoon said in order to achieve the greater goal of the betterment of humanity, the youth needed to hone their creative abilities and excel in modern fields of knowledge so that both countries were ready to lead the contemporary world by being in sync with requirements of the future.

He also warmly welcomed the distinguished guests from People's Republic of China and other friendly countries on the occasion of holding of Beijing Forum in Islamabad and hoped that their stay would be pleasant and comfortable.
http://www.brecorder.com/top-news/world/298036-cpec-to-transform-region-into-trade-business-hub-president.html

TRANSIT TRADE ACCORD
The Express Tribune, May 25th, 2016.

Pakistan has an unfortunate propensity to miss opportunities, principally because of indifferent, strained or downright hostile relations with its contiguous neighbours and other countries in the region. This has persisted for decades and is only slowly beginning to change, but countries that are willing and able to capitalise on emerging opportunities are beginning to make the agreements that will underpin future development and wealth creation.
On May 23, Iranian President Hassan Rouhani, Afghan President Ashraf Ghani and Indian Prime Minister Narendra Modi, all signed a three-way transit agreement that pivots around the Iranian southern port of Chabahar.
Like the port of Gwadar in Pakistan that is still something of a white elephant, a character in search of an author, Chabahar has never achieved its potential. The reasons are many and complex, with regional tensions figuring large. With the easing of sanctions on Iran post to the nuclear non-proliferation deal last year, a range of opportunities present themselves, and connecting Iran through India and Afghanistan to the Central Asian states makes eminently good business sense.

Chabahar could become a business hub and is in obvious competition with Gwadar both now and in the future. Pakistan has failed to negotiate a transit agreement with Afghanistan and it is unsurprising that Afghanistan would turn to Iran to maximise opportunity. India has long invested in development in Afghanistan and quickly outflanked Pakistan diplomatically after the downfall of the Taliban.

It cemented the post-Taliban relationship with development funding — India funded the new parliament building that houses both the upper and lower houses. Pakistan invested in conflict rather than nation-building, missing an opportunity as it did.

Pakistan cannot rely only on the Chinese and the China-Pakistan Economic Corridor as the panacea for multiple ills. With the country remaining preoccupied with internal security troubles and a government weakened by sterile political conflicts or 'scandals', then other countries in the region will find ways to walk around us rather than build inclusive relationships.

The relationship with Saudi Arabia is being recalibrated successfully and there is no reason — theoretically — why others should not be similarly adjusted. Opportunity is for the taking, not the wasting.

http://tribune.com.pk/story/1109534/transit-trade-accord/

DRY PORT TO BE ESTABLISHED IN SARGODHA
The Express Tribune, May 27th, 2016.

Peer Muhammad
ISLAMABAD: The Ministry of Commerce will establish a new dry port in Sargodha to facilitate local exporters in shipping their produce.

During the 71st meeting of the Export Development Fund (EDF) Board of Administrators, it was decided that the project would be funded by the ministry.

The meeting was chaired by Minister for Commerce Khurram Dastgir.

The board authorised a well-reputed consultant to conduct a business and technical feasibility study of the proposed dry port for a detailed design and cost estimation.

It also approved the establishment of a fruit packaging and processing plant in Quetta. The plant would provide modern value-addition facilities to help thousands of fruit farmers in Balochistan. This would also help farmers export their fruits to western countries.

Furthermore, a project for the expansion of ‘Effluent Treatment Plant’ in Korangi Karachi, which produces electricity using biogas produced in tanneries, was also approved during the meeting.

The availability of bio gas generators would save 70% of the energy already supplied through the grid.

“The experts have suggested that this plant will cut the operational cost and reduce the methane gas emission in the air considerably,” said the official. The board approved Rs10 million for the feasibility study of the dry port, which will be submitted to the Ministry of Commerce.

The official further said that as per the feasibility study, land will be acquired and since the port will be established near the railway station, Pakistan Railways will also be taken on board.

“The dry port will be operated under a trust in-line with the Sialkot dry port model. The proposed port will be provided all the facilities to ensure window operation to save resources and time of the business community,” he said. It was noted that citrus is the major exportable item of the Sargodha region and there were about 250 kinnow processing units operating there. All consignments from Sargodha are cleared in Karachi due to unavailability of a dry port in the area, therefore, a establishing a port would not only reduce time and cost of local farmers but also help businessmen export their commodities.

“One of the reasons why the SMEs stay away from exports is the cumbersome procedures involved in the process,” said Datgir.

“The dry port will provide them all clearance facilities at their door-step thus resulting in an attractive incentive to export their products,” he added.

http://tribune.com.pk/story/1111172/facilitating-exports-dry-port-established-sargodha/

JOINT CHAMBER: PAKISTAN-GERMANY TRADE BODY FOUNDED
The Express Tribune, May 29th, 2016.

Farhan Zaheer

KARACHI: The recently-launched German-Pakistan Chamber of Commerce and Industry (GPCCI), the first ever joint chamber by any European country in Pakistan, is expected to usher in an era of investment, providing a dedicated platform for German investors.

Pakistan now joins the ranks of a select few countries to have a joint chamber with Germany.

'It will provide a new and permanent home for all German companies in Pakistan, Pakistani companies working with German products and Pakistani companies trading with Germany," said German Ambassador to Pakistan Ina Lepel. "Obviously, there is huge potential for new investments in Pakistan. I am hopeful that this new platform for dialogue will help attract future investments in Pakistan, but it is too early to speak on behalf of companies that are interested in Pakistan," Lepel said when asked about the possibility of German investment in the auto sector of Pakistan.

Lepel said that she is hopeful of new German investments in Pakistan, especially in wind and solar energy projects.

Federal Ministry for Economic Cooperation and Development Head of Division Afghanistan/ Pakistan Dr Stefan Oswald said that Pakistan is a very interesting market of over 200 million people.

He said that it was good that the situation was improving in Pakistan, but there was still a lot of room left for improvement. He, however, mentioned that the regulatory problems in Pakistan were still a big obstacle for new foreign investments.

Unlike German diplomats, Oswald was more candid when he said that Chief Minister Punjab Shahbaz Sharif recently visited Germany to attract German companies, but he did not get an encouraging response.

"German companies have faced serious problems in Pakistan in the past. This is why I think it will take some time before the confidence of German companies is restored and they start investing again in Pakistan," he said.

German Consul General in Karachi Rainer Schmiedchen said that the security situation was improving because of which Germany had softened travel advisories for people visiting Pakistan.

http://tribune.com.pk/story/1112191/joint-chamber-pakistan-germany-trade-body-founded/

NEWS COVERAGE PERIOD FROM MAY 16TH TO MAY 22 ND 2016
EXPORTERS HOPE TO SELL 0.1M TONNES OF MANGOES
Dawn, May 17th, 2016
KARACHI: Mango exporters will start sending their merchandise abroad from May 20 and hope to export at least 0.1 million tonnes of mangoes this year, in return for $75 million in foreign exchange. The country's total mango production is expected at 1.6 million tonnes this year.

Besides targeting traditional markets, exporters will also try to tap new markets in China, Russia, Iran, Belarus and Middle Eastern countries. In the absence of the much-needed VHT plant, however, the Japanese market will remain untapped for the third consecutive year.

Waheed Ahmed, the chairman of Pakistan Fruit and Vegetable Exporters, Importers and Merchants Association (PFVA), recalled missing last year's export target of 100,000 tonnes due to a 40 per cent drop in mango production. Exporters hardly shipped 72,000 tonnes last year, which was the lowest figure achieved in the last five years.

Pakistan has been exporting mangoes to UAE, Saudi Arabia, Hong Kong, Singapore, Malaysia, Canada, Europe and Scandinavian countries for many years. Recently, markets like South Korea, Japan, China, USA and Australia have opened for Pakistani mangoes. However, due to a lack of research and development practices, exporters have been facing difficulties in competing with other mango-producing countries in quality and standards.

Mr Ahmed said the vapour heat treatment (VHT) plant, which has already been imported with an investment of millions of rupees, is lying idle for the last three years as the concerned institution has yet to install it. The dysfunctional VHT plant is depriving the country of the highly-valued Japanese market where Pakistani mangoes could be sold at $4 per kg.

By treating mangoes at the VHT plant, Pakistan can initially export more than 400 tonnes to Japan, increasing the volume to thousands of tonnes in the future. Apart from Japan, the door has also been opened for Pakistani mangoes in China, USA and Australia but these markets are inaccessible until our fruit becomes compatible with that of other countries.

He said the Iranian market has been opened for Pakistani mangoes after a break of several years amidst international sanctions on Tehran. Besides, the PFVA is trying to tap the Chinese market in coordination with the government.
A delegation of Chinese quarantine experts is coming to Pakistan this season. Two export firms in Pakistan have so far been allowed to export mangoes to China by the Chinese Quarantine department while PFVA is making efforts to get the approval for other firms too.

http://www.dawn.com/news/1258733

RICE EXPORTERS AIM TO SHIP 0.7M TONS TO IRAN
The Express Tribune, May 17th, 2016.

KARACHI: Members of the Rice Exporters Association of Pakistan (REAP) have decided to open their offices in Tehran and Mashhad in a bid to increase exports to 600,000 to 700,000 tons to Iran – the top Basmati rice importer in the world.

With the help of the Ministry of Commerce, the REAP members will invite Iranian rice importers to Pakistan for business-to-business meetings to increase rice trade between the two neighbours, according to a press release.

The decision has been taken after a REAP delegation visited Iran and met rice importers with the assistance of Pakistan's diplomatic mission in Tehran. The meetings have proved successful and rice exporters expect to get new orders.

However, in a seminar organised recently by REAP at the Federation of Pakistan Chambers of Commerce and Industry, leading bankers pointed out that the State Bank of Pakistan had yet to remove all hurdles in the way of establishing banking links with Iran.

Since the efforts to open offices in Iran have the backing of the Pakistan government and the Ministry of Commerce, exporters say they are hopeful of getting new business from Iran.

Pakistan, which used to be the top rice exporter to Iran, has seen a significant decline in its share in the last two years because of the tightening of international sanctions on Tehran.
Iran annually imports more than $2 billion worth of rice. Pakistan's share is negligible as it exported 2,234 tons in fiscal year 2015, fetching just $1.32 million.

Exporters say India has replaced Pakistan in Iranian rice markets because of better government-to-government arrangements for trade payments.

http://tribune.com.pk/story/1104535/higher-exports-rice-exporters-aim-to-ship-0-7m-tons-to-iran/

CENTRAL ASIA ROAD-SHOW: PEOPLE THRONG TO TDAP CARAVAN IN BISHKEK
The Express Tribune, May 19th, 2016.

KARACHI: Trade Caravan, an initiative of Trade Development Authority of Pakistan (TDAP) to introduce Pakistani products in the Central Asian States reached Bishkek, the capital of Kyrgyzstan, on Wednesday.

According to a press release, the exhibition will be held at Bishkek from May 18 to 19. Pakistan Embassy at Bishkek has invited all relevant government organisations and chambers to the inauguration of the event.

Meanwhile, TDAP has made special arrangements of B2B meetings for delegates and exhibitors. There is a lot of interest among buyers of Kyrgyzstan in leather, pharmaceutical, textile products, surgical instruments and sports goods, the press release said. Pakistan Embassy at Kyrgyzstan has said that buyers are anxiously waiting for this event as promotion was started one month earlier, it added.

The trade development body is organising Road Caravan across Kazakhstan, Kyrgyzstan and Tajikistan from May 13 to 25. The exhibition at Kazakhstan was held from May 13 to 15 and tremendous response was received from local buyers and visitors.

The state owned news agency, APP, quoting message received from Bishkek, reported that people flocked to the venue on the first day of Trade Caravan. Apart from business-to-business deals, the venue Hayat Regency saw thriving retail sales too.
The event was jointly inaugurated by TDAP secretary Rabiya Javeri Agha and Rima Apasova, President, Chamber of Commerce and Industry of Kyrgyz Republic, it said.

Apasova said that such events would enhance bilateral trade between the two brotherly countries. Rabiya Javeri Agha said: “We are showcasing an entire spectrum of Pakistani products in Central Asia and Trade Caravan is an initiative of TDAP to link the bridge between Pakistan and Central Asia.”
http://tribune.com.pk/story/1106188/central-asia-road-show-people-throng-to-tdap-caravan-in-bishkek/

NEWS COVERAGE PERIOD FROM MAY 9th TO MAY 15th 2016
FEDERAL BOARD OF REVENUE ASKED TO STOP ‘HARASSING’ TRADERS
Dawn, May 9th, 2016

PESHAWAR: The traders of Khyber Pakhtunkhwa have expressed serious concerns over the notices issued by Federal Board of Revenue about freezing of bank accounts of the businessmen over delay in payment of taxes.

Khyber Pakhtunkhwa Chamber of Commerce and Industry president Zulfiqar Ali Khan told a group of journalists at his office here on Sunday said that FBR had issued notices to businessmen over delay in payment of taxes but it was reluctant to ensure tax returns within the required period.

He said that the Regional Tax Office (RTO) was bound to pay rebate in 45 days. If rebates were not paid timely then action should be taken against the officials of RTO, he added.

Mr Khan demanded of RTO to stop harassing businessmen by issuing notices about freezing their bank accounts. It created unrest among the traders, he said. He also complained about commercial banks for not providing loans to businessmen of Khyber Pakhtunkhwa.
The KPCCI chief recalled that a couple of months ago, the governor State Bank of Pakistan (SBP) had invited heads of around 40 commercial banks to Peshawar and directed them to provide loans to businessmen of the province on easy terms as normalcy was returning there in the wake of ongoing military operations against terrorists.
“Ironically none of the heads of the banks followed the instruction of SBP governor. We are still not provided the lending facility,” said Mr Khan.

He said that electricity and gas crises were also hampering economic prosperity in the province. Despite the fact that Khyber Pakhtunkhwa was producing surplus gas, the federal government imposed ban on issuance of new industrial gas connection as a result of which no new industrial unit could be set up in the province, he added.

The KPCCI chief said that if government was sincere in supporting the business community, it should introduce business-friendly policies for revival of commerce and trade in Khyber Pakhtunkhwa and Federally Administered Tribal Areas.

Mr Khan urged the federal and provincial governments to announce special incentive packages for promotion of commerce and trade in the militancy-hit province and Fata.

He said that traders were registering complaints with KPCCI about receiving threatening telephone calls from extortionists. They had no other option but to pay extortion or say goodbye to the province because government had failed to protect them, he added.

Mr Khan said that provincial government in its recently announced industrial policy gave incentives to new industrial units but ignored the existing ones.
To a question about restoration of peace in the country, he said that it was linked to restoration of peace in Afghanistan.

He said that law and order was improved in Khyber Pakhtunkhwa owing to military operation Zarb-i-Azb but extortionists were still active in Afghanistan, making telephone calls from there to the businessmen of Peshawar and Khyber Pakhtunkhwa.

The KPCCI chief stressed the need for increasing trade ties with Afghanistan and Central Asian Countries.
He also urged Afghan government to provide same trade facilities to Pakistan as it was providing to India and China.
http://www.dawn.com/news/1257248

GROWERS, EXPORTERS: WTO AGREES TO PROVIDE TECH ASSISTANCE
Business Recorder, May 09, 2016

Mushtaq Ghumman

The World Trade Organisation (WTO) has agreed to provide technical assistance to Pakistani growers and exporters on Sanitary and Phytosanitary (SPS) regime. According to a senior official of Ministry of Commerce one issue which cropped up in all key meetings of DG with Commerce Ministry, exporters from private sector and CM Punjab were difficulties being faced by Pakistani exporters in export of rice, mango and citrus due to Sanitary and Phytosanitary measures applied by different importing countries.

Roberto Azevedo the Director General WTO who recently visited Islamabad and Lahore offered to provide technical assistance for capacity building of government agencies, growers/farmers and exporters in SPS regime so that they can developed their products as per standards required by importers . The technical assistance will be for building the knowledge base of domestic stakeholders and also for formulating a designing a long term project to address SPS issues.

Pakistan""s Ambassador to WTO Dr Tauqir told this correspondent that first workshop/ seminar of national level through WTO technical assistance for officials , growers and exporters from all provinces will be held in September in partnership with Ministry of Commerce and Ministry of Food Security; provincial governments"" representatives will also be invited. WTO has offered to send it global SPS experts for the activity. This is immediate tangible outcome of the DG WTO visit.

According to sources, Prime Minister Nawaz Sharif during a meeting with the DG WTO highlighted the importance of trade facilitation measurers which if implemented by the national governments, may save considerable time and money. DGWTO was also apprised that Pakistan is already very much compliant with WTO""s TFA and enhanced measurers are being taken to facilitate trade in Pakistan.

"Pakistan is eagerly waiting for the TFA to come into effect so that it can reap more and more benefits of it being a developing country," the sources added.
DG WTO has also been ensured that relevant institutions in Pakistan are working on to bring about a mechanism as to how to phase out the current SRO regime which is undoubtedly a trade disporting measure.

By taking benefits of the provisions available in the WTO system, Pakistan is also working on carrying out regional and bilateral trade agreements with various countries.

The sources further stated that Pakistan is engaged in consultation process to reach the conclusion whether to join or not to joint WTO""'s Plurilateral Information Technology Agreement, adding that positive outcome in this regard is expected.

Pakistan, sources said, believes that Public Stockholding Proposal in its current form already has serious adverse unintended consequences the country""s economy.

"We emphatically share the imperative to feed the hungry and assist the vulnerable but not at the cost of livelihoods of millions of poor subsistence farmers. We hope that any permanent solution would not be at the cost of small farmers regardless of their geographical location," the sources added.

http://www.brecorder.com/agriculture-a-allied/183/44172/

US UNDERLINES NEED FOR TRADE, INVESTMENT TREATIES
The Express Tribune, May 13th, 2016.

Peer Muhammad

ISLAMABAD: The United States has expressed deep interest in strengthening economic and trade ties with Pakistan and to achieve that it has emphasised the need for signing trade and investment treaties.
"The US wants more strengthened economic and trade relationship with Pakistan," said an official of the Ministry of Commerce quoting US Ambassador David Hale who met Commerce Minister Khurram Dastgir on Thursday.
"Trade and economic relationship is part of the security partnership but it is more important than bullets," he said.

The ambassador described the political climate in Pakistan as stable and becoming more conducive and revealed that the US was considering extending assistance to Pakistan in the areas of economy and trade.

"We are eyeing investment treaties and other related tools to proceed further in the economic and trade matters," he said. "People should look at the brighter side of Pakistan where environment has improved for investment and business."

The ambassador praised Pakistan for its role and efforts to deepen economic and trade ties with countries in the region.

"We are a strong supporter of regional trade integration and connectivity and Pakistan's efforts in this regard are praiseworthy," he remarked. Hale pointed out that they were looking forward to sector-specific trade missions working together in a creative manner in the agriculture sector where a lot of potential had remained untapped.

Speaking on the occasion, the commerce minister noted that the US had been the biggest and key trade partner of Pakistan as well as a major export destination. "There is always space to grow and increase trade and business between the two countries," he said.

Referring to recent reports of major international institutions and the upswing in the stock market, the minister said Pakistan had achieved a quantum jump in improving the environment for doing business and it was going in the right direction.

“Pakistan is emerging out of the darkness caused by extremism and energy crisis and has achieved substantial progress which is suitable for trade,” he said.
Dastgir stressed that Pakistan had made significant achievements in dealing with insurgency, had gained political and economic stability and reconnected to the world with a fresh commitment.

http://tribune.com.pk/story/1102457/strengthening-partnership-us-underlines-need-for-trade-investment-treaties/

PROMOTING REGIONAL TRADE: FAISALABAD TO HOST SAARC INDUSTRIAL PARKS
The Express Tribune, May 14th, 2016

Imran Rana

FAISALABAD: With the regional body becoming irrelevant due to lack of political will and funding constraints, business executives from member countries of the South Asian Association for Regional Cooperation (Saarc) have planned to set up special industrial parks to promote regional trade.

Last month, Saarc Chamber of Commerce and Industry (CCI) President Suraj Vadiya and Faisalabad Industrial Estate Development and Management Company (FIEDMC) Chairman Mian Muhammad Idrees signed a memorandum of understanding (MoU) for making Saarc industrial parks a reality.

The personal clout enjoyed by both the business executives may make the industrial parks a reality as main regional powers, India
and Pakistan, remain at loggerheads due to divergent strategic and political priorities.

“The Saarc Industrial Park will be an exclusive place for investment by businesses belonging to the member countries,” Idrees told The Express Tribune.

He said search for setting up the parks in Pakistan had been going on for some time and now it had been decided that Faisalabad would host these special zones.

The industrial park would initially be spread over 300 acres of land, which would be extended later to 500 acres, he said, adding in the first phase over $500 million would be invested in this project.
“This is a positive move for Pakistan as the industrial estate will not only fetch investment, but will also create employment for the locals,” Idrees said.

Mostly those industries will be installed that can be run by raw material supply from Pakistan, for instance cotton. Compared to other countries, raw material in Pakistan is cheap and of good quality.

Trade among Saarc member countries is the lowest compared to trade in other regional blocs, mainly due to hostilities among regional players in addition to high tariff and non-tariff barriers that discourage trade.

The Saarc CCI would try to persuade its members to remove the hurdles and lower the tariffs to improve the regional trade, said Idrees.

He said the huge population in Saarc countries made it an ideal place for investment due to high demand, adding the industrial park would not only increase trade but would also prove fruitful in improving relations with neighbouring countries.

He added Saarc countries would invest every year to increase the production capacity and install new units.
To facilitate the investors, the government has offered 10-year tax relief and zero duty on the import of machinery.
The management of FIEDMC has also promised uninterrupted energy supply.

Idrees said a Saarc summit would be held in November this year and the Saarc CCI president would announce the setting up of the industrial park in the presence of Prime Minister Nawaz Sharif.

http://tribune.com.pk/story/1102986/promoting-regional-trade-faisalabad-to-host-saarc-industrial-parks/

PAKISTAN'S TRADE CARAVAN REACHES KAZAKHSTAN
The Express Tribune, May 14th, 2016.
ISLAMABAD: Pakistan's Trade Caravan opened at Almaty Kazakhstan on Friday, aimed at fostering trade and investment relations between Pakistan and Kazakhstan.

About 45 companies from sectors including textile, agro food, herbal, pharmaceutical and handicrafts displayed their products to members of Kazakh Chambers and businessmen.

The Trade Development Authority of Pakistan (TDAP) also had a large composite stall with the highest quality home textile, garments and sports products that had been provided by brands such as ChenOne, Gul Ahmed, Sapphire and AlKaram.

It was noted that the existing trade potential was not reflective of the bilateral relations between the two countries. Despite strong trade complementarities, the bilateral trade between the two nations amount to only $34 million.

Despite strong brotherly relations and similar religious inclinations, the major impediment in trade was the low level of interaction between people of the two countries.

In order to increase this interaction and trust between the businessmen of two countries, TDAP initiated the concept of 'Pakistan Trade Caravan' which was largely appreciated by the visiting participants.

The Trade Caravan initiative is the first step in the beginning of long-term commercial relations between the two countries. The road show branding reflected this legacy of trade caravans crossing from country to country in search of mutual economic benefit.

During the event, some 300 Kazakh companies took part in business-to-business (B2B) sessions with their Pakistani counterparts.

Companies such as TurnikKz, Radiance, Dest Textile FirmKaz centre expressed strong interest in textile, leather and sports.

According to Hosiery Manufacturers Association President Dr Khurram Tariq, the event paved way for Pakistan's entry into an unrecognised but strong regional market. "From the public side, interest was also shown in herbal products from Marhaba Company; half of them were sold out on first day."

The TDAP also took along Pakistani Urdu dramas, dubbed in Russian language for sale in the media and entertainment industry.

Following the success of the event, the USAID regional office now also seeks exhibitor and TDAP interest in participation in the Central Asian Trade Forum, scheduled to be held in Almaty in September this year.

The Pakistan Trade Caravan at Almaty will continue till May 15.

http://tribune.com.pk/story/1103014/pakistans-trade-caravan-reaches-kazakhstan/

NEWS COVERAGE PERIOD FROM MAY 2nd TO MAY 8th 2016
PAKISTAN IN GLOBAL TRADE
Dawn, May 2nd, 2016

Roberto Azvêdo

THE latest forecasts for global trade issued by the World Trade Organization (WTO) show a situation which might be described as bland — the sluggish growth in the volume of world trade registered over the past two years is likely to continue through 2016. The figures may not be very exciting, but they do show developments in international trade which are worth highlighting, including for Pakistan.

First, the WTO is forecasting growth in world merchandise trade of 2.8pc this year, unchanged from 2015, and 3.6pc growth in 2017. Imports of developed countries, which boosted trade growth last year, should moderate in 2016 while demand for imported goods in developing Asian economies is expected to pick up.
The good news is trade is still registering positive growth, but we have now had four straight years of trade growth under 3pc compared to the 5pc annual average since 1990. And we must acknowledge that the risks to our forecast are mainly on the downside; a sharper than expected downturn in the Chinese economy, worsening financial market volatility, and exchange rate volatility hitting countries with large foreign debts could send the projected figures tumbling.

Second, the Asian motor that drove global trade growth since the 2007-2008 financial crisis has been sputtering. Nearly three-quarters of the growth in global trade for 2013 came from Asia, but in 2015 this share slipped to less than a quarter, with the economic downturn in China the main culprit for the decline.

Again, there is some good news in that we expect Asia to return to its role as the engine of trade growth with 3.4pc growth in exports in 2016. Pakistan should contribute its share, with the country's economy expected to grow by 4.5pc this year and 4.8pc in 2017, according to the Asian Development Bank.

This moderate growth is somewhat unusual, but so were the high rates of global trade growth we witnessed before the 2007-2008 financial crisis. We should not expect a return to that type of growth in the near future, especially as the red-hot economies of China and other emerging economies begin to trend towards more normal rates of expansion.

The situation is not dire, but we shouldn't be complacent. With governments running out of policy options on the fiscal and monetary side, WTO members should look more at the considerable arsenal of trade policy measures at their disposal to boost economic growth, job creation and development.

One immediate step WTO members can take is to roll back trade-restrictive measures put in place since the financial crisis. The WTO has been regularly monitoring the trade-restrictive measures that members put in place. Last November, we reported that the number of new restrictions imposed has stabilised, but the stockpile of measures continues to grow.

Another immediate step that we can take is to implement the new WTO Trade Facilitation Agreement. This agreement is significant: our economists estimate the TFA could cut Pakistan's trade costs by around 13pc and boost global trade by up to $1 trillion a year. To put that into perspective, this is a bigger impact than eliminating every remaining tariff around the world.
By cutting Pakistan's trade costs, the TFA can help boost the country's integration into what we call global value chains. Increasingly, the production of goods is carried out in different stages across different countries. The typical smartphone, for example, may have parts sourced from more than half a dozen countries — getting these inputs in and out of markets quickly and cheaply has become an important driver of trade.

The WTO noted in its 2015 Trade Policy Review of Pakistan that the country has taken some cautious steps towards trade liberalisation but that overall tariff levels remain high, which can impede the integration of Pakistan into global value chains. Addressing these barriers would not only boost economic growth but also help the country diversify its traditional reliance on agricultural and textile and clothing exports.

Pakistan was an active participant in the TFA negotiations, and I was delighted to receive the country's ratification of the agreement last October. We stand ready to assist Pakistan in its efforts towards implementation. I welcome the fact that Pakistan has already taken positive steps in this direction, such as establishing a National Trade and Transport Facilitation Committee.

The TFA is just one agreement though — WTO members delivered further agreements at the end of 2015. This included a deal to scrap farm export subsidies and eliminate tariffs on a wide range of high-tech products.

The former will help to level the playing field in agriculture to the benefit of farmers in Pakistan and other developing markets. The latter will ensure duty-free access to 95pc of world markets for covered products, including those exported from Pakistan.

These are some very important outcomes — but we want to keep delivering. WTO members are currently reflecting in Geneva on the future shape of global trade negotiations, and how to carry forward work on issues such as agriculture which are so important to Pakistan and other developing countries. I am sure that Pakistan will make its voice heard in this debate — and I look forward to discussing all of these issues when I visit Islamabad and Lahore this week.

https://www.dawn.com/news/1255705

WTO CHIEF SEEKS ISLAMABAD'S SUPPORT FOR MULTILATERAL TRADING SYSTEM
Dawn, May 3, 2016

Mubarak Zeb Khan

ISLAMABAD: Pakistan's economy is growing at a pace well above the international average. The boost has come at a time when the government is facing a political controversy in the wake of the Panama Paper leaks.

This was stated by World Trade Organisation (WTO) Director-General Roberto Azevedo, who is on a two-day official visit to Pakistan.

Mr Azevedo met Prime Minister Nawaz Sharif and key cabinet members to seek greater role of Islamabad in the multilateral trading system and seek support for the WTO's programmes and initiatives.

Addressing media persons along with Commerce Minister Khurram Dastgir Khan, he said that the growth trend was an indication that the government's efforts were being rewarded. "There are expectations that these positive trends are going to continue, which is also commendable," he remarked.

Pakistan, he said, is endeavouring to create a business-friendly environment despite many challenges. He cited the example of energy deficiency which is being tackled; improving political stability and the fight against violence and terrorism.

The government's efforts to tackle these challenges have put Pakistan in a position to take the next leap forward, he said, adding that the country could be a better place for investment.

"The business environment in Pakistan is improving which is essential for economic growth and my visit will air this message to the world in the most unequivocal terms," he said.
Mr Azevedo also pointed out that developing countries could present their development proposals in the WTO and suggested the Pakistani leadership to take initiative in floating new proposals.

The WTO, he said, will help enhance Pakistan's export capacity through its Aid for Trade initiative by adding value to products, training people and providing support to explore new markets. Pakistan will have to diversify its export basket, he added.

He said that one of the aims of his visit was to identify areas where Pakistan needed technical assistance in trade development, trade negotiations, production methods and standardisation.

Welcoming the WTO DG, Prime Minister Nawaz Sharif said that Pakistan is actively pursuing regional integration as can be gauged by the China-Pakistan Economic Corridor (CPEC), which envisages an investment of $46 billion.

Highlighting the importance of trade, the premier said that Pakistan is gearing up its trade-related laws in order to achieve full integration into the Global Supply Chain. Pakistan is ready to enhance its partnership with the WTO and is open to international competitive trade ideas, added the premier.

Mr Azevedo said that Pakistan is an ideal destination for business and investment. In exports, he said, Pakistan is working to take qualitative jumps. “It is focusing on competitiveness, diversification and lowering the costs of trade,” he added.

Agriculture is an area of high priority and agriculture subsidies by developed and developing countries are continuously discussed and debated at WTO. Export subsidies were eliminated in the recently-held 10th WTO ministerial meeting in Nairobi, he added.

http://www.dawn.com/news/1255862

PAKISTAN OFFERS TO HOST NEXT SAARC MEETING TO BOLSTER REGIONAL TRADE TIES
Dawn, May 4th, 2016
Afshan Subohi

FRANKFURT: Pakistan has offered to host the next meeting of South Asian Association for Regional Cooperation (Saarc) finance ministers in July to carry forward talks on closer commercial ties among member nations by investing in trade corridors to facilitate intra-regional movement of cargo.

Talking to Dawn after the closed-door meeting of finance ministers of Saarc countries on the sidelines of the 49th annual meeting of the Asian Development Bank (ADB) on Tuesday, Finance Minister Ishaq Dar confirmed that the suggestion was well received by the panel.

“There is growing realisation that it would be unrealistic to expect a significant spike in trade in the region without improving conditions of logistics, including the physical infrastructure, necessary to realise the aspiration of deeper trade ties,” he said. “There is agreement in principle, but specific projects and their launch will require homework that will hopefully start soon,” he added.

Besides Pakistan, Nepal, Bangladesh, Sri Lanka and Afghanistan were represented by their finance ministers at the event. Shaktikanta Das, secretary of the department of economic affairs, participated on behalf of India whose finance minister is expected to arrive for a day today (Wednesday). Sabyasachi Mitra, ADB’s deputy representative of the European representative office, made a detailed presentation on trade corridor projects in the region.

On Monday night, ADB and the German Ministry of Economic Cooperation and Development signed the ‘Frankfurt Declaration’ to pledge support for progress on climate action and technical and vocational education and training.

It spells out the intention of the bank and Germany to launch the Asia Climate Finance Facility next year (2017). The two sides will leverage public and private sector investment to mitigate the effects of climate change to back the COP 21 Paris Agreement.

The facility will assist recipient countries through innovative co-financing tools, including guarantees and climate risk insurance, which support nationally-developed commitments for the reduction of greenhouse gas emissions as well as investment in improving resilience.

Speaking to journalists on his arrival at the venue on Monday, Mr Dar had said that the government will not allow anyone to derail the economic recovery process. “It took us three years and focused efforts to put the economy on track. It is now set to achieve over 5 per cent growth in FY16 after a lapse of several years and poised to hit 6pc next year and 7pc thereafter. We have zero tolerance for elements who threaten to stall the economic recovery,” he said.

Commenting on Pakistan’s participation in the ADB meeting, he said: “We are here to share with the world the distance we have travelled on the road to economic recovery and make a case for more support in terms of accessibility to expertise, technology, markets and investible funds to accelerate growth and improve its quality.”

On the new-found focus on coal-powered plants when the world is moving in the other direction, the minister said that, “We have argued that it is absolutely necessary to deal with the debilitating energy crisis in Pakistan and have asked development partners to grant us an exception to start the emission control plan after a few years,” he said.

https://www.dawn.com/news/1256078

PAKISTAN LOSES RS24 BILLION A YEAR DUE TO ILLICIT CIGARETTE TRADE
The Express Tribune, May 5th, 2016.

ISLAMABAD: Illicit cigarette trade, having grown at a phenomenal 43.5% rate over the last six years, accounts for nearly a quarter of the gross trade of the product, causing an annual loss of Rs24 billion to the national exchequer.

This trend has pushed Pakistan to a not-so-coveted fourth position in Asia in terms of the share of illicit trade in the overall trade of the product.

This was revealed by a research report on illicit cigarette trade in Pakistan prepared by Nielsen, a global market research firm that documents consumer behaviour in over 100 countries.

According to te report, 23.7% of the total cigarettes’ trade in Pakistan was illicit and avoids the tax net. Out of this, local tax-evaded (LTE) cigarettes account for 17.3 billion cigarettes. This comes out to be 89% of the gross illegal cigarette trade. The remainder of the trade stems from smuggling. The report reveals that 2 billion cigarettes are smuggled into Pakistan annually, mainly from Afghanistan.

The report added that illicit trade in cigarettes, whether in the form of smuggling, local tax evasion, or counterfeit, was a global phenomenon, with one in every ten cigarettes and tobacco products reported to be illicit and in 2013, Pakistan ranked 4th in Asia on the basis of the illicit cigarette share in the total cigarette market in the country.

During the last six years, the illicit segment has grown by 43% and the tax-paid cigarette volume has declined by 11%, and, on average, more than 1 billion illicit cigarettes are annually added to the illicit segment in Pakistan.

Due to vast difference in prices, more and more consumers are opting for illicit substitutes. The pricing and regulatory differential with neighbouring Afghanistan also plays a key role in the continued inflow of smuggled cigarette into Pakistan and high profit margin that retailers make by selling illicit products also drives the growth of such tax-evaded products.

The report highlights that manufacturing and distribution of LTE cigarette in Pakistan was not some covert operation, but rather an elaborate and well established supply chain was in place to ensure the availability of these products across the country.

The report notes that manufacturing a cigarette in itself was an elaborate process and marketing such a huge quantity of cigarette involves extensive operations.

The under declaration of the raw materials, including tobacco crop, cigarette paper, and filter rods, helps under-state the volume of cigarette manufactured that ultimately assists in evasion of excise duty and sales tax on cigarettes.

Speaking on the occasion, Nielsen Pakistan Senior Manager Jawwad Riaz said the price differential between legal and tax-evaded cigarettes was the major challenge the government was facing.
He said that there are 13 agencies and 25 laws in place to curb this illicit trade, but records show that despite apparent deterrents, illicit trade was thriving.

http://tribune.com.pk/story/1097504/up-in-smoke-pakistan-loses-rs24-billion-a-year-due-to-illicit-cigarette-trade/

MADE IN PAKISTAN: PROTESTERS FAIL TO DISRUPT KABUL TRADE SHOW
The Express Tribune, May 7th, 2016

Tahir Khan

ISLAMABAD: Scores of youth gathered outside a hotel in Kabul on Friday to protest a trade exhibition of Pakistani products, but they failed to disrupt the event with a large number of people thronging stalls.

The Rawalpindi Chamber of Commerce and Industry in collaboration with Pakistan Embassy and Pak-Afghan Joint Chamber of Commerce and Industry had organised the fourth "Made in Pakistan Exhibition" in Kabul, a three day event that will end today (Saturday)

A large number of people visited the exhibition on the first day on Thursday. Visitors said Pakistani products are cheaper for Afghans because Pakistani rupee is devalued against their currency, the 'Afghani.' The exchange rate on Friday was Rs1,000 for 654.66 'Afghani'.

But as visitors and delegates assembled for the opening session of exhibition, a group of young men gathered outside the hotel to stage a protest. They held aloft banners calling for "boycott of Pakistani products."

The opening session, however, was held as per schedule with Afghan Deputy Minister for Commerce Muzammil Shinwari and Co-Chairman of Pak-Afghan Joint Chamber Khan Jan Alokozay attending.

Pakistan's Ambassador to Afghanistan Syed Abrar Hussain said Pakistan was the largest and most important trading partner of Afghanistan, adding that Islamabad was making efforts to enhance the bilateral trade volume from the existing $2 billion to $5 billion..

http://tribune.com.pk/story/1098686/made-in-pakistan-protesters-fail-to-disrupt-kabul-trade-show/

WTO CHIEF ADVISES PAKISTAN TO DEVISE BUSINESS-FRIENDLY BORDER RULES
Dawn, May 8th, 2016

Mubarak Zeb Khan

ISLAMABAD: At a time when each province is bargaining to secure a larger share in the $46 billion China-Pakistan Economic Corridor, the World Trade Organisation's (WTO) Director-General Roberto Azevedo has cautioned that Pakistan can only reap benefits from the physical infrastructure by enacting efficient business-friendly rules, regulations and procedures at the borders.

"The CPEC is not just about hardware or mega projects in terms of infrastructure, improving roads and fixing energy problems," he said. "All these things are very important, but they are simply not enough.

"It does not help to have the physical infrastructure if rules, regulations and procedures at the border are inefficient," Mr Azevedo told Dawn in an exclusive interview during a recent two-day visit to Pakistan.

To maximise the project's benefits, he suggested the Pakistani government to also focus on capacity-building of human resources, build institutional capacity and business-friendly regulations so that regional integration could take place in the most expedited fashion.

Mr Azevedo was referring to the implementation of the Trade Facilitation Agreement (TFA) which would streamline, simplify and standardise customs procedures, thereby reducing the time and cost of moving goods across the border. Studies show that when fully implemented, the agreement could reduce trade costs for Pakistan by around 13pc.
A group of WTO members struck a deal to expand the WTO's Information Technology Agreement (ITA). This deal will eliminate tariffs on 201 IT products, including the latest generation of semi-conductors, GPS devices, advanced medical products and machine tools. Trade in these products is worth around $1.3 trillion annually.

There is divergence of opinion whether Pakistan should ratify this agreement or not. "Pakistan should look very carefully at the possibility of joining the agreement," the DG said, adding that any trade agreement has to meet the strategic objective of the country.

In the last two ministerial meetings, some historic decisions were taken paving the way to revive the stalled talks. In Nairobi, the DG said that member countries decided to abolish agriculture export subsidies. "This is the biggest reform in agricultural trade rules in the last 20 years and a big win for Pakistan," he said.

Eliminating export subsidies will help level the playing field in agriculture markets for the benefit of farmers and exporters in Pakistan.

Asked whether the proliferation of bilateral and regional preferential agreements will have an impact on the multilateral trading system, he said that such agreements compliment the multilateral trading system. "The problem was that WTO was not negotiating, but now it is," he said.

Domestic subsidies in agriculture are an issue of major concern for many countries. However, the DG said that domestic subsidies have become more important and sensitive politically. As a result of falling commodities and the global economic slowdown, the number of countries that provide these subsidies in a significant way has increased.

After the positive results of Bali and Nairobi, members have started a discussion on how the WTO can do more, and faster. It is clear that all WTO members want to deliver on the so-called Doha negotiating issues, such as domestic subsidies in agriculture and improved market access for agricultural produce, industrial goods and services. However, they do not agree on how to tackle them.
"I think the single undertaking that we were negotiating earlier is very unlikely to succeed in the near future for many reasons," Mr Azevedo painted a bleak picture for the breakthrough in the stalled so-called Doha round.
"In case the single undertaking is possible," he said, "let's push it by all means." However, he said if it is not possible let's push elsewhere.

Some members of the WTO would like to start discussing other issues as well. A range of issues have been suggested — fisheries subsidies, investment promotions, e-commerce, small and medium-sized enterprises — to name a few.

The WTO secretariat is monitoring trade regimes of member countries. "We provide a forum for members to talk to each others on restrictive trade measures for its resolution," the DG said. WTO also provides dispute settlement mechanism to members.

In just 20 years, WTO has successfully dealt with more than 500 trade disputes. Pakistan has been an active user of this mechanism, having participated in 17 cases in different capacities: as a complainant, respondent and an interested party.

There are two committees on technical barriers to trade (TBT) and sanitary and phyto-sanitary measures (SPS) that offer member countries a forum to discuss behind-the-border measures that might restrict trade flows.

Asked about the expected outcome of the WTO ministerial meeting in 2017, Mr Azevedo said it would be difficult to predict how much one could expect from it. “I think we have built-in agenda like public stockholding of grains for food security purposes and many other areas where negotiations are ongoing,” he said.

http://www.dawn.com/news/1256970/wto-chief-advises-pakistan-to-devise-business-friendly-border-rules

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June 2016

NEWS COVERAGE PERIOD FROM JUNE 27TH TO JULY 2 ND 2016

EXPORT MARKET FOR QUALITY HAY

Dawn, Business & Finance weekly, June 27th, 2016

Mohammad Salman Naeem

FODDER scarcity — currently a key issue of the livestock sector — is increasing by the day. For just under a decade, maize silage has been recognised as a good substitute for fodder during periods of acute shortage, but issues like fungal infestation, ice crystals, management losses and price inflation are causing major problems in the silage market.

Rhodes grass and Alfalfa hay are two varieties of fodder which may help resolve the fodder shortage problem in the country.

Alfalfa hay is somewhat new in the domestic market with a relatively smaller number of issues with regard to crop management and regular production of good quality hay.

Rhodes grass cultivation made a good start in 2006-07 in southern Punjab. The main purpose was to export this dried fodder to large dairy farms in the Middle East. Alfalfa hay is considered a premium product to satisfy dry matter requirements along with minerals available in compound feed, to complete the nutritional profile.

A Middle East-based company provided seed and services with a buyback crop arrangement in the initial days of 2007-08. Till 2013, Rhodes grass was grown over 20,000 acres in Pakistan and more than 20 farms were developed for hay export in Punjab, Sindh and south KP.

Later on, quality issues in hay production cropped up. In 2014, investors came back into the market with setups to improve product quality and started supplying directly to customers in the Middle East, for example, Jebel Ali and Ras-al-Khaimah. The Saudi government banned local fodder production in 2015 due to water shortages and decided to import fodder to fulfill the kingdom’s needs.

Pakistani Rhodes grass hay contributes no more than 10pc to the Middle East. Currently, Rhodes grass is being grown on less than 18,000 acres for exports but the cultivation is rising in central and southern Punjab owing to good returns and export potential.

The Rhodes grass plant is resilient. An average of three years of good production has been achieved in the last decade. Rhodes grass, a summer crop, has low nutrition and water requirements and tolerance against drought, salinity and frost. Some advanced machinery is also required for good quality hay production. The price being paid for high quality hay averages out at $170/tonne ex- farm. Fluctuations in ex-farm hay price discourage new investors.

Sun drying is easy and the most common method used to prepare hay. However, extreme sun exposure can bleach the colour of hay and compromise its quality. To start a new project, farmers should try to sow on a minimum of 75 acres to achieve the break-even in the first year.

In Pakistan, it is tough to manage good quality of Alfalfa. The crop is also resilient, however, for a good yield is achievable for three years. Alfalfa crop is susceptible to frost, salinity and drought conditions but now improved varieties are available in the market.

Summer active varieties give high yields. Pest and disease attack, rainy season, flood irrigation and water holding capacity play a vital role in the production of good quality crop and hay.

The biggest issue with Pakistani Alfalfa hay is the shattering of leaves during the baling process. Alfalfa leaves dry within a day, but stems require 3-4 days to become fungus-free. The over-dried Alfalfa separates from the stem during the baling process which puts off animals and affects their nutrition.

However, a conditioner mower helps in maintaining the fodder's quality. Internationally 20-22pc crude protein is claimed in Alfalfa hay against 17-20pc in the local variety.

Hay can be stored for long periods of time, and in some cases, even for over a year. Due to the advantages of simple production methods, it is easier for farmers to penetrate into the international market.

Pakistan can attain a major share in the export market offered by the Middle East only by producing consistent quality hay owing to low freight charges and shipment time.

http://www.dawn.com/news/1267390

FREE TRADE: MILLERS DEMAND REMOVAL OF COTTON IMPORT DUTY
The Express Tribune, June 28th, 2016.

ISLAMABAD: All Pakistan Textile Mills Association (Aptma) Chairman Tariq Saud has called on the government to take urgent measures to arrest the decline in the size of domestic cotton crop and immediately remove the 3% import duty on raw cotton.

He said the removal of duty was imperative so that raw material was available to the industry at competitive prices and it could play its role in contributing to the country's economy, according to a press release.

The Aptma chairman also clarified that apprehensions of the Karachi Cotton Association and the Cotton Association of India about cotton trade between the two countries were misplaced.

In view of the sharp decline in cotton harvest in Pakistan, the textile industry has imported over three million bales and a significant portion has come from India.

He pointed out that thousands of bales were stuck at the Wagah border for which the millers had made payments, but the government could not settle the issue. He urged the government to immediately order the release of this cotton that had entered Pakistani territory.

The Aptma chairman underlined the importance of keeping the free trade regime intact and free from all interferences as it was expected that Pakistan would continue to meet its requirements from the import of cotton.

http://tribune.com.pk/story/1131489/free-trade-millers-demand-removal-cotton-import-duty/

TRADE WITH IRAN YET TO NORMALISE
Dawn, June 29th, 2016

Mubarak Zeb Khan

ISLAMABAD: After lifting of sanctions on Iran in February, Pakistan is yet to normalise business activities with the country.

On Tuesday, Commerce Minister Khurram Dastagir Khan directed representatives of banks to furnish viable proposals for facilitation of banking transactions for trade with Iran within a month.

The directive came from the minister in a meeting with the officials of State Bank of Pakistan (SBP) and private banks for exploring banking channels available for trade with post-sanctions Iran.

Several meetings were held earlier to chalk out ways for restoring the banking channel, but with no fruitful results despite repeated requests from the trading community.

The commerce minister said Pakistan is searching for ways and means to initiate trade with Iran in a big way despite several impediments.

In March 2016, Iranian President visited Islamabad to boost bilateral trade to $5 billion in five years. During the visit, both sides also inked a framework to initiate talks on a free trade agreement (FTA), which will cover trade in goods, services and investment by June 2016.

The agreement is part of the five-year strategic trade cooperation plan (2016-2021). An official statement issued after the meeting said that the meeting was informed that despite removal of sanctions, private banks are reluctant to establish direct banking channels with Iran.

Usually, the National Bank of Pakistan (NBP) leads others. However, it has also not yet taken any concrete step this time around. Representatives of Pakistani private banks visited Iran a few months ago and report great enthusiasm in Iran regarding trade with Pakistan.

SBP and Central Bank of Iran signed a Letter of Intent on the occasion of visit of Iranian President to Pakistan for enhancing mutual cooperation and establishing direct banking links. Yet the progress on restoration of banking channel is very slow.

Pakistani traders sense great opportunities of export right next door with minimal transportation costs, especially that of basmati rice which earlier used to fetch millions of dollars.

Pakistan-Iran trade which was over one billion dollars, now stands at $270 million because of the international sanctions. Pakistan’s exports to Iran are limited to few products as 63 per cent of the proceeds come only from rice.

Exports to Iran fell to $43 million in 2014 from $182m in 2010, while imports plunged to $186m in 2014 from $884m in 2010. UN sanctions on Iran were the biggest reason behind this drop.

Pakistan’s commerce ministry is extensively engaged with the Iranian ministries of trade and industry and agriculture to fully operationalise the preferential trade agreement (PTA) signed in 2006 and enhance trade facilitation at the border.

Pakistan has also sought a response from Iran on tariff and non-tariff trade barriers.

In the last four years, Iran diverted its trade towards India and Turkey and there had been a marked increase in its bilateral trade with these two countries. There has also been little benefit because of high tariff on Pakistan’s exportable products.

The commerce minister recently paid a visit to Pakistan-Iran border at Taftan and inspected the facilities available for smooth movement of vehicles trading across the border and promised to upgrade the infrastructure.

As per the five-year economic engagement plan agreed between Pakistan and Iran, the ministry of commerce has forwarded the draft FTA framework agreement to Iran. However, the response from the Iranian side is still awaited.

http://www.dawn.com/news/1267875

NEWS COVERAGE PERIOD FROM JUNE 20TH TO JUNE 26TH 2016
CHALLENGES FACING MANGO EXPORTS
Dawn, Business & Finance weekly, June 20th, 2016

Ashfak Bokhari

THIS year's mango exports began last month on an optimistic note as exporters reportedly secured supply orders of $1.1m from first five days' sale.

Exports to traditional markets such as Saudi Arabia, UAE, Central Asia, Hong Kong, Singapore, Malaysia, Canada, Europe and Scandinavia are in full swing. However, new markets like South Africa, Japan, the US, Russia and Australia, which were recently opened for the Pakistani mango are highly competitive.

Exporters hope to earn $75mn this year by exporting 100,000 tonnes – a target which was missed last year due to a 40pc drop in mango production. Foreign sales of 72,000 tonnes then were the lowest in the last five years. The total mango production this year is expected to be 1.6m tonnes.One reason for better performance is the ban on use of wooden boxes for fruit and vegetable exports.

A sore point in Pakistan's impressive show this season is that Iran has been supplied a consignment of infected mangoes. There are fears that the incident may lead to a ban or a partial ban on mango exports to the friendly neighbour. Exporters can hardly afford to lose Iran because it buys 25pc of all the mangoes Pakistan sells abroad. One may note that the Iranian market opened for Pakistani mangoes after the withdrawal of the West's sanctions on Tehran.

The report of an inquiry ordered by Federal Minister for Food Security Sikandar Hayat Bosan into the unfortunate incident has revealed that fake phytosanitary certificates were issued from Multan for mangoes destined for Iran. Only 25 baskets of 20-22 kg each were brought to the hot water treatment plant.

Product inspection by an expert committee along with hot water treatment at 48-degree centigrade for at least 60 minutes is mandatory for the phytosanitary certificate. The inquiry officer, in his concluding remarks, says that the certificates were issued without HWT and even without inspection of the product by the entomologist, DPP outpost, Multan.

This happened despite the fact that three consignments of Pakistani mangoes were intercepted last year by Iranian officials as the fruit was found infected with fruit flies. The neighbouring country has already banned kinnow imports from Pakistan for the same reason.

A delegation of the Iranian quarantine department is to visit Pakistan soon to inspect the working of hot water treatment plants which are now 29 compared to last year's three. Iran will decide about its future stance after going through the delegation's report.

Similarly, three consignments of Pakistani mangoes were intercepted in Europe last year. The UK Customs took hold of two consignments of 4,490kg with live fruit fly larvae on July 14 and 15.

Another shipment, weighing 5,200kg, was intercepted in Holland on June 14. Had two more similar interceptions taken place, Pakistan would have faced a ban on its mango exports to EU and met a fate similar to that of India.

The European Commission, through a notification on March 27 in 2014, banned imports from India and also warned Pakistan about such an eventuality if safety measures were not instituted to ensure pest-free exports.

The exports were resumed after negotiations between the two sides with the EU officials clarifying that the maximum limit of five interceptions for mango or any other agricultural commodity will only be for the remaining part of the current season and the count will restart from zero next year; there shall be no ban on export from Pakistan.

Meanwhile, a delegation of Chinese quarantine officials is currently visiting Pakistan on to inspect the working of hot water treatment operations at the plants concerned, although there has been no unpleasant incident in their country regarding Pakistani mangoes. They visited three different orchards in lower Sindh to assess the quality of these facilities as part of a nationwide inspection drive.

China had earlier allowed imports of Pakistani citrus fruits and mangoes after being satisfied with cold and HWT facilities. Now they are inspecting a few more such facilities.

They will submit their findings about the 14 HWT facilities they have visited, including three in lower Sindh, four in Karachi, three in Lahore and four in Multan.

http://www.dawn.com/news/1265929

‘PTA MUST BE REVISED TO ACHIEVE EXPORT’S TARGETS’
Business Recorder , 20 June, 2016

Multan: The country is incurring huge losses due to existing Preferential Trade Agreement (PTA) with foreign countries, and these must be revised to achieve the targets of exports and maintaining balance of trade in its favour. Pakistan should conduct its trade on preferable terms with other countries on bilateral basis.

President of Multan Chamber of Commerce (MCCI) Fareed Mughis Sheikh said that Ministry of Commerce should take all stakeholders into confidence to set the right direction and it should analyse the available data of bilateral trade.

He said that it is a good news that Ministry of Commerce has realised its responsibilities and has decided to review the trade pacts with China, Sri Lanka, Malaysia, Iran, Indonesia, Mauritius and other countries as trade deficit is increasing day by day.

Fareed Mughis Sheikh said that trade data is evident of this fact that Pakistan’s exports did not grow in comparison to imports from these countries. Pakistan already had a trade deficit with these countries but the preferential trade treaty makes the trade imbalance even worse.

Explaining the details, he said that Pakistan and China would continue negotiations to revise the free trade agreement (FTA), which was implemented in July 2007. In the case of the Pakistan-China FTA, this disparity is in the range of 93 percent for Pakistan (revenue loss because of the tax waivers on imports) and 7 percent for China.

In absolute terms, the revenue loss for Pakistan is estimated at around Rs 30.577 billion for the year of 2015-16 in the perspective of the Pakistan-China FTA.

Pakistan and Malaysia had signed a comprehensive FTA on November 8, 2007, which became effective from January 1, 2008. Pakistan’s exports to Malaysia stood at $ 125.82 million in 2008-09, as against imports of $ 1.718 billion from Malaysia, reflecting a trade deficit of $ 1.592 billion.

The bilateral trade deficit with Malaysia reached to $ 2 billion in the year 2014-15. In case of the Pakistan-Malaysia FTA, the revenue cost of exemptions to Pakistan is estimated at Rs 1.674 billion in the year 2015-16.

Pakistan and Indonesia signed PTA on February 3, 2012. The PTA became operational in September 2013. Pakistan's exports to Indonesia were $48.3 million in 2008-09, while imports stood at $842.7 million, reflecting a bilateral trade deficit of $794.4 million. But the trade deficit with Indonesia reached to $1.5 billion in the year 2014-15.

Pakistan had to incur revenue loss enormously because of ascendancy of PTA to Rs3.932 billion in 2015-16. No tangible growth was witnessed in exports to countries like Iran, Mauritius, Sri Lanka but Pakistan suffered a revenue loss to the tune of Rs1.250 billion in the year 2015-16.

Pakistan is signatory to FTA with China, Sri Lanka and Malaysia and preferential trade agreement (PTA) with Iran, Indonesia and Mauritius. These agreements were signed in the previous decade thus providing a sufficient time frame to assess the efficacy of these agreements.

Now Pakistan is in the process of negotiating FTAs with Thailand, Turkey, South Korea and Iran, which would broaden the trading opportunities for Pakistani businessmen.

http://epaper.brecorder.com/2016/06/20/15-page/770686-news.html

CPEC: GILGIT-BALTISTAN TO BE DECLARED FREE TRADE ZONE, SAYS DASTGIR
The Express Tribune, June 23rd, 2016.

Peer Muhammad

ISLAMABAD: The federal government has decided to declare Gilgit-Baltistan (G-B) as a free trade zone to promote business activity in the area, according to Minister for Commerce Khurram Dastgir.

Talking to a group of journalists, the federal minister said G-B had paramount importance in making the China-Pakistan Economic Corridor (CPEC) project a success due to its geographical location and in that regard, the government had decided to declare the area as a free trade zone.

A big trade processing zone would be established under the CPEC near the Gilgit city, Dastgir elaborated.

Gilgit-Baltistan is a gateway between China and Pakistan and the region links the two countries at Khunjerab Pass. The area also holds immense importance as far as the CPEC is concerned, as a 450km chunk of the corridor route will pass through the territory.

The people of G-B have already demanded establishment of industrial zones in the region. Additionally, they demanded that offices of the Chinese investment company should be established so that business and job opportunities for the local people could be created.

The minister said G-B had as much importance for the CPEC as Gwadar and it would be facilitated to the maximum extent. He said the federal government had asked the G-B chief minister to submit a plan in this regard.

The minister said the free trade zone status would attract local and foreign investment in the area. "This project will change the fate of the area and its resources will be tapped once investments start coming to that area," the minister said.

The mineral and hydroelectric power sectors have much potential for foreign investment. He said state-of-the-art infrastructure in G-B under the CPEC would result in attracting huge investments in addition to providing a shorter route for traders in China to access the sea for shipping their goods.

Additionally, he said, the area's geography was strategically important since G-B bordered Central Asian states and the region would be the focal point for any trade corridors with these states.

Dastgir said after receiving cold shoulder from Afghanistan regarding a transit trade agreement with Tajikistan, since a narrow strip of Afghanistan's land stands between Tajikistan and Pakistan, Islamabad was now considering accessing Central Asian States via China. However, he said efforts to bring Afghanistan on the transit trade fold would continue.

http://tribune.com.pk/story/1128412/cpec-gilgit-baltistan-declared-free-trade-zone-says-dastgir/

INDIAN ENVOY CALLS FOR ENHANCING BILATERAL TRADE
The Express Tribune, June 24th, 2016.

ISLAMABAD: Indian High Commissioner in Pakistan Gautam Bambawale on Thursday said that the list of commodities that can be traded between the two countries through the Wagah border should be enhanced and the cost of doing business for entrepreneurs should be reduced.

Bambawale attended a meeting with business leaders at the Federation of Pakistan Chambers Of Commerce & Industry (FPCCI) secretariat alongside its president Abdul Rauf Alam, and Trade Development Authority of Pakistan CEO S M Muneer.

The High Commissioner sought normalisation of bilateral relations and said that one way of facilitating this is to conduct trade shows and exhibitions in neighbouring countries.

In this regard, Bambawale shared his enthusiasm at hosting the "Alishan Pakistan 2016" exhibition in New Delhi in September and assured all out cooperation by Indian authorities.

He said that both countries should make it easier to conduct business. "Visa regulations should be liberalised, which will result in enhanced trade and will bring the people of the two countries closer," he noted.

Trade between India and China amounted to $1 billion in 2000 but rose to $75 billion by 2015 despite differences, adding that India wants to expand trade with Pakistan in the same manner.

Speaking on the occasion, FPCCI president Alam said that trade between South Asian Association for Regional Cooperation (Saarc) countries is very limited in addition to highly costly tariff and non-tariff barriers.

He said that governments and business community of Pakistan and India should strive to bring the two nations closer while some sustainable steps are required for building trust.

Muneer asked the Indian High Commissioner to ease issuance of visa for the traders and businessmen in order to bolster trade while Khalid Jaweed demanded import of plant and machinery through Wagah border as imports through Calcutta add to the cost of doing business.

http://tribune.com.pk/story/1129077/addressing-issues-indian-envoy-calls-enhancing-bilateral-trade/

BILATERAL MECHANISM SET UP: ISLAMABAD, KABUL AGREE TO REPAIR STRAINED TIES
The Express Tribune, June 25th, 2016.

Kamran Yousaf

ISLAMABAD: Pakistan and Afghanistan established a high-level bilateral mechanism on Friday as part of efforts to repair their strained relationship, according to an official announcement after Prime Minister's Adviser on Foreign Affairs Sartaj Aziz held talks with the Afghan Foreign Minister and the National Security Adviser in Tashkent.

Aziz met Foreign Minister Salahuddin Rabbani and NSA Haneef Atmar on the sidelines of the Shanghai Cooperation Organisation (SCO) summit.

The meeting took place at the request of the PM Adviser to resolve the controversy surrounding new border rules Pakistan started implementing from June 1 at the Torkham border.

Building upon ideas generated in the meeting between Foreign Secretary and Afghan Deputy Foreign Minister in Islamabad on June 20, both countries agreed to set up a high level bilateral mechanism, said a joint statement issued by the Foreign Office after talks in Tashkent.

The new arrangement will primarily focus on promoting consultation and coordination on key issues, including bilateral relations and cooperation on security and movement of people and vehicles between the two countries.

The statement said that the proposed mechanism would be co-chaired by Adviser Sartaj Aziz and Afghan Foreign Minister Salahuddin Rabbani and would include the National Security Advisers of both countries.

"It will also have a joint technical working group to deal with the concerns of both countries," the statement added.

According to the Foreign Office, this Mechanism would be not only address and amicably resolve issues of mutual concern but also prevent the recurrence of violent incidents such as the recent incident in Torkham.

Both sides also took this opportunity to review other aspects of bilateral relations.

They reaffirmed respect for each other's sovereignty and territorial integrity and adherence to the principle of non-interference into each other's internal affairs.

Adviser Aziz and Foreign Minister Rabbani reiterated the mutual desire for strengthening bilateral ties for promoting peace, stability, counter terrorism and economic progress of both the countries.

It was also agreed to enhance mutual engagement in diverse areas to deepen cooperation, the joint communique stated.

Both sides specifically expressed firm commitment to continue serious efforts towards eliminating terrorism.

They also stressed the need for continuing joint efforts to promote peace and reconciliation in Afghanistan through timely and concrete actions resulting in tangible outcomes, including in the framework of the Quadrilateral Coordination Group process.

http://tribune.com.pk/story/1129678/bilateral-mechanism-set-islamabad-kabul-agree-repair-strained-ties/

NEWS COVERAGE PERIOD FROM JUNE 13TH TO JUNE 19TH 2016
MANGOES: FPCCI SUGGESTS PRAGMATIC STEPS TO ENHANCE EXPORTS
The Express Tribune, June 14th, 2016.

Peer Muhammad

ISLAMABAD: The Federation of Pakistan Chambers of Commerce and Industry (FPCCI) has urged the government to take pragmatic steps to enhance exports of Pakistani mangoes from the current 5% of total production.

"A major hurdle to the expansion of Pakistani mango market is the inability to supply high-quality mangoes in a consistent manner by meeting demands of supermarket chains," said FPCCI Regional Standing Committee Chairman Ahmad Jawad.

“The country produced around 1.8 million tons of mangoes annually during the last five years but average exports were only 90,000 tons or 4-5% of the total production,” he said. “In the last two years, exports dropped to 60,000 tons.”

In order to enter high-value export markets like the European Union, Jawad suggested that Pakistan should fix loopholes including poor orchard management, post-harvest issues like inappropriate handling, immature fruit harvesting, inadequate transport system and improper grading and packaging. “These factors, among others, are responsible for the low export prices of mangoes.”

He said fruit flies, in particular, were the biggest impediment, currently, that made the fruit uneven, thus making the country unable to meet the export standards.

“In the absence of sustainable infrastructure, around 30-40% of the fruit is wasted in the harvest-to-market network. Saving these losses will help almost double the value of the mango industry in the country.”

He added that due to the absence of much-needed Vapour Heat Treatment plant, the Japanese market had remained untapped for the third consecutive year.

“This plant has already been imported by the Trading Corporation of Pakistan with spending of millions of rupees, but it is lying idle in Karachi as the institutions concerned have yet to install it,” he said, adding the delay was depriving the country of the high-value Japanese market where Pakistani mangoes could sell for $4-5 per kg.

“Once the vapour heat treatment begins, Pakistan could initially export over 400 tons to Japan, increasing the volume to thousands of tons in the future,” noted Jawad.

Moreover, doors have also been opened for Pakistani mangoes in China and Australia but these markets are inaccessible until the fruit falls in line with hygiene and packaging standards.

http://tribune.com.pk/story/1122093/mangoes-fpcci-suggests-pragmatic-steps-enhance-exports/

KENYA’S AMBASSADOR PRESSES FOR MORE TRADE
The Express Tribune, June 16th, 2016.

LAHORE: Kenyan High Commissioner called on Punjab Board of Investment and Trade (PBIT) CEO Amena Cheema on Wednesday in order to pursue economic cooperation.

The delegation included Kenya High Commission Ambassador Prof Julius Kibet Bitok and Kenya Embassy to Pakistan Commercial Counsellor Filimona Wambulwa.

Speaking on the occasion, Bitok said that Pakistan and Kenya had managed to increase their bilateral trade to $600 million, adding that 80% of the tea consumed in Pakistan was imported from Kenya, while 70% of rice consumed in Kenya was imported from Pakistan.

He desired to increase trade volume between the two countries to $1 billion.

The Kenyan delegation also conveyed their desire for greater trade and investment relations with Pakistan, particularly with respect to textiles, pharmaceutical products, surgical instruments and tourism.

In her remarks, the PBIT CEO highlighted the immense potential existed in Punjab due to the China-Pakistan Economic Corridor (CPEC). She added that CPEC would be able to serve as a vital transit hub for Kenya, linking it to energy-rich Central Asia.

Furthermore, she discussed her plans to visit Nairobi in July to attend WIPO and UNCTAD to further enhance cooperation. She also suggested that a trade delegation to Lahore should be sent soon and recommended a sectorial trade show in Nairobi.

http://tribune.com.pk/story/1123742/kenyas-ambassador-presses-trade/

NEWS COVERAGE PERIOD FROM JUNE 6TH TO JUNE 12TH 2016
STRATEGIC TRADE POLICY FRAMEWORK 2015-18: FIVE EXPORTS-ORIENTED SECTORS SUGGEST MEASURES
Business Recorder, June 10, 2016

Five exports-oriented sectors have made proposals to the government for success of her Strategic Trade Policy Framework 2015-18 urging that the cost of all essential utilities should be reduced to the level of those the competing countries are offering to their industries. “The five exports-oriented sectors should be declared as a separate head of account in gas and electricity tariff structure with a priority in supplies of all utilities to their manufacturing units,” Chief Co-ordinator, 5 Exports-Oriented Sectors, Javed Bilwani proposed on Thursday.

He said that if the government aimed to enhance exports to $35 billion till June 30, 2018 as per Strategic Trade Policy Framework 2015-18, it would have to initiate on war-footing basis the bold measures for 30% export increase per annum in a very short time.

“All Custom Rebate Claims should be settled and paid through State Bank of Pakistan at the time of realisation and payment of Export Proceeds. The WWF rate should be reduced to 1 percent (from current 2 percent) for the exporters,” he proposed adding: “Exporters fall under final tax regime u/s 143(b) and should be exempted from payment of WHT and be given Exemption Certificates. Deduction of Export Development Fund (EDF) surcharge be stopped at least for the next five years as the Government already has Rs 26 billion funds in its kitty for Export Development.”

He further proposed that by easing power crisis, the government should resume Saturdays as a working day. “The government should fix for the export-oriented industries, number of federal gazetted holidays in the year and the workers should not be entitled to the provincial government’s holidays and fixed gazetted holidays can be adjusted by Employer and Employee with mutual consent,” according to his proposal.

He said that at the present fiscal year, the country’s exports are likely to reach $21 billion but that would stay far behind the existing target of $35 billion. Bilwani urged that exports need to be increased by 30% growth every year until June 30, 2018 and with 30 percent growth our export would reach $27 billion in 2016-17 and $35 billion in 2017-18,” he estimated, saying that during fiscal year 2015-16 the exports are expected to reach $20.77 billion.

He said that the exporters were still withholding their export orders because they were waiting for enforcement of the zero-rated regime by next July since there were great fears of backlogging of their liquidity under the heads of continuing sales tax. He said that the exporters were compelled to do so.

These long-awaited economic measures specially zero-rating of sales tax – ‘No Payment No Refund Regime’ for the five exports-oriented sectors including the textile would indeed go a long way to overcome the continuing fall in exports. He said that the government’s move would not only help revive ailing SMEs but rejuvenate dead manufacturing units as well.
http://www.brecorder.com/business-and-economy/189:pakistan/55424:strategic-trade-policy-framework-2015-18-five-exports-oriented-sectors-suggest-measures/?date=2016-06-10
PAKISTAN, US TRADE BLAME FOR BAD PATCH IN TIES
Dawn, June 11th, 2016

Baqir Sajjad Syed

ISLAMABAD: Pakistan and the United States blamed each other for strains in bilateral ties, yet both sides managed to show their conciliatory side during high-level meetings here on Friday.

While Pakistani officials accused the US of violating the country's sovereignty by carrying out a drone attack in Nushki last month, disregarding their security interests and undermining the Afghan peace process, a visiting American delegation pointed to the continued presence of Taliban and Haqqani network sanctuaries on Pakistani soil because of what it called inadequate action by security forces against them.

The accusations were exchanged during the two meetings that the US delegation had at the Foreign Office and the General Headquarters.

The US delegation comprised Special Envoy for Afghanistan and Pakistan Ambassador Richard Olson and Director for Pakistan and Afghanistan at the US National Security Council Dr Peter Lavoy.

The US team was here on an assessment-cum-fence-mending mission after the strains in bilateral ties became too obvious to miss. Gen John Nicholson, Commander Resolute Support Mission in Afghanistan, joined the duo during their visit to the GHQ.

The two meetings were described by an official as 'cold' with the one at the Foreign Office lasting for about half an hour. An FO statement described the discussion, which focused on the Nushki drone strike and its fallout, as 'candid'. Adviser to the Prime Minister on Foreign Affairs Sartaj Aziz, the FO said, "conveyed a strong message" over the drone strike that violated Pakistan's sovereignty and vitiated bilateral ties. He said the May 21 drone strike was also a breach of the principles of the United Nations' Charter.

He warned that "any future drone strike in Pakistan will be detrimental to our common desire to strengthen relations". Pointing to the surge in violence in Afghanistan after the Nushki attack in which then Afghan Taliban chief Mullah Akhtar Mansour was killed, Mr Aziz reminded the US about the setback caused by the attack to the reconciliation efforts.

A similar sense was conveyed when the delegation met Army Chief Gen Raheel Sharif at the GHQ.

The army chief told the American officials that the drone strike had affected "mutual trust and respect" and damaged the move to consolidate the gains of Operation Zarb-i-Azb.

The American side responded to Pakistani allegations by pointing to the presence of Taliban and Haqqani network sanctuaries on Pakistani soil. They, in particular, made references to the death of Mullah Mansour on Pakistani soil and recovery of his Pakistani identity and travel documents. They told their Pakistani interlocutors that the presence of Taliban and Haqqani network on Pakistani soil threatened not only Pakistan, but also the region and the US national security interests.

The US has maintained this position in dialogue with Pakistan for over a year now and American officials describe the issue as a "real challenge" in the relationship.

The US defence secretary has, meanwhile, been withholding a certification to the Congress that actions by Pakistani security agencies in tribal areas have seriously impacted the operational capability of the Haqqani network. Pakistani officials insist that their security agencies have indiscriminately targeted all militant groups.

Pakistan, which had previously been linking any action against the Taliban to a consensus within the Quadrilateral Coordination Group (QCG), has now presented a three-point demand for any progress towards reconciliation or action against the alleged sanctuaries, which include tightening border controls; early repatriation of over three million Afghan refugees; and action against TTP [Tehreek-i-Taliban Pakistan] operatives in Afghanistan.

These ideas do not exactly sound new, but have been articulated in this manner for the first time.

“These steps would help … promote better relations between Afghanistan and Pakistan and reduce mistrust,” the FO said.
Gen Raheel Sharif told the American visitors that censuring Pakistan for Afghanistan’s security woes was wrong. He called for a comprehensive review of the situation by taking into account the porous border, inter-tribal linkages and decades-old presence of over 3m Afghan refugees in Pakistan.

He demanded action against banned TTP chief Mullah Fazlullah and TTP sanctuaries in Afghanistan and vowed to foil plots of Indian and Afghan intelligence agencies — RAW and NDS — to foment terrorism in Pakistan.

Dr Lavoy, according to the FO, reiterated President Barack Obama’s commitment to improving relations with Pakistan.
Gen Sharif, meanwhile, renewed Pakistan’s pledge to work for a long-term peace in Afghanistan under the QCG framework.

According to APP, Dr Lavoy also conveyed President Obama’s good wishes for Prime Minister Nawaz Sharif’s speedy recovery.
http://www.dawn.com/news/1264168

‘PAKISTAN’S COMMERCIAL COUNSELLORS CAN HELP BOOST EXPORTS TO SAUDI ARABIA’
Business Recorder, June 11, 2016

Chairman of Pak-Saudi Business Council (PSBC) of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI), Shaikh Mohammad Shafiq has said that Pakistan’s commercial counsellors can play a vital role to boost Pakistani exports to Saudi Arabia.
Shaikh Mohammad Shafiq who was re-elected as chairman PSBC for 2016 said, our commercial counsellors can arrange B2B meetings with Saudi importers and single country exhibitions must be organised and also the FPCCI/TDAP should send frequent business delegations to Saudi Arabia for market assessments.
He said, two years ago PSBC and Saudi officials meeting in Jeddah had said trade meetings must be organised every year and commercial counsellors must work to reactivate trade meetings.
He also informed that Saudi global imports in 2015 were US $163.82 billion out of which Pakistan’s earnings were a mere US $494.88 million or 0.30 percent, which is dismal. Our trade figures with Saudi Arabia in 2014, 2013 and 2012 were 0.33 percent, 0.30 percent and 0.29 percent respectively, which too are not very encouraging.

Chairman PSBC also said, it is crucial to analyse why Pakistani exports to Saudi markets are poor. He said, we should come up with a strategy to enhance exports of our value added products to Saudi Arabia.

He further said, Saudi Arabia’s fast-growing economy is creating opportunities for both exporters and investors. Pak-Saudi ties have always been important to both countries and Prime Minister, Nawaz Sharif has a special relationship with the Saudi Government and therefore he must work to broaden Pakistani exports to Saudi Arabia.

Shaikh Mohammad Shafiq also pointed out that Pakistani goods take 30- 45 days for customs clearance, while other countries took only 6-10 days, such delays create many problems for Pakistani exporters, and this issue should be addressed at the government level.

Saudi Arabia markets hold huge potential for Pakistani rice, home textiles and readymade garments exporters and thus concessions / incentives on the patterns of GCC may also be demanded.

Shaikh Mohammad Shafiq pointing out the key reasons for investing in Saudi Arabia said, it is one of the world’s 25 largest economies and the largest economy in the Middle East and the kingdom is one of the world’s fastest growing countries world-wide, with per capita income forecast to rise from US $25,000 in 2012 to US $33,500 by 2020. It has substantial cost advantages due to the low domestic cost of energy and industrial land due to generous subsidies and incentives.

http://www.brecorder.com/business-and-economy/189:pakistan/55724:pakistans-commercial-counsellors-can-help-boost-exports-to-saudi-arabia/?date=2016-06-11

PFVA GETS GREEN SIGNAL FOR MANGO EXPORTS TO IRAN
Business Recorder, June 11, 2016

Rizwan Bhatti

The State Bank of Pakistan (SBP) has given green signal to traders for exporting mangoes to Iran. Recently, Pakistan Fruit and Vegetable Exporters, Importers and Merchants Association (PFVA) approached the SBP, inquiring about the current status of trade ties with Iran as earlier export of mangoes to Iran were suspended owing to trade sanctions imposed on Iran by the US.

Waheed Ahmed chairman PFVA said, Iran is a potential market for Pakistani mangoes and exporters estimate that this season over 20,000 tons of mangoes would be exported to Iran, provided that proper banking facilities are made available to them.

\He also said, there was some confusion on trade with Iran as some banks were reluctant to issue Form-E for export of mangoes therefore PFVA had approached the central bank to get an official version on the issue.

Responding to PFVA concerns the SBP in a June 3, 2016 letter informed that after the lifting of sanctions against Iran, SBP had issued necessary instructions to all banks on February 25, 2016 according to the SRO issued by the Ministry of Foreign Affairs that read, “These instructions clearly provide that payment and settlement on behalf of Iranian entities not on the SDN list is permissible for trade in non-sanctioned items”.

According to SBP, as such there is no restriction on certification of Form-E for export of goods to Iran and further all authorised banks have been advised to take immediate measures for updating their policy, procedures, controls and restoration of communication channels and trade agreements with their Iranian counterparts to establish normal trade and business activities, SBP added.

PFVA chairman said “SBP in its response has given green signal to exporters and from Monday onwards we will contact our banks for Form-E for export of mangoes to Iran, as SBP has also advised that individual exporters can seek further clarification on the matter from respective banks”, he added.
The mango season has already started and Iran being a traditional lucrative market of Pakistani mangoes offers substantial export potential and mango exporters will also focus on this neighbouring country, Waheed said.
“As trade between Pakistan and Iran has now been restored and the embargo imposed by the US prohibiting trade with Iran now been lifted, we believe that Iran is a very lucrative market for Pakistani mangoes”, he added.

He said that Pakistan can export mangos to Iran via sea and land route and for this season, we have a target of 20,000 tons at a reasonable price of USD$700 to $850 per ton. As per estimates Pakistan can easily export up to 50,000 tons of mangoes annually to Iran within the next five years and earning over $22 million in foreign exchange for Pakistan, he informed.
http://www.brecorder.com/agriculture-a-allied/183/55729/

COVERAGE PERIOD FROM MAY 30TH TO JUNE 5TH 2016
FOURTH US-PAK BUSINESS CONFERENCE IN NEW YORK FROM 2ND
Business Recorder, June 1, 2016

Mushtaq Ghumman
ISLAMABAD: Following the successful conferences in London and Dubai, and Islamabad, the US Government is scheduled to host fourth US – Pak Business Opportunities Conference in New York on June 2-4.

The conference will identify trade and investment opportunities between the United States and Pakistan in four sectors namely textile (fashion apparel), agriculture, healthcare and Information Communications Technology (ICT).

Pakistan's delegation would be led by Minister for Commerce Khurram Dastgir Khan and Chief Minister Sindh will also participate with a delegation in the conference. Chief Minister Punjab Shahbaz Sharif is also expected to attend the conference. Besides, more than 200 Pakistani businessmen are expected to participate in BOC.
For constitution of delegation of Pakistan's businessmen, nominations were solicited from TDAP, Chambers of Commerce, Trade Bodies and Associations. Around 400 nominations of key businessmen from Pakistan were received for the four identified sectors.
The confirmed list of participants from Pakistan was shared by MoC with Department of State, USA. For ensuring the seamless extension of invitations for fourth BOC by the US Government, all participants were directed to register on the following website of BOC: https://uspakboc.com/

In order to constitute Pakistan's Officials delegation, MoC sent invitations to the Ministry of IT, Ministry of Textile Industry, Ministry of National Health Services, Regulations and Coordination, FBR, Pakistan Telecommunications Authority, Intellectual Property Organisation, Board of Investment, Engineering Development Board and Drug Regulatory Authority of Pakistan.

Out of these, Ministry of Textile Industry, Pakistan Telecommunication Authority, Pakistan Software Export Board and Board of Investment to represent GoP along with Ministry of Commerce.

Pak-US Business Opportunities Conference will be a chance for Pakistani businesses for direct interaction with the top-notch American companies in four identified sectors. Bruce Andrews, the US Deputy Secretary of Commerce, will attend the BOC and will lead the US delegation.

In addition to Andrews, Ex-Im Bank Chairman Fred Hochberg will also attend the event. Exclusive break-out sessions will also be arranged for the participants along with five key sessions on Doing Business in Pakistan, GSP and Gender Diversity.

In order to further expand bilateral trade relations between the two countries, Minister for Commerce will hold bilateral meetings with US Department of Commerce' Deputy Secretary Bruce Andrews and Vice Chairman, GE, John Rice on June 3.

The conference will commence with a networking reception for all conference participants in Citi Centre New York on the evening of June 2. On June 3, all the activities such as key sessions break-out sessions and sector presentations will take place.
http://epaper.brecorder.com/2016/06/01/13-page/764339-news.html

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July 2016

NEWS COVERAGE PERIOD FROM JULY 25TH TO JULY 31ST 2016

COSTLY IRRADIATION PROCESS CURBS MANGO EXPORTS TO US

Dawn, Business & Finance weekly, July 25th, 2016

Ahmad Fraz Khan

FIVE years after getting approval for zero rating duty under the generalised system of preferences and investing high hopes in the US market, mangoes are failing to make any impact. Exporters have not been able to access a major market which spends well over $0.5bn on imports.

Exporters complain the process of export to the US is lengthy and costly. The highest freight charges calculated at Rs370 for each kilogramme is the biggest deterrence. What makes exports virtually impossible is the fact that mangoes have to be irradiated at the US facilities, which involves booking and trucking the cargo to a particular facility; completing the irradiation process and taking it back to the market.

Each step costs huge money and delay at any stage threatens the entire consignment's quality and sale prospects. In all, according to exporters, each kilogramme costs around $8 for making it saleable in the US market. Add to this the cost of the mango itself and the rate of the fruit spins out of the fiscal reach of the ethnic clientele.

The only option is to get local irradiation facilities approved by the US as has been the case with South Korea. A representative of the Korean government travels to the irradiation plant near Lahore and monitors the entire process before clearing the fruit for the Korean market. The exporter or processor pays for the visit. Such an approval saves almost half of the procedural price of the US market and helps cut costs correspondingly.

In fact, that was the original plan: a modern irradiation facility was to be set up by Pakistan Atomic Energy Commission near Lahore. The Pakistan Horticulture Development and Export Company (PHDEC) leading the initiative was rendered virtually dormant.

The commerce ministry, under which the PHDEC works, now thinks that it should not be running organisations like PHDEC because the entire agriculture sector — horticulture being only a part of it — now rests with the province. That is why, the company has been without a full time head for the last one-and-a-half year, and going without a sufficient and regular budget. Punjab, where PHDEC is headquartered, has a counter argument: the agriculture sector, along with horticulture being a sub-sector, might have been devolved, but export is still a federal subject. So, it should be the federation which should create, own and run all forums related to exports.

Only the federal government has the wherewithal, international linkages and mutual and multi-lateral agreements to facilitate exports. On the domestic front, the federal government needs to come up with a National Horticulture Policy — a vital but still missing component — to set and enforce domestic production standards for fruits.

Only the federal government can take both these essential steps to meet international requirements. The provinces on their parts can help the federal government implement those policy and standards.

http://www.dawn.com/news/1272875

PAKISTAN'S IMPORT AND EXPORT INDUSTRIES WORTH OVER $1 BILLION EACH
The Express Tribune, July 25th, 2016.

Salman Siddiqui

KARACHI: Import and export numbers speak volumes about the state of Pakistan's economy. There are about a dozen import and export industries worth over a billion dollars each, which tell us more about the economic performance of the current government since 2013.

Iron and steel scrap and the power generating machinery have emerged as the two new billion-dollar import industries during the first three years of the current PML-N government.

According to the Pakistan Bureau of Statistics (PBS), the import of iron and steel scrap rose 4% to $1.08 billion in fiscal year ended June 30, 2016 compared to $656 million in 2012-13.

In terms of volumes, the import of scrap soared 133% to 4.15 million tons in FY16 from 1.78 million tons in FY13.

The reasons behind the surge are obvious. According to officials, the government has imposed many taxes on the ship-breaking industry, which was the only source of providing scrap to the steel-melting and iron-rods manufacturing industries.

Secondly, the closure of Pakistan Steel Mills (PSM) has sparked the surge in scrap imports. Although PSM was not producing it, its manufactured semi-finished and finished products (billets and slabs) were substitutes for the scrap needs of the iron-rod manufacturing industry in Pakistan.

Thirdly, China, which is producing steel on a mass scale, has been dumping it across the world and Pakistan is no exception. Many importers continue to import finished steel products in the name of scrap to avoid paying higher duties.

Besides scrap, Pakistan also imported iron and steel (finished products) worth $2 billion in FY16, which was 10% higher than $1.82 billion in FY15, according to the PBS.

Power generating machinery was another major import category, the worth of which rose past $1 billion during the first three years of the PML-N rule. Its imports increased 34% to $1.83 billion in FY16 compared to imports worth $959 million in FY13.

According to traders, prolonged power outages in the country have triggered the pickup in demand for the generators. Though the power crisis has not been created by the current government, it has yet to tackle the problem despite setting deadlines and making promises. Many urban cities – including the major city of Lahore – remain without electricity for about nine hours a day. The situation in rural areas is even worse.

Jewellery export was another area that was valued at over $1 billion, according to the PBS data. It earned $1.17 billion in FY13 but shipments fell to $8.49 million in FY16.

“The plunge in exports was caused by the change in rules for the import and export of gold and jewellery,” said industry officials. Authorities, however, insisted that the change in rules were a must to stem fake exports.

Other industries whose trade crossed the billion-dollar mark were rice (non-basmati), cotton yarn, cotton cloth, knitwear, bed wear and readymade garments, palm oil, electrical machinery, telecom (mobile and apparatus) and road motor vehicles. Trade in most of them was valued at over $2 billion in FY16.

http://tribune.com.pk/story/1148418/imports-exports-pakistans-1-billion-industries/

PORTUGAL ENVOY FOR MORE TRADE
Dawn, July 27th, 2016

SIALKOT: Ambassador of Portugal in Pakistan Joao Sabido Costa has said that Portugal is keen to develop strong mutual trade ties with Pakistan, saying that there are bright mutual trade opportunities for both countries.

He stated this while talking to Sialkot-based industrialists and exporters on Tuesday. He also visited several industrial units.

Mr Costa advised Pakistani business community to take full advantage of the GSP+ status by ensuring maximum exports to Portugal and other European Union countries.

He encouraged the exporters to direct their business activities towards Portugal assuring them of easy access to international trade markets. He also asked them to participate in the international trade fairs and exhibitions to be held in Portugal soon.

He also stressed upon the need of making effective joint efforts to boost trade, believing that the time is ripe to further build on present trade relations.

Witnessing the manufacturing of numerous goods such as surgical instruments, leather and textile products, musical instruments, kitchenware and cutlery, he was particularly interested in the import of Sialkot-made sport goods.

Khawaja Masud Akhtar, a leading soccer ball exporter, informed the ambassador about the international quality of manufacturing and potential to explore markets of Portugal and other EU countries.

He suggested that exchange of trade delegations and one-to-one meetings between businessmen can go a long way in promoting bilateral trade.

http://www.dawn.com/news/1273347

ITALIAN TRADE DELEGATION TO VISIT PAKISTAN
The Express Tribune, July 27th, 2016.

Imran Rana

FAISALABAD: Serious efforts have been initiated for the revival of economic relations between Pakistan and Italy with special emphasis on frequent exchange of trade delegations, said Elena De Vito, First Secretary Embassy of Italy.

Speaking to Faisalabad Chamber of Commerce and Industry (FCCI) members on Tuesday, she said an Italian delegation, headed by Deniela Cannizzo of the Confederation of Italian Industries, Rome, was now on a visit to Faisalabad, which would be followed by another delegation for meetings with the local entrepreneurs.

Cannizzo said Confidustria was a private confederation of Italian industries and was making efforts to globalise its activities. Six thousand companies are its members that are keen to enhance cooperation with Pakistani businessmen and in this connection direct meetings with the local entrepreneurs are deemed necessary.

She said Italy had expertise in the manufacturing of state-of-the-art textile machinery, solar panels, food processing, renewable energy, infrastructure development and agriculture and various Italian companies were exploring opportunities to undertake joint ventures with Pakistani entrepreneurs.

Bruno, a member of the Italian Association of Banks, said the Italian government was making efforts to increase bilateral trade with Pakistan.

He pointed out that during April last year a Pakistani trade delegation had visited Italy and held very fruitful meetings there. “On the same pattern, we are arranging a delegation from Italy that will visit Pakistan and have direct talks for the marketing of their products,” he said.

http://tribune.com.pk/story/1150085/italian-trade-delegation-visit-pakistan/

CHINESE INVESTORS LAUD SUPPORT BY PUNJAB GOVT
The Express Tribune, July 28th, 2016.

LAHORE: “Pakistani and Chinese businessmen and industrialists have come together at an important juncture of history. The work they are doing together is not limited by location. Rather, people throughout the country will benefit from their collaboration,” Chief Minister Shahbaz Sharif said on Wednesday.

He was presiding over the Punjab-Shandong Business Conference in Jinan, China, with Vice Governor of Shandong Ji Xiang Qi.

The chief minister said, “Thousands of agreements are signed every day all over the world. How many of them are actually implemented? Work on the agreements signed under China-Pakistan Economic Corridor has begun and the progress is unprecedented.”

He said half of the work on the 1,320 megawatts coal power plant in Sahiwal had been completed. “The project was launched last year. It will be complete in less than two years.”

“I have seen the coal power plant in Talwandi, India, that was also set up with Chinese cooperation. It was completed in four and a half years,” he said.

The chief minister said the coal power plant in Sahiwal would be much more efficient than the one in Talwandi.

“China has supported Pakistan in every hour of need. The friendship between the two countries has gotten stronger over time,” he said.

Earlier, Vice Governor Ji Xiang Qi welcomed Sharif and his delegation. He said the partnership between Shandong and the Punjab would open a new chapter for development in both countries.

Chinese businessmen investing in the Punjab shared their experiences and impressions on this occasion.

Heads of leading public sector companies of China, ministers of Communist Party, senior office-bearers and investors from private sector also participated in the conference. Pakistani investors and businessmen were also present.

The Chinese investors said they had had an excellent experience working in the province.

They praised the measures taken by the provincial government for security of Chinese workers.

The chief minister said he would recommend to the federal government to confer a medal to the head of the Chinese company showing the best performance in Pakistan.

Industrialist Muhammad Mansha said: “The Punjab offers a favourable atmosphere for Chinese investors. Chinese traders can also benefit from the GSP Plus status. There are opportunities for investment in textile, construction, cement and dairy sectors.”

Sharif also met chief executives of the consortium of Chinese companies working on Sahiwal Coal Power project in Jinan. Senior officials of Huaneng Shandong and Ruyi Group were also present.

http://tribune.com.pk/story/1150724/bilateral-relations-chinese-investors-laud-support-punjab-govt/

ITALY TO DOUBLE INVESTMENT IN PAKISTAN THIS YEAR
The Express Tribune, July 28th, 2016.

Peer Muhammad

ISLAMABAD: Italian Ambassador to Pakistan Stefano Pontecorvo has stated that the European country sees doubling investment in Pakistan within a year as more Italian firms are looking for partnership with Pakistani businessmen.

“A mission consisting of 80 to 120 Italian businessmen will visit Pakistan in the current year to look into opportunities for partnership with Pakistani counterparts in different sectors,” said Pontecorvo during the signing ceremony of Pak-Italy friendship contract between Agha Steel Industries and Italian Danieli.

This is a maiden agreement between any industry of Pakistan and Italy and the project includes complete reconstruction of the electric arc furnace (EAF) and a new fume treatment plant.

Under the project, Aga Steel Industries will utilise the largest steel manufacturing furnace in Pakistan to make quality grade reinforcing bars (rebars) for the upcoming growth in steel demand due to China Pakistan Economic Corridor (CPEC) related projects.

Pentecorvo said this time around the delegation was small however as business collaboration expands so will delegates. "Italy sees significant potential for partnership and investment in Pakistan in various fields as the country has a dynamic economy with significant growth opportunities."

In the first phase, the Italian companies will focus on steel, agriculture machinery/technology, ICT, infrastructure, mining, textile, pharmaceutical and leather goods.

Besides, there is also potential in the automotive sector, both in the two wheels and four wheels industry.

"Italy is the fourth largest investor in Pakistan following China, UAE and Hong Kong with a total investment valuing at $100 million along with bilateral trade worth €1 billion," said the ambassador.

Concerning the challenges of doing business in the country, the ambassador said there were certain issues regarding the imbalance and clarity of tariff, which need to be addressed by the government.

Also present on the occasion, the Board of Investment Chairman Miftah Ismail said Pakistan and Italy have a good relationship in a variety of fields and it is now time to further strengthen it.

Meanwhile, the Agha Steel Industries Executive Director Hussain Agha said his firm was the fastest growing steel manufacturing company in Pakistan and revealed the company intended to have an Initial Public Offering (IPO) soon. "By choosing Denieli as our technology supplier, it is a testament that we are focused on the utmost value creation for our upcoming shareholders during the IPO," he said.

http://tribune.com.pk/story/1150789/italy-double-investment-pakistan-year/

EU URGES GOVT TO LIFT DUTY ON IMPORT OF MILK POWDER
The Express Tribune, July 31, 2016

ISLAMABAD: The European Union has urged the Pakistani government to remove the 25% regulatory duty on import of milk powder, which has hurt the export of this product.

The demand was made by some EU ambassadors at a meeting with Commerce Minister Khurram Dastgir Khan in Islamabad last week.

The ambassador of EU Mission led the delegation, accompanied by ambassadors of France and Holland, to take up the issue with the Pakistani authorities.

The ambassadors argued that since Pakistan enjoys GSP Plus status in exporting its products to the EU, the government should avoid such curbs on EU products as well. They urged the commerce minister to take up the matter with the higher authorities.

The Pakistani side said that the duty was imposed to protect the local farming community. The government imposed 25% regulatory duty on the import of powdered milk and whey powder in the latest budget, resulting in a total duty of 45% (20% customs and 25% regulatory duty) on the import of these items.

This was done on the recommendation of the Ministry of National Food Security and Research, which took the step after farmers demanded protection.

Sources said that after the categorical demand by the EU countries, the government is in a difficult situation about the issue as it cannot ignore the demand of the EU countries, particularly given the GSP Plus status.

At the same time, Pakistan's agriculture and livestock sectors continue to show unimpressive growth, while forming a majority of the vote bank for the ruling PML-N.

http://tribune.com.pk/story/1152842/eu-urges-govt-lift-duty-import-milk-powder/

NEWS COVERAGE PERIOD FROM JULY 18TH TO JULY 24TH 2016
IMPETUS FOR HALAL MEAT EXPORT
Dawn, Business & Finance weekly, July 18th, 2016

Ahmad Fraz Khan

THE first of six consignments of halal boneless meat was sent to Malaysia in the last week of June under a guided national programme.

Punjab's Halal Development Agency is now trying to convince many countries to accept its certification and the Malaysians are the first ones to oblige.

The agency is mandated to certify credentials and standards of all halal products (meat, cosmetics, pharmaceuticals), both domestically and internationally.

On its part, the Punjab government is also enacting laws to back up this agency with legal cover and formalise the entire process. One hopes that the momentum continues so that Pakistan can claim a larger share in the international halal products market. The global meat market alone is worth $600bn.

Apart from the existing huge halal market, the China-Pakistan Economic Corridor project has provided an impetus to planners for the development of a regional market. According to experts involved in the process, around 1bn Muslim population lives on the proposed route – from Chinese Xinjiang province to Central Asia and Pakistan. The entire region would be connected through a network of roads and rails, making regional trade the most efficient option — for being swift and low on freight.

As the network will take around a decade or so to get fully connected, this time space can be used for developing the halal certified products around the corridor.

Pakistan has all the ingredients required for serving the regional market for products. It has around 150m animals, and their population is growing at a healthy pace of around 3pc per annum. All animals are fed on natural grazing, avoiding animal feed that contains haram ingredients.

In the meat export value-chain, focus should be on attaining international standards in production, processing and marketing before Pakistan can claim a significant share in the regional or world market. Better breeding of animal fodder through improved management practices is essential. Fortunately, Pakistan has some of the finest breeds of animals. But they still have to be raised according to the sensitivities of international standards.

The processing part and value addition is also improving. As many as 15 slaughter houses now have international acceptance. A number of international agencies are helping exporters in slaughtering and building their capacity in marketing and packaging. All these facilities have cold storage and blast freezing facilities — the basic requirements for exports.

Another area where the country needs to concentrate is: the creation of disease-free zones so that the entire country is eventually cleared of diseases. These disease-free zones and farms could be dedicated for export. A few of them do exist but they are not enough.

Punjab had tried in the past to create such zones with some success, but then initiatives were somehow lost. Of late, the province has undertaken huge vaccination plans, which should yield better results.

http://www.dawn.com/news/1271385

ON RICE TRADE WITH IRAN
Business Recorder, 19 July 2016

Iran seems to be the missing piece of the puzzle where our Basmati exports are concerned. Once the largest destination for Pakistan's Basmati rice, our neighbouring Islamic Republic now forms a negligible market. However, the lifting of sanctions brought with it the hope that Basmati exports would, at least in part, be restored to their former glory.

But the numbers so far actually reveal a bleaker situation; for the ten months ended FY16, Pakistan's rice exports to Iran were down by seven percent year-on-year and appear to be at an all-time low. Rice as a percentage of total exports has also reached a new low. The sanctions were lifted at the start of the year, and the SBP began work to resuming trade relations almost immediately. Where was the hiccup?

Firstly, despite the alleviation of international sanctions, private banks are still reluctant to establish direct banking channels with Iran. This is because of the refusal of international banks to support transactions with Iran, as the US still has sanctions in place on Iran's financial system (Read "Iran: one year after the nuclear deal," published July 15, 2016).

BR Research spoke to REAP to get updates on the situation. Firstly, as mentioned above, transactions in the dollar are out of the question. However, the source was optimistic that the SBP is exerting pressure on banks to open up in Iran, and transactions in euro are being held. The source also added that the past couple of months have seen an increase in rice trade with Iran, but the numbers have yet to be released.

As for the decline in rice exports to Iran thus far, it seems that this past year Iran didn't import much rice across the board. There has also been the imposition of non-tariff barriers in the form of certifications and standards, perhaps in order to protect the domestic rice industry, said the REAP veteran.

But even if all the banks are put in place and Iran drops its protectionist measures, one should be cautious when betting on our Basmati. Indeed, prior to the imposition of sanctions on Iran, Pakistan was the largest exporter of rice to Iran, but it lost to India. As per a presentation made available by REAP to BR Research last year, almost 90 percent of rice to Iran is now from India, even though import from Pakistan is more economical. The reason for India's supremacy is state-sponsorship to growers, intensive research and development, higher yields, and better varieties (Read "India's Basmati dominance," published January 1, 2016).

http://epaper.brecorder.com/2016/07/19/2-page/777684-news.html

E-TRADE-FOR-ALL TO PROVIDE AMPLE OPPORTUNITIES
The Express Tribune, July 20th, 2016.

ISLAMABAD: Consumer protection is essential to realise the true potential of e-commerce, which is going to be the next big thing in international trade, said Commerce Minister Khurram Dastgir.

He said this at a roundtable discussion on "E-commerce for Development" and the general session at the 14th meeting of United Nations Conference on Trade and Development (UNCTAD) in Nairobi, Kenya.

Dastgir appreciated the E-trade-for-all initiative of UNCTAD and said it would provide ample opportunities to the developing nations to catch up with the nations that were reaping dividends from the widespread use of e-commerce.

The minister noted that the initiative would help developing countries in seven policy areas including e-commerce assessment, information and communication technology infrastructure, payments, trade logistics, legal and regulatory frameworks, skill development and financing for e-commerce.

He mentioned that policymakers in international institutions should focus more on areas of interest for the developing countries such as volatile commodity prices, debt issues, working of ratings agencies and access to technologies on a fair basis.

The minister emphasised that the consensus-building role of UNCTAD should be revitalised.

"A polarised environment in multilateral negotiating coupled with rapid economic and technological changes is making it increasingly difficult to arrive at broad-based agreements."

UNCTAD could provide a forum where the ground could be prepared for concluding such agreements, Dastgir added.

http://tribune.com.pk/story/1145160/developing-nations-e-trade-provide-ample-opportunities/

PROBLEMS OF EXPROPRIATION IN TRANS-NATIONAL BUSINESSES
Business Recorder, 21 July 2016

Zafar Azeem

Trans-national business issues are to be understood in terms of trans-national regulations. These regulations exist in the shape of agreements, treaties and conventions. In other words, we are confronted with the instruments which do fall within the domain of international law. International law is not at par with the codified law of a state. It is different and more complex. The sources of international law also differ from the sources of domestic law.

The statute of the court of international justice, through its article 38 directs to consider the following elements as source of international law:

(i) International conventions which are accepted by the contesting states

(ii) International Customs also known as customary international law,

(iii) The general principles of law recognized by civilized nations, and

(iv) Judicial decisions and teachings of the most highly qualified publicist of the various nations.

The best evidence of customary international law is the actual practice of states. The opinions of the international court of justice and of other international tribunals are persuasive evidence of what customary international law is and are typically given great weight. Customary international law must be distinguished from the "general principles of law". The idea of "general principles" refers to practices by states with respect to their internal law, as distinguished from customs which is behavior vis-a-vis other states.

Customary international law and treaties are part of "public international law." But there is also "private international law." It generally refers to the rules for resolving private disputes having a significant relationship to more than one jurisdictions. Traditionally, private international law is divided into three parts. It deals with the question, when a court can take jurisdiction over a party or property identified as "foreign." It deals with the extent to which the judgment of a court in Country A is entitled to recognition or enforcement by the courts of Country B. It deals with the choice of law question, what rules of law are to be applied in resolving a trans-border dispute.

“Trans-national law” includes all of the above. The law that “regulates actions or events which transcend national frontiers” and obviously includes a good deal of domestic law from the law of contracts to competition law. It may be noted that the abilities to navigate among different systems of law and to understand the ways in which they penetrate and influence each other are among the most difficult and most important skills of an international lawyer.

There are two necessary elements on which customary international law is dependent: general practice leading to considering acts of state as material elements and its acceptance as law and what constitutes this practice. It is though difficult to establish what constitutes “general practice”. However, such rules concerning the expropriation of foreign investments are central to international business lawyers.

In this regard, as early as in 1928, the International Court of Justice [ICJ] ruled that: expropriation requires fair compensation and in 1938 US ruled through its Hull Doctrine that no government is entitled to expropriate private property, for whatever purpose, without paying adequate and effective compensation.

In recent years, rules governing expropriation have been incorporated in Bilateral Investment Treaties and Free Trade Agreements. Such treaties have also allowed investors to bring expropriation claims directly against host governments before panels of arbitrators.

Thus as per rule of customary international law a state is responsible for injury resulting from its actions:

a) Relating to expropriation without compensation;

b) Not meant for public purpose;

c) Showing discrimination; and

d) Where just compensation is not awarded;

The act of state doctrine:

The doctrine of act of state was accepted as a defence to expropriation by the US Supreme Court in the case of Underhill v. Hernandez where a US District court had held that expropriation by Cuba violated customary international law because it was retaliatory, discriminatory and failed to provide adequate compensation. The judgment was affirmed by the court of appeal; however, the US Supreme Court reversed the order and observed as under:

“Every sovereign state is bound to respect the independence of every other sovereign state, and the courts of one country will not sit in judgment on the acts of the government of another, done within its own territory. Redress of grievances by reason of such acts must be obtained through the means open to be availed of by sovereign powers as between themselves.”

What happens where a transaction takes place in one jurisdiction and the forum is in another, by dismissing an action or by applying its own law the forum does not purport to divest the first jurisdiction of its territorial sovereignty; it merely declines to adjudicate or makes applicable its own law to parties or property before it.

It is evident from the practice of nations that International law does not require applications of the doctrine of state. Generally the nations rendering decisions on the subject have failed to follow the rule rigidly. No international arbitral or judicial decision suggests that international law prescribes recognition of sovereign acts of foreign governments, and apparently no claim has ever been raised before an international tribunal that failure to apply the act of state doctrine constitutes a breach of international obligation.

Here the question arises what is the traditional view of international law. The traditional view is to establish substantive principles to determine the wrong of other country; as per this practice, an affected party has to seek redress through the legal remedies available in the courts of country where the wrong has been done and to persuade the authorities of his own country to forward and press his claim through diplomatic channels. However, it may be noted that every dispute which falls within the domain of international relations lies beyond judicial cognizance.

The court in the Bakers case stated that constitution does not protect the act of state doctrine. Nevertheless the doctrine does have constitutional underpinnings as it arises out of the relationship between different branches of government and concerns the dissimilarity of institutions of other state to decide disputes relating to international relations. Many commentators however, disagree on this point.

It is thus evident that courts of a sovereign state are not authorized to examine the legality of an act of expropriation by a foreign sovereign state which is recognized as such by other states, particularly in the absence of a treaty or an unambiguous agreement regarding the application of legal principles in this regard in spite of the fact that the act of expropriation may violate principles of customary international law.

The current international case law and awards supported by the opinion of international law lawyers state that expropriation is improper where it is not meant for public purpose, and is discriminatory or is without compensation. The communist countries, however, do not follow this principle generally.

Limitations of the Doctrine of State:

a) The act of expropriation is not covered by the Doctrine of State if the property is located outside state's own territory.

b) Where an international agreement provides controlling legal principles for a domestic court to apply.

c) Where the impact of doctrine has been waived by the state.

d) Actions arising out of commercial activities.

However, the act of the State Doctrine does not establish an exception for cases and controversies that may embarrass foreign governments, but merely requires that in the process of deciding the acts of foreign sovereigns taken within their own jurisdictions shall be deemed valid.

The law relating to treaties:

The Vienna Convention on the Law of Treaties contains principles to decide issues of the validity of a treaty.

The way in which a treaty becomes imbedded in the domestic law is an important question for international law practitioners. The debate involving the anatomy of a treaty revolves around the following factors:

I. Understanding a treaty in the sense of an agreement, and the law through which it becomes part of domestic law.

II. How a treaty will affect the domestic legal scene.

III. How the Provisions in the treaties of friendship, commerce and navigation call upon each country to grant the citizens of the other a "national treatment".

IV. What does an agreement between sovereign states mean and how to interpret the same

V. How the stated meaning of a treaty are to be given effect, by keeping in view the fact that Treaties are characteristically hammered out by diplomats and lawyers, in formal processes.

VI. It may be appropriate that for a national court construing a domestic legislation to inject into the process its own ideas about policy and its own sense of the general background from which the statute arose. However, such an approach is dangerous in regard to treaties because they could lead to divergent interpretations by different national courts and that would cause confusion leading to treaty violation.

VII. The use of background materials relating to negotiations between the parties may be relevant since bilateral agreements are apt to be modest in scope, however, the case of multilateral conventions can be different as these agreements involve interpretation and understanding of bulky and detailed materials.

VIII. While interpreting a Treaty special factors are to be taken into account, such as the desirability of keeping consistent position by a state in its external representation for its internal application and for that weight is to be given to the interpretations made by the executive branch of the government.

The methodology of treaty interpretation

Responsibility for the interpretation of the treaty lies with the respective governments who are parties to the treaty. The role of the court is limited in giving effect to the intent of the Treaty parties and where the parties to a treaty agree as to the meaning of a treaty provision, and that interpretation follows from the clear treaty language the agreed interpretation will be accepted.

The clear import of treaty language controls unless application of the words of the treaty according to their obvious meaning effects a result inconsistent with the intent or expectations of its signatories.

The court's role is limited to giving effect to the intent of the Treaty parties. When the parties to a treaty [both] agree as to the meaning of a treaty provision, and that interpretation follows from the clear treaty language the same will be the treaty meaning.

The purpose of the treaties was not to give foreign corporations greater rights than domestic companies, but instead to ensure them an equal right to conduct business on an equal basis in the treaty country.

There can be no reason to depart from the plain meaning of the Treaty language.

When a foreign corporation is given "national treatment" and foreign individuals and companies allowed to form locally incorporated subsidiaries in all legal respects the treaties successfully accomplish their purpose. These local subsidiaries are considered, for purpose of the Treaty, to be companies of the country in which they are incorporated; and these entities are entitled to the rights and are subject to responsibilities as extended to the domestic corporations.

The extra-territorial application of national law

The first and foremost restriction imposed by international law upon a State is that failing the existence of a permissive rule to the contrary it may not exercise its power in any form in the territory of another State. In this sense jurisdiction is certainly territorial.

States may not extend the application of their laws and the jurisdiction of their courts to persons, property and acts outside their territory.

Where an offence for which an accused appears to have been prosecuted was an act of negligence or imprudence having its origin on board, a French ship whilst its effects made themselves felt on board a Turkish ship. The said two elements are, legally, entirely inseparable, so much so that their separation renders the offence non-existent.

Neither the exclusive jurisdiction of either State, nor the limitations of the jurisdiction of each to the occurrences which took place on the respective ships would appear calculated to satisfy the requirements of justice and effectively to protect the interests of the two States. It is only natural that each should be able to exercise jurisdiction and to do so in respect of the incident as a whole. It is therefore a case of concurrent jurisdiction.

Competition law issues

In issues relating to competition law, the courts are required to determine the ‘extraterritorial application of law’. The courts are however, required to construe ambiguous statutes to avoid unreasonable interference with the sovereign authority of other nations. This view reflects the principles of customary international law. This rule of construction cautions courts to assume that legislators take account of the legitimate sovereign interests of other nations while enacting a domestic law.

Application of domestic law in competition related disputes can lead to interference with the system of competition law of other countries. But where a violation of competition law has been committed by foreign traders the act can be construed to be a violation of law where such conduct has a direct, substantial and reasonably foreseeable effect on commerce and give rise to a claim.

http://epaper.brecorder.com/2016/07/21/20-page/778315-news.html

2015-16 PERIOD: DWINDLING STOCKS, POOR REGULATIONS PULL DOWN SEAFOOD EXPORT
Business Recorder, July 22, 2016

Dwindling fisheries stocks in the wake of overfishing and poor regulations pulled down Pakistan’s seafood export to $324.859 million in just ended last fiscal year 2015-16, down by seven percent. The country’s seafood export stood at $349.235 million in fiscal year 2014-15 that scaled down by $24.376 million during the last financial year 2015-16, according to Pakistan Bureau of Statistics (PBS).

“Landing of nearly all fisheries species with shrimps has declined over the years that resulted in seafood export fall in fiscal year 2015-16,” President, Sindh Trawlers Owners and Fishermen Association, (Stofa), Habibullah Khan Niazi told Business Recorder Wednesday.

He blamed the provincial and federal governments for a rapid decline in seafood export by $24.376 million last fiscal year, saying that “the PPP provincial and PML-N federal governments have no interests in boosting up the country’s vanishing seafood export and poor fisheries sector”. In term of volume: Pakistan’s seafood export also plunged by five percent or 7023 metric tons to 130,358 metric tons during the last fiscal year from 137,381 metric tons in the fiscal year 2014-15. “Global prices for seafood were good but local landings were low last fiscal year,” Niazi said.

In June 2016, the country’s seafood export slumped by 21 percent or $5.137 million to $19.372 million from $24.509 million in June 2015. Volume of seafood export also scaled back by 11.1 percent or 1075 metric tons to 8,565 metric tons in June 2016 from 9,640 metric tons in June 2015. “The use of illegal nets is open since the regulations are loose with the poor governance by the Sindh and federal authorities. Laws are there but no authority is willing to implement them to help protect fisheries from overfishing and improve their stocks for future,” the Stofa President said.

http://www.brecorder.com/agriculture-a-allied/183:pakistan/67958:2015-16-period-dwindling-stocks-poor-regulations-pull-down-seafood-export/?date=2016-07-

22 FOOD MINISTRY PROPOSES IMPORT OF BLACK PULSES FROM AUSTRALIA
The Express Tribune, July 23rd, 2016.

ISLAMABAD: The Ministry of National Food Security and Research has prepared a summary for consideration of the Economic Coordination Committee (ECC) that recommends import of 25,000 tons of black pulses to meet domestic requirements.

The proposal has been given on the suggestion of Punjab that had alerted the federal government about possible shortage of the essential commodity by the end of this year because of low production within the country.

“The food ministry has prepared a summary and it will soon be sent to the ECC for approval; it will pave the way for import of 25,000 tons of black pulses by the Trading Corporation of Pakistan,” said a senior officer in the ministry.

“We have been informed by Punjab’s provincial government that a shortage will soon emerge so that we should take steps accordingly,” said the officer.

As a result, officials have decided that pulses will be imported from Australia on which Pakistan mostly depends to bridge the gap.

According to the officer, at present the country faces a total shortage of 250,000 tons and the ministry has decided to immediately put forward a summary for the commodity’s import through the TCP and the remaining needs will be met by the private sector.

According to officials of the food security ministry, the country’s total consumption of black pulses is more or less one million tons and the domestic production stands at around 0.8 million tons. The remaining quantity is imported to close the gap.

“We have taken necessary steps so that timely imports can be made,” said the officer.

The process of importing through the TCP would take at least three months and advance preparations were necessary to make the commodity available at the time of need, said the officer.

Like other pulses, the consumption of black pulses has shot up to an all-time high in Pakistan including in the armed forces that is why its availability is considered important to avoid any shortage.

Pakistan depends on Australia, Myanmar, Tanzania and Ethiopia for pulses import to meet the demand every year.

http://tribune.com.pk/story/1147379/meeting-demand-food-ministry-proposes-import-black-pulses-australia/

PAK ENVOY TO DEVISE TRADE PLAN WITH DUTCH MINISTRIES

Business Recorder, July 24th 2016

KARACHI: Pakistan’s Ambassador designate to the Netherlands, Iffat Imran Gardezi has announced to devise a trade plan in consultation with the concerned ministries of the Netherlands with a view to promote Pakistani product and services, which would result in improving the existing trade and investment ties between both the countries.

Speaking at the meeting of Federation of Pakistan Chambers of Commerce and Industry (FPCCI), she invited suggestion from members of the FPCCI to improve and enhance trade and investment between Pakistan and the Netherlands.

She informed that the Netherlands had a great potential and technological base in some of the most promising sectors of economy including the agrarian and textile sectors of Pakistan from which the Pakistan could be benefited.

She resolved to work towards furthering economic and business relations between Pakistan and Dutch business communities by fostering the joint ventures during her tenure as Ambassador in Netherlands.

She also ensured to extensively examine the Dutch market during her stay and share the details of the same with the FPCCI members to facilitate the Pakistani exporters in exporting numerous Pakistani products to the Netherlands.

She underscored the need to make collective efforts to deal with the economic crises being faced by the country particularly declining export.

Senior Vice President of Federation of FPCCI, Sheikh Khalid Tawab has advised Iffat Imran Gardezi that CBI of Netherlands, a leading Dutch Agency engaged in promoting trade and investment in the entire European region, should be consulted for initiating a training programme for Pakistani entrepreneur with a view to enhance volume of trade between Pakistan and Netherlands from present level and improve trade balance in favour of Pakistan.

He recalled that the present volume of trade between both the countries did not reflect the actual potential of trade.

The meeting also decided to reactivate Pakistan-Netherlands Business Council of FPCCI and provide a platform to the business community of both the countries, holding fairs and exhibitions and exchange of cultural and business delegations between the two countries.

The meeting among others was attended by Muhammad Hanif Gohar, Vice President FPCCI; Waseem Vohra, Former Vice President FPCCI and prominent members of the Pakistan-Netherlands Business Council of FPCCI.

http://epaper.brecorder.com/2016/07/24/2-page/778832-news.html

NEWS COVERAGE PERIOD FROM JULY 11TH TO JULY 17TH 2016
PAKISTAN-BAHRAIN: BUSINESS CONFERENCE TO BE HELD THIS YEAR
The Express Tribune, July 14th, 2016.

ISLAMABAD: Pakistan will hold the first Pakistan-Bahrain Business Opportunities Conference by the end of this year in Bahrain in collaboration with the ministry of industry, commerce and tourism of Kingdom of Bahrain.

The conference will focus on investment opportunities in the field of agriculture products, meat, fruits and vegetables, banking, aviation services, jewelry, chemicals, footwear, furniture and textile.

A delegation of the Bahrain government led by Dr Shaikha Rana bint Daij Al-Khalifia, Assistant Under Secretary for Arab and Afro-Asian Affairs and Organisations Directorate and member of the Royal family of Bahrain called on the Minister for Commerce, Engr Khurram Dastgir Khan and discussed the plan to re-engage the two countries into fruitful economic dialogue.

The commerce minister informed the visiting delegation that Pakistan is opening new commercial offices in Bahrain.

Rana informed the meeting that the Economic Development Board of Bahrain will open its office in Karachi to keep abreast with the business and investment opportunities.

The meeting also decided to constitute Pakistan-Bahrain Business Council and make the Business Opportunities Conference a permanent feature of economic engagement between the two countries.

http://tribune.com.pk/story/1141359/pakistan-bahrain-business-conference-held-year/

US CHALLENGES CHINA OVER RAW MATERIALS DUTIES AT WTO
Dawn, July 14th, 2016

WASHINGTON: The United States challenged China at the World Trade Organisation (WTO) on Wednesday over Beijing’s export duties on nine raw materials, alleging they give an unfair competitive advantage to Chinese companies.

The Obama administration envoy announced the WTO filing, noting that when China joined the WTO in 2001, it agreed to eliminate the export duties on these products but had failed to follow through on the commitment.

The nine materials — antimony, cobalt, copper, graphite, lead, magnesia, talc, tantalum, and tin — are to key industrial sectors, from aerospace and car manufacturing to electronics and chemicals, the US Trade Representative's office said in a statement.

China's export duties range from five to 20 per cent, raising the prices on the materials used by manufacturers outside China and allowing Chinese companies to manufacture lower-priced goods, the USTR said.

In addition, the export duties put pressure on non-Chinese manufacturers to shift production, technologies and jobs to China, it said.

"These duties are China's attempt to game the system so that raw materials are cheaper for their manufacturers and more expensive for ours," said USTR Michael Froman in the statement.

"This scheme is directly at odds with WTO commitments China has made, and as we've shown time and again, we will hold them accountable to their commitments." The WTO challenge is the 13th enforcement action against China brought to the WTO since President Barack Obama took office in 2009. The US has won every case to date, the USTR said.

The challenge is the first step in settling the trade dispute: a request for consultations with China over the matter. If consultations fail, the US could ask the WTO set up a dispute settlement panel to look at the case.

The Obama administration emphasised its commitment to enforcing trade pacts amid a 2016 presidential campaign where anti-trade sentiment has become an issue.

"This case is part of the administration's continuing work to level the playing field for American workers and manufacturers in order to grow our economy and support quality jobs here at home," Froman said.

http://www.dawn.com/news/1270589/us-challenges-china-over-raw-materials-duties-at-wto

'GWADAR TO BE DECLARED DUTY-FREE PORT SOON'
Dawn, July 13th, 2016

Parvaiz Ishfaq Rana

KARACHI: The government has decided to declare Gwadar a duty-free port, Federal Minister for Ports and Shipping Mir Hasil Khan Bizenjo disclosed on Tuesday, saying that incentives in this regard would be officially unveiled soon.

Speaking as a chief guest at a seminar "Future Prospects of Shipping Industry in Pakistan" organised by the Pakistan National Shipping Corporation (PNSC), he said the port would be made hub of imports and exports and also provide transit cargo facility to regional countries. Besides, it would offer deep cut in port dues and other charges.

Referring to recent exemptions announced by the government on customs duty, general sales tax and withholding tax on imports of ships and other floating craft, the minister said that although the ports and shipping sector was faced with many issues, the country was doing well with the development of new ports. However, he acknowledged that Pakistan's shipping sector was lagging behind other countries, particularly because of no participation from the private sector.

Mr Bizenjo said when the Federal Board of Revenue (FBR) seemed to be reluctant in incentivising the shipping industry, he took the matter directly to Finance Minister Ishaq Dar. "He initially asked me to come through proper channel. But I told him it is a proper channel as we both are ministers."

The finance minister, according to Mr Bizenjo, then immediately agreed and within four days exemptions from duty and taxes on imports of ships were included in the Finance Bill 2016-17.

Mr Bizenjo said the duty and taxes imposed through Merchant Marine Policy 2001 gave no results during the last eight years. “Let’s see how the current incentives work and attract investment in the shipping industry.”

He reminded the participants — mostly belonging to ports and shipping industry — that now the ball was in their court and assured that if there was positive response the government would extended the incentive period beyond 2020.

The minister agreed that it was impossible to attract investment in the shipping industry at 35 per cent tax rate as against 15pc to 17pc in India and Dubai.

He said a ferry service to be started from Karachi to Gwadar, Chabahar (Iran), Muscat (Oman) and Dubai was taking time since the government has to sign a memorandum of understanding with these countries.

The minister agreed to a suggestion that Sindh and Balochistan governments should give land to people living on the coastal areas so that they could develop salt fields and earn their livelihood.

Khalid Parvez, secretary of the Ministry of Ports and Shipping, told participants that exemptions given from duty and taxes on imports of ships should now attract private investment in a big way.

He said the government was developing infrastructure related to ports but there was big gap in shipping as the state-owned PNSC had nine vessels which carried only 22pc of national cargo.

Speaking on the occasion, PNSC Chairman Arif Elahi said that due to high rate of duty and taxes the corporation had been paying up to $20 million on earnings of $50m before July 1, 2016.

He also briefly narrated the history of country’s shipping industry that how it started with only three ships in 1947 and then went up to 41 in 1960 when it was nationalised.

He disclosed that the PNSC currently hauls three categories of cargoes including dry bulk cargo, liquid and defence cargo. Total sea cargo of the countries is currently at around 73.8m tonnes with 47.47m tonnes dry and 26.38m tonnes liquid cargo.

However, he said the corporation has no container carriers due to which entire containerised cargo was being handled by foreign vessels. The corporation earned a profit of Rs2 billion during the first nine months (July to March) of this fiscal year, he added.

http://www.dawn.com/news/1270427

PAKISTAN, INDIA TRADE BARBS AT UN
Dawn, July 15th, 2016

Masood Haider

UNITED NATIONS: Amid a surge in violence in India-held Kashmir, Pakistan and India found themselves at a United Nations forum on Wednesday exchanging their oft-repeated positions on the decades-long dispute.

Addressing the UN General Assembly’s high level debate on human rights, Pakistan’s Ambassador Maleeha Lodhi condemned the atrocities committed by Indian military forces in the Valley and called for implementation of Security Council resolutions on the dispute.

She said that the denial of self-determination to the people of Jammu and Kashmir had resulted in the most "atrocious human rights violations, including rape, torture, arbitrary detentions and summary executions".

"Its most chilling recent example is the extrajudicial killing last week of Kashmiri leader Burhan Wani, shot to death by Indian forces along with scores of other innocent Kashmiris," she said.

Ms Lodhi said that Indian forces were resorting to these brutal acts to suppress the right to self-determination of the Kashmiri people, promised to them by several UN Security Council resolutions.

She said that despite Indian suppression, the Kashmiri people are determined to continue their struggle for freedom from occupation.

"Sixty-eight years after the UN Security Council first called for a UN conducted plebiscite to allow the Kashmiri people to exercise their right to self-determination, the fulfilment of this pledge remains the only way to resolve this long-standing dispute and establish durable peace and security in South Asia".

Pakistan also called for de-politicising the human rights agenda as human rights violations were taking place in all parts of the world.

Soon after Ms Lodhi's speech, her Indian counterpart Syed Akbaruddin, through a statement rejected the Pakistani allegations, reports The Indian Express.

In his statement, the Indian ambassador to the UN said: "We have seen an attempt at misuse of this UN platform. The attempt came from Pakistan, a country that covets the territory of others; a country that uses terrorism as state policy towards that misguided end; a country that extols the virtues of terrorists and that provides sanctuary to UN-designated terrorists; and a country that masquerades its efforts as support for human rights and self-determination."

He alleged that Pakistan was the same country whose track record had failed to convince the international community to gain membership of the Human Rights Council in this very session of the UNGA".

http://www.dawn.com/news/1270954/pakistan-india-trade-barbs-at-un

PAK-IRAN TRADE: MINISTRY SEEKS HELP IN RESUMPTION OF TRANSACTIONS
The Express Tribune, July 15th, 2016

Peer Muhammad

ISLAMABAD: The Ministry of Commerce has asked the central bank and private banks to come up with a mechanism that would allow banking transactions between Pakistan and Iran to be resumed.

Despite the lifting of sanctions on Iran, trade between the two countries is still affected by a lack of mechanism that would allow banking transactions.

"We have asked the State Bank of Pakistan and private banks to develop a consortium for evolving a mechanism as sanctions on banking transactions are still there from the international community," said Commerce Minister Khurram Dastgir while talking to The Express Tribune here on Thursday.

He said that the ministry had convened a special meeting recently in Islamabad and had invited representatives of State Bank of Pakistan and private banks, who have complained that banking channels are still facing difficulties. "The private banks have particularly expressed the concern that they are facing challenges in opening LCs in dollars and even in euros with Iran," said Dastigir.

The minister added that the aforementioned mechanism would aid traders in opening their LCs to trade with Iranian businessmen.

He said that many steps have been taken to jack up bilateral trade with Iran and in this regard a five-year bilateral trade roadmap has also been developed and the document was given to the Iranian delegation on their visit in March.

Besides, the minister said that initial draft for the proposed Pakistan-Iran Free Trade Agreement (FTA) has also been handed over to the Iranian authorities to see and give their inputs. He said that since Iran is not the member of WTO, any agreement with Iran will be made keeping that in view.

Besides, the minister said that to improve the bilateral trade and investment, the two countries have committed various steps including frequent holding of trade fairs and exhibitions in each other's countries.

Dastgir mentioned that Pakistan will soon hold a single-country exhibition in Iran, whose dates are to be finalised after consulting the Iranian authorities.

http://tribune.com.pk/story/1142085/pak-iran-trade-ministry-seeks-help-resumption-transactions/.

TDAP: CARAVAN TO NOWHERE?
Business Recorder, 13 July 2016

Shabir Ahmed

Trade Development Authority of Pakistan (TDAP) came in for a bit of a stick from the Senate Committee on Commerce. Like us, the Committee was having difficulty understanding TDAP's raison d'être: what does it do?

Was TDAP appearing before the wrong committee? TDAP could just as easily be shorthand for Tourism Development Authority. Had it appeared before the Committee on Tourism, we are quite certain it would have received a pat on the back for its several 'voyages of discovery'. Isn't that what officers join TDAP for, those luscious junkets with nothing to show for exports?

Paris, Rome, Miami. Done that, been there. Time now for the road less travelled. It wasn't without a twinge of envy that the exporters viewed those lovely pictures of TDAP's peripatetic Secretary beaming smiles from Almaty, Bishkek, Tashkent and Dushanbe. It might have invoked nostalgia among some – the stuff of Shahnameh and Turan; our roots and the Silk Route – but we are willing to wager a small bet most exporters can't place these cities on the map.

We seem to be infatuated with the silk route, or our view of it. Those attractive brochures that TDAP commissioned for the Trade Caravan 2016 inform us that between CPEC and the TIR convention (that will allow hassle free trucking through Afghanistan onwards!) the scene is set to capture theenticing Central Asian markets. Will Caravan 2016 succeed where earlier forays failed? Back in 2009 we took a similar Caravan to these very places promising the same bonanza. Result: our exports to these markets continue to languish at less than 0.05% of our total exports.

But this is 'not a caravan of despair' to which Rumi invited the despondent. TDAP is following up with Almaty Food Exhibition 2016, the Astana Expo 2017, and the single country exhibition in Tajikistan. Yes, Tajikistan, with a less than $5 billion market, consisting mostly of oil, petroleum products, and wheat – and some bed linen and knitwear.

Three of the four Central Asian Republics that the TDAP 'voyage of discovery' covered boast of a total population of around 40 million, GDP of $ 106 billion, and imports of $17 billion. The fourth, Kazakhstan, the only largish economy of the region, has a GDP of around $200 billion and imports of $ 41 billion – except, we don't export what they import (mostly machinery), or where we do we can't compete with Russia and China, their traditional sources of supply.

Could it be that the glitter of the Central Asian markets was sparked by the Regional Co-operation Programme (Pakistan, Afghanistan, Tajikistan, Uzbekistan, Turkmenistan, Kazakhstan, and Kyrgyzstan) that the US once aspired to as a part of its Foreign Policy vision for the region? The US- AID sponsored Trade Project, for instance, dwelt on the benefits that would accrue to Pakistan if it provided seaport access to landlocked CARs and transit facilities to South Asia. If that wasn't enough honey, with a remarkable twist of Revealed Comparative Advantage the Trade Project held out a promise of $25 billion worth of exports to Kazakhstan alone – some 20% greater than our total current exports, and more than half their imports! Reason enough to load the camels that adorn the TDAP brochure?

But the camels know better. They know too well the landmines that surround the$ 100 million market (the most optimistic medium-term export potential) being dangled before them. The Afghan security situation apart, there is virtually no trade infrastructure in place. TIR or not, the cargo from Peshawar to Tajikistan is loaded/unloaded at three points (Torkham, Kabul, and Shir Khan Bandar).

Export of horticultural products is challenged by the absence of the cold chain infrastructure and that of pharmaceuticals and surgical instruments by the stringent registration requirements. The trade finance system hasn't evolved much since the days of Marco Polo. The only time exporters think less unkindly of Pakistani bureaucracy is when they have to deal with their CAR counterparts.

Shouldn't TDAP be clearing these landmines first? Isn't removal of obstacles to exports its primary function?

Can it? The amiable Chief Executive has our sympathies. He has his heart in the right place. He is also the most experienced among all his predecessors, but has all these 'no go areas' to contend with. And he doesn't have the team.

TDAP has become an atrophied organization. Demoralized, its best officers seek other pastures. It faces a serious competence and commitment vacuum. There is little ownership of the corporate mission, mistaking movement (especially travel abroad) for well thought out action. It is a victim of the legislation that created it.

Ten years on, it struggles with what the geniuses who thought up TDAP had in mind – other than such banal considerations as the head of EPB not wanting to report to the Commerce Secretary. They achieved it and more. In a sharp departure from established rules and procedures, the TDAP Act rules out any role for the Commerce Secretary, save as one of the 16 members of the Board.

In their eagerness it appears the founding fathers arrogated to TDAP more than what it could handle. The Act enumerates 47 specific functions for the TDAP. Its website, in contrast, mentions only 6 'regular activities', mostly related to exhibitions. It makes the TDAP responsible and accountable for export maximization. Exports have fallen, from $25.1 billion to $20.9 billion, and no heads have rolled.

The TDAP Board is required to meet at least once every three months. It rarely meets. We do not know how its annual budget, for which the Board has the exclusive authority, is sanctioned. It is required to submit an annual report. TDAP's website (hopelessly outdated) does not show any. It assigns to TDAP the 'need to provide structured interaction with stakeholders in formulation of consistent, practical and effective trade policies'.

We have seen little evidence of serious interaction with exporters, and we have no idea what trade policies it formulates. The last we heard TDAP was at best a side player in the formulation of STPF 2015/18.

http://epaper.brecorder.com/2016/07/13/20-page/776029-news.html

TRADE DEFICIT WIDENS TO $23.96 BILLION IN FISCAL YEAR 2016
Business Recorder, 16 July 2016

Zaheer Abbasi

The country’s trade deficit has widened to $23.963 billion during fiscal year 2015-16, primarily because of dismal performance in terms of exports, according to Pakistan Bureau of Statistic (PBS). Provisional trade figures released by the PBS recorded a decline of $3 billion or 12.11 percent in exports during 2015-16 as compared to subsequent year after the country’s exports declined to $20 billion in 2015-16 from $23.667 billion in 2014-15.

The decline in exports was also recorded in year-on-year basis with 8.73 percent decline in June 2016 over the same month a year ago and 9.88 percent in June 2016 over previous month of May 2016. A nominal decrease of 2.32 percent in imports was noted during 2015-16 over subsequent year as a result of $44.765 billion imports in 2015-16 against $45.826 billion in 2014-15. The country’s trade deficit stood at 8.14 percent in 2015-16 as compared to subsequent year after trade deficit increased to $23.963 billion in 2015-16 from $22.159 billion in 2014-15.

An increase of 10.04 percent trade deficit was recorded in June 2016 over June 2015 as balance of trade rose to $2.816 billion in June 2016 from $2.559 billion in June 2015. Exports stood at $1.651 billion in June 2016 against $1.809 billion in June 2015, reflecting a decline of 8.73 percent. However, an increase of 2.27 percent in imports was noted after the country imported $4.467 billion equipment in June 2015 against $4.368 billion in June 2015.

An increase of 29.41 percent was recorded in trade deficit in June 2016 over May with deficit widening from $2.176 billion in May 2016 to $2.816 billion in June 2016. Imports also registered an increase of 11.45 percent during June 2016 over May 2016 as the country imported $4.467 billion products compared to $4.008 billion in May 2016. However, exports declined to $1.651 in June 2016 from $1.832 billion in May 2016, reflecting a decline of 9.88 percent.

http://www.brecorder.com/market-data/stocks-a-bonds/0/65674/

EXCHANGE OF TRADE DELEGATIONS HELPS BOOST BILATERAL TIES, SAYS US ENVOY
Dawn, July 17th, 2016

Hyderabad: US Consul General Brian Heath has said that exchange of trade delegations helps boost trade between the United States and Pakistan and added that his country will try to establish an information technology park in Hyderabad to promote information technology.

He said that Pakistan-US political and trade relations were quite stable as Pakistan was the biggest ally of the US.

He was speaking at a reception at the residence of Hyderabad Chamber of Commerce and Industry (HCCI) President Goharullah here on Friday night.

Mr Heath said that HCCI delegations had visited US trade exhibitions and it was his fourth visit to Hyderabad.

He said that US investors were monitoring conditions for investment purposes in Pakistan because they were keen to invest in the country.

Earlier, the HCCI president welcomed the US diplomat and said that wider space was available in the US market for Pakistani products.

He recalled that three delegations of the HCCI had participated in US trade exhibitions.

He said that US investors could invest in agro-based industries, power and constructions sectors and waste management.

Mr Goharullah said that the IT sector remained neglected in Hyderabad and sought US cooperation for establishment of an IT park in the city for students.

Senior Vice President of the Federation of Pakistan Chambers of Commerce and Industry Sheikh Khalid Tawwab said latest figures showed that yarn, clothing, textile apparel, leather and sports products and surgical items worth $3.6 billion had been exported to the US and machinery, boilers, telecommunication products and other goods amounting to $1.9bn imported from the US.

He said that US-Pakistan relations had shown stability over the past 10 years and added that political relations between the two countries also impacted their trade ties.

He said that the recent volume of foreign investment in Pakistan showed a declining trend, adding that US investors should be informed that Pakistan offered a better place for investment because of its liberal investment policy.

He said that a bilateral trade agreement was the need of the hour.

Speaking at another ceremony, the US diplomat congratulated 20 students and faculty of the Mehran University of Engineering and Technology (MUET) who are part of the US-Pakistan Centres for Advanced Studies in Water (USPCAS-W), funded by the US Agency for International Development (USAID). They will travel to the University of Utah for conducting research under the organisation’s exchange programme.

“We are proud to empower women scientists and researchers in Pakistan to solve its water problems,” Mr Heath said.

MUET Vice Chancellor Mohammad Aslam Uqaili, USPCAS-W Programme Director Dr Bakhshal Lashari, University of Utah Chief of Party Mohammad Aslam Chaudhry and USAID Deputy Director Craig Buck were present.

The USAID has signed a $14.8 million cooperative agreement with the MUET and a $9m accord with the University of Utah to establish the Centre for Advanced Studies in Water in the MUET.

The University of Utah is providing technical assistance to the MUET to educate and train the next generation of water sustainability leaders by improving the MUET’s technical and institutional capacities to deliver high-quality education and applied research.

Over the next three years, 250 USPCAS-W students and faculty will spend a semester in US universities for water research in state-of-art laboratories.

The exchanges will help upgrade teaching skills, enhance industry awareness and build corporate relationships.

The partnership encompasses curriculum development, research and establishment of new laboratories.

The USPCAS-W is part of the USAID’s $127m investment to develop innovative and practical solutions to Pakistan’s energy, water, agriculture and food security challenges.

The US consul general also visited the historical Ranikot fort in Jamshoro district along with the divisional administration officials.

He said that Sindh had important archaeological sites and efforts would be made for their international exposure to invite attention of tourists

The administration officials briefed him on historical facts about the fort and said that research on the fort was still under way. They said that from time to time schemes had been designed for the fort’s conservation and efforts should also be made to highlight its historical significance at the international level.

http://www.dawn.com/news/1271361

NEWS COVERAGE PERIOD FROM JULY 3RD TO JULY 10TH 2016
CASH SCHEMES SRO S NOTIFIED TO BOOST EXPORTS
Dawn, July 3rd, 2016

Mubarak Zeb Khan

ISLAMABAD: After a delay of more than three months, the Ministry of Commerce implemented the cash support schemes from July 1, 2016 to arrest the dwindling trend in exports.

Announced on March 23, 2016, the Strategic Trade Policy Framework (STPF) 2015-18 set an annual export target of $35 billion.

Pakistan’s export proceeds have been sliding for the past few years. In 2012-13 exports were $24.5bn which dropped to $20.9bn in the outgoing fiscal year 2015-16.

Commenting on the delay in the implementation of STPF, commerce ministry’s focal person Muhammad Ashraf said, “The delay of three months in issuance of SROs was due to the vetting of the procedures by the relevant ministries.”

The framework was initially planned to be implemented with a total funding of Rs18bn over three years which has now been cut to two years ending in June 2018, according to the SROs. Ashraf, however, insisted on the three year policy period.

The cash support schemes announced through five SROs are tailored to support exporters of Gujranwala, Sialkot, Lahore, Faisalabad, Multan, Rawalpindi and Karachi.

The SME and other non-textile sectors of Balochistan and Khyber Pakhtunkhwa have been excluded from the purview of availing cash support schemes on product development, technology up-gradation and import of machinery for agro-processing. Balochistan exporters were also denied the facility of drawback of local taxes and levies.

No office of the State Bank of Pakistan was notified in the SROs of these schemes in Peshawar and Quetta.

There is one scheme where the SBP offices in Quetta and Peshawar were notified for receiving of claims of brand and certification development.

When the issue was pointed out, Mr Ashraf said the ministry has sought clarification from the SBP in this regard.

An exporter, seeking anonymity, told Dawn the trade policy was drafted for few cities of Punjab including the home constituency of commerce minister – Gujranwala.

He said the drawback scheme was also limited to products produced in certain cities. The policy, he said, is politically motivated.

According to the details, SRO578 was issued to provide cash incentives of 50 per cent matching grant up to a maximum of Rs5 million for specified plant and machinery to improve product design and encourage innovation in small and medium enterprises (SMEs) and export sectors.

A SME can avail this facility up to Rs5m per year while for non-SME the limit is Rs2m per annum. The scheme will be available in Gujranwala, Sialkot, Lahore, Faisalabad, Multan, Rawalpindi and Karachi

Through SRO579, matching grant will be provided to facilitate the branding and certification for faster growth of the SMEs and exports sectors through Intellectual Property Registration (including trade and service marks).

It will be available in Gujranwala, Sialkot, Lahore, Faisalabad, Multan, Rawalpindi, Karachi, Hyderabad, Sukkur, Quetta and Peshawar.

The commerce ministry notified through SRO580 the technology up-gradation scheme to increase the sophistication level of identified sectors including fans, home appliances, rice, cutlery and sports goods. Under this scheme, incentive in the shape of investment support up to a maximum of Rs1m per company for import of new plant and machinery will be provided.

The scheme will also provide a mark-up support of 50pc on up-gradation of technology for import of new machinery or plant subject to a maximum of Rs1m per annum per company.

Through SRO581, another scheme regarding the cash support for plant and machinery for agro processing was also notified to reduce the wastage of raw and semi-processed produce. Under the scheme, 100pc mark up support will be provided on the costs of imported new plant and machinery on all Pakistan bases.

Moreover, 50pc support on the cost of imported new plant and machinery will be provided for specified under-developed regions of the country – rural Sindh, KP, Fata, Balochistan, Southern Punjab and Gilgit-Baltistan.

The schemes under SRO580 and SRO581 are limited to Gujranwala, Sialkot, Lahore, Faisalabad, Multan, Rawalpindi and Karachi.

For cutting the cost of doing business and increasing the competitiveness of the value-added non-textile selected sectors, the ministry notified through SRO582 the scheme of drawback on local taxes and levies.

Under the scheme, drawback for local taxes and levies will be given to exporters on free on board (FOB) values of their enhanced exports if increased by 10pc and beyond (over last year's exports) at the rate of 4pc on the increase.

The scheme will be applicable on the exports made during financial years—2015-16 and 2016-17. This scheme was made available to only exporters of Peshawar in additions to the mentioned seven cities.

http://www.dawn.com/news/1268764

TRADE VIA KARACHI PORT RECORDS 15% INCREASE
The Express Tribune, July 5th, 2016.

Salman Siddiqui

KARACHI: Imports and exports of the country via the Karachi Port Trust (KPT) jumped 15.25% to 50.05 million tons in the fiscal year ended June 30, 2016 as import of fuel, cooking oil and cotton and export of rice and meat soared in the year, according to official statistics.

"The port handles around 60% of the total import and export cargo of the country," said an official of the Karachi Port Trust on Monday. The remaining 40% of trade is made through Port Qasim and Gwadar Port.

The KPT reported that it handled 559 oil tankers during the year against 494 in the preceding fiscal year.

Latest data of the Pakistan Bureau of Statistics (PBS) showed that the country imported 148,316 tons of soyabean oil in the first 11 months of 2015-16, which was 292.34% higher than 45,103 tons in the corresponding period of last year.

According to industry officials, the traders imported higher quantity of soyabean oil due to its availability at much reduced prices in the international markets. Additionally, cheaper freight also made the imports viable.

The import of fuel oil rose 1% to 15.81 million tons in the first 11 months against 15.65 million tons in the same period last year.

Cotton import jumped 204% to 413,466 tons from 136,042 tons in the previous year.

The imports surged after cotton production in Pakistan fell sharply due to virus attack on the crop.

Other major goods imported via KPT included coal, automobiles, ethanol, steel coil, soyabean seed and project cargo for setting up factories, said the KPT official.

Exports of rice rose 9.43% to 3.94 million tons from 3.60 million tons whereas export of meat and meat preparation went up 5% to 72,436 tons from 68,998 tons.

The establishment of halal food industry in Pakistan, mainly the meat industry, helped the country to find new markets internationally. Kuwait, Saudi Arabia, Iran, Malaysia, Egypt and the United Arab Emirates were the countries where demand for Pakistani meat was high, industry officials said.

Exports of major items like textile and garments, leather, surgical goods and cement recorded a massive decline in terms of quantity in the period under review. Other major export items included sugar, livestock, vegetables and fruits.

The official said the port also handled Nato supplies to and from Afghanistan where some troops were stationed for security assistance. “Nato’s cargo supplies are made in containers,” he said.

Containerised trade, however, shrank in 2015-16. KPT handled 738 container ships in the year against 790 in the preceding year.

Trade in the form of bulk cargo and general cargo, however, improved, as the port handled 222 bulk cargo ships and 374 general cargo ships in the year against 193 bulk cargo ships and 225 general cargo ships, respectively, last year.

“In total, the port anchored 1,893 ships in the year against 1,732 ships last year,” it said.

KPT said imports increased 22% to 40.26 million tons from 33 million tons last year, whereas exports fell 6% to 9.79 million tons from 10.42 million tons last year.

http://tribune.com.pk/story/1136469/imports-exports-trade-via-karachi-port-records-15-increase/

FREE TRADE ACCORDS WITH THAILAND, TURKEY SOON
Dawn, July 10th, 2016

Mubarak Zeb Khan

ISLAMABAD: Pakistan has finalised texts of free trade agreements (FTAs) with Thailand and Turkey to enhance bilateral trade with these countries.

An official source in the commerce ministry told Dawn that these agreements will be ready for implementation from Jan 1 next after completion of all formalities.

Talks on finalisation of the text of the FTA with Thailand had started in September 2015. “We have held several rounds to reach an understanding on the agreement,” the official said.

The agreed text will only cover trade in goods. “We will exchange list of offers and request for duty reduction in September 2016,” the official said.
Asked whether the agreement will also cover services and investments, the official said initially it will only be confined to goods. “We will extend this agreement to investment and services in the next phase,” the official said.

In 2006-07, Pakistan had carried out a study for initiation of Preferential Trade Agreement (PTA) with Thailand. However, no progress was seen and the study remained only on paper.

According to a commerce ministry study, which became the basis of the FTA, Thailand has comparative advantage in electrical and electronic appliances, machinery and components, and automobiles/parts. Pakistan, on the other hand, has comparative advantage mainly in cotton yarn and woven textiles, readymade garments, leather products and other miscellaneous manufactured items, such as surgical instruments and sports goods.

In addition, there exists potential for boosting intra-industry trade between the two countries in several product segments, most notably knitted or crocheted fabrics, articles of apparel and clothing accessories, made-up textiles, and leather products. Both types of trade can bring benefits for the two countries in terms of enhanced competition and efficiency, lower prices, and improved product quality and variety.

In another agreement, Pakistan and Turkey have almost finalised agreement in goods. “We will soon finalise the rules of origin of the agreement”, the official said.

But the official said, Pakistan is also negotiating agreement in services and investments areas on the parallel. “We will finalise agreement in all three areas — goods, services and investment,” the official said.

After a lapse of around 10 years, Pakistan and Turkey have signed a framework in March 2016 to initiate talks on FTA. Both the countries had started deliberations on closer trade ties in 2004, but failed to conclude a PTA because Ankara being member of the EUCU was obligated not to offer duty reduction on industrial goods.

Despite limited scope for Pakistani products, Ankara in 2011 imposed 18 per cent additional duty on import of fabrics/made-up textiles and 27pc additional duty on garments from Pakistan.
Under FTA with Turkey, Pakistan will share a list covering 278 tariff lines. Turkey, however, will seek opening up of Pakistan’s automotive and pharmaceutical sectors. Ankara hints to share a list of 717 tariff lines for concessions with Islamabad.

In order to make the FTA meaningful, Pakistan will demand abolition of normal tariff as well as additional duties on export of agriculture and food products to Turkish market. Pakistan is, however, asking for placement of those products on the concessional list which attract over 15pc duty at the import stage.

Pakistan’s livestock sector has the potential to considerably raise exports as its meat was more delicious and cheaper when compared with Turkish meat. On the other hand, Turkey has expertise in shipping, road infrastructure network and export processing zones which will be helpful in China-Pakistan Economic Corridor and other transit routes.

Both the sides have the potential to explore possibilities of investment opportunities in defence industry, food processing and packing, automotive industry and auto parts, household appliances, construction material, textiles, leather machinery and finished products, sports goods and surgical instruments

http://www.dawn.com/news/1269757/free-trade-accords-with-thailand-turkey-soon

August 2016

NEWS COVERAGE PERIOD FROM AUGUST 29TH TO SEPTEMBER 4TH 2016

NEED FOR IMPORT SUBSTITUTION

Dawn, Business & Finance weekly, August 29th, 2016
Mubarak Zeb Khan

PAKISTAN'S external sector is under growing pressure. High dependence on imports and falling foreign direct investment point to a lack of quick response to the changing dynamics of the global economy.

Independent economists blame fault lines in trade policies for these persisting problems and stress the need to assess the situation realistically and reset the direction to reverse this trend.

Evidently, the export promotion strategy pursued so far has not helped minimise the external sector's vulnerability. Policymakers are focused on the export of low value-added products ignoring the need for effective import substitution.

It is time the government addressed issues in import substitution, at least in those areas where Pakistan has a domestic advantage. One may ask what wisdom is there, in allowing imports of dairy products — cheese and milk-based confectioneries or fruit juices — that tend to widen the trade gap?

Analysts believe, if the non-oil trade deficit continues to widen, exports keep falling and remittances stagnating, foreign exchange reserves will shrink in no time.

Several industries have closed down because of the high cost of production and stiff competition from cheaper imports, economist Dr Qaiser Bengali told Dawn. He said high tax rates and the high cost of energy have compelled manufacturers to shut down their factories.

In some cases, he said, manufacturers are importing goods and selling them in the local market with their own brand name. Through unrealistic policies, Mr Bengali believes, a comparative disadvantage has been created for the local manufacturers.

The import of consumer items has increased over the past few years. According to the State Bank of Pakistan data, Pakistan spends

millions of dollars every year on import of consumer items like value added food products, personal care, home appliances and other household items.

The import of selected consumer goods surged from $1.283bn in FY 2013 to $1.749bn in FY 2015. Pakistan spent $109.6m on the import of spices, followed by $74.5m on baby carriages/toys, $722.9m on cellphones, $99m on bulbs, $160.8m on essential oils/perfumes, $34m on shampoo, $41m on hair preparations and $190.6m on soap during the FY 2015.

The import value of other commodities like pasta, biscuits, tomato paste, juices, kitchenware, grinders, mixers, juices, TVs, air-conditioners, refrigerators, electronic fans, ceramic

tiles, sanitary fixtures, cosmetics, and after shave lotion ranges between $7-40m.

According to the central bank, these items stand first in line when import compression policies are to be exerted. Pakistan does not import these products via official sources alone. They also enter Pakistan via the Afghan Transit Trade, sea routes from Dubai and khepias who carry these goods as personal baggage.

Most of these product require low-technology for production and could have a fair degree of substitution between local and imported ranges. The central bank identifies factors which don't allow local substitution to happen.

The under-invoicing and smuggling of foreign goods give an unwarranted competitive edge to local products. Investors are discouraged to set up local manufacturing units or expand their businesses. Additional demand has to be met through imports. Electronic appliances, rubber tyres, and many pharmaceutical items are few examples.

Local products lack variety and range. Local manufacturing units are mainly smaller in size and find it hard to compete with low-cost mass produced Chinese goods especially, under the free trade agreement with Beijing.

Low technology items — plastic toys, tupperware, earphone, bulbs, handbags, stationary — are being imported from China in bulk.

It is may be recalled here that many local industries facing stiff competition from the influx of low-cost Chinese products, after the Pak-China Free Trade Agreement, had closed down.

But the most essential step for the future strategy is the formulation of an all-encompassing import substitution policy.

The first essential part of the strategy is to identify areas for investment in manufacturing, which can cater to domestic needs that are currently being met by imports.

This is necessary to reduce external vulnerability that is resulting in a chronic balance-of-payments crisis.

In the early 1980s, the import substitution policy was replaced by export-led industrialisation. But this policy has miserably failed to promote exports and correct chronic foreign trade imbalances, and has instead created an import-oriented economy.

More investment needs to be lured into the dairy sector and other food items that are currently being imported.

But to encourage manufacturing, the government will have to give the required support to nascent industries.

The break-up of the total import bill shows that there are 17 categories of imports, of which petroleum products are largest and account for over a quarter of the import bill. Chemicals claim over 10pc of the bill, machinery and non-electrical items over 15pc, transport equipment over 5pc, and others over 15pc. Edible oil imports and iron and steel products, each, are close to 5pc of the total import bill.

The products whose share in the total import bill stands between 2-4pc are drugs and medicines, dyes and colours, chemical fertilisers, electrical goods, paper, board and stationery, tea, sugar, art, silk yarn, non-ferrous metals, grains, pulses and flour. These are the potential areas where the Board of Investment can work to reduce reliance on imports.

Import substitution requires domestic investment and appropriate local technology.

An integrated food imports substitution policy is still missing. Some attempts have been made to boost oilseed production; plantation of olive is being promoted and production of packaged milk has been increased. But it is not enough.

http://www.dawn.com/news/1280526/need-for-import-substitution

GOVT PLANNING TO SET $35 B EXPORT TARGET NEXT YEAR

The Express Tribune, August 30th, 2016.

LAHORE: Federal Minister for Science and Technology Rana Tanveer Hussain has said that the government is looking to set the export target at $35 billion for the next fiscal year, though exports are falling for the past many months.

"It is not only Pakistan that has seen the trade deficit widen, some leading economies like China and Malaysia have also observed this trend," Hussain said while talking to media on Monday after a workshop on organic food and health, avenues of innovation and entrepreneurship organised by the Pakistan Council for Science and Technology (PCST).

He said currently all economic indicators for Pakistan were positive and the economy was performing satisfactorily.

The minister, while addressing the workshop earlier, appreciated the role of PCST in providing a platform for creating awareness of the dire issue.

Hussain assured the audience that the science and technology ministry was committed to supporting every effort aimed at promoting scientific awareness in the country, which would improve living standards, economic development and prosperity of the nation.

"Besides raising health standards of our society, organic food has the potential to alleviate poverty by providing large-scale employment to unskilled and semi-skilled labour force," he remarked.

Hussain stressed that the organic food industry played a very positive role in addressing the health challenges posed by the changing lifestyle and growing stress of modern competitive life.

Speaking on the occasion, PCST Chairman Dr Anwarul Hassan Gilani pointed out that the workshop brought together scientists, researchers, entrepreneurs, organic farmers and members of civil society to share ideas and knowledge about various aspects of organic food and health.

He said the workshop shed further light on exploring the full potential of funding opportunities for the organic food sector. He also shared his research experience in functional foods as an effective and safe remedy for diseases like diabetes and heart problems.

http://tribune.com.pk/story/1172192/trade-issues-govt-planning-set-35b-export-target-next-year/

US WANTS BARRIERS REMOVED FOR TRADE PROMOTION
Dawn, August 31st, 2016

ISLAMABAD: The United States wants Pakistan to remove all barriers which are hindering progress in further promotion of trade and investment relations between the two countries, a senior US official said on Tuesday.

"We want incremental progress in the promotion of bilateral trade and reduction in the trade and investment barriers, Michael J. Delaney, Assistant US Trade Representative for South Asia, said who is currently in Islamabad to finalise the agenda for the next meeting of the Joint Council formed under the Trade and Investment Framework Agreement (TIFA).

The Joint Council is expected to hold its session before the US presidential elections. Though date has not yet been finalised, but the US official was optimistic about the meeting some time in October.

Among the several factors hampering trade he hinted at security related issues, energy crisis and high tariff rates.

The security situation and energy crisis have led to reduced foreign direct investment in Pakistan, he said.

Mr Delaney referred to the ‘Doing Business’ index and talked about difficulties for businesses in Pakistan. While pleading for reduction in tariff rates, he called for phasing out of SROs.

He said that tax disputes in Pakistan are very common while dispute resolution process is weak.

He marked intellectual property laws as another barrier and said it is a major issue under discussion.

Mr Delaney said that the $5.5 billion trade between the two countries is only a fraction of the potential.

Pakistan is showing surplus in our bilateral trade, as US is Pakistan’s best customer and buys more Pakistani products than any other country. We want to grow both our imports and exports under TIFA. The 14.5 per cent tariff on trade is pretty higher than what is levied in the United States, the US official said.

He said: “we want to further improve good trade relations”.

The US government is exploring ways and means to increase bilateral trade and investment relations with Pakistan, and in this regard have already organized annual business opportunities conference in New York which provided opportunities for the business communities of the two countries for faster interaction leading to working out joint ventures and business deals.

About regional trade, he said that Pakistan lives in tough neighbourhood since South Asia is the lowest performing region in terms of intra-regional trade.

Recently, US got Pakistan admitted as observer to our TIFA with Central Asia with the view that it will enhance Pakistan government’s interactions with the governments of Central Asia towards increasing trade in the region, he said.

http://www.dawn.com/news/1280998

GOVT MUST TAKE STEPS TO PROMOTE RICE EXPORTS, SAYS REAP
The Express Tribune, August 31st, 2016.

Peer Muhammad

Islamabad: The Rice Exporters’ Association of Pakistan (REAP) has urged the government to take fiscal and diplomatic measures to create a conducive environment aimed at both reducing the cost of production and boosting exports.

The association raised these concerns at the 6th meeting of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) Standing Committee on Rice Exports for 2016 earlier this week and chaired by FPCCI Standing Committee Chairman Rafique Suleman.

“China should adopt an on-arrival visa policy for Pakistani businessmen to enhance and promote bilateral trade and economic relations between the two countries,” said Suleman.

“Both Pakistan and China share a cordial relationship and a lot of Pakistani businessmen are travelling to China for their businesses. Moreover, the two countries have also signed an FTA under which a lot of trade is taking place between the two countries,” he added.

He urged the government to take up the matter with the respective Chinese authorities and strengthen its relationship with China. “Adoption of this policy will go a long way in strengthening Pak-China friendship.”

Suleman said that REAP had put forward their proposal to the President of Pakistan, which mainly includes having a REAP member on the Pakistan Research Board.

According to the chairman, Pakistan and Indonesia have always shared a cordial relationship and therefore the government must further improve trade with the country. “Indonesia is highly impressed with Pakistani rice exporters since all the orders have been fulfilled. This is also a reason why the Indonesian government is sending a delegation from BULOG to visit rice mills in Pakistan.”

Suleman, while requesting the government to exempt import of rice machinery from taxation, said doing so would reduce the cost of production and eventually lead to a reduction in price of rice, which will not only help exporters but farmers as well.

The FPCCI Standing Committee chairman appreciated that the much-awaited draft on Geographical Indication (GI) Bill 2016 was presented by the Intellectual Property Organization (IPO) before the relevant stakeholders including lawyers, businessmen and bureaucrats. “The Pakistan’s GI protection law had been long overdue and the IPO should expedite the process of making this draft into a law,” he observed.

REAP was of the opinion that the TDAP must be the custodian of GI rights of all commodities; particularly basmati rice. He also mentioned the need to promote basmati rice in the international market.

“Pakistan has one of the best qualities of basmati rice in the world and Saudi Arabia and Iran are potential markets that should be explored,” he said.

“I appreciate the efforts of the government to create a proper banking channel with Iran, which would give a huge boost to the Pakistani economy, especially in the trade of basmati rice.”

http://tribune.com.pk/story/1172998/conducive-environment-govt-must-take-steps-promote-rice-exports-says-reap/

ENHANCING TIES: PAKISTAN, KENYA LOOK TO EXPLORE TRADE POTENTIAL
The Express Tribune, September 1st, 2016

Imran Rana

The Joint Ministerial Commission of Pakistan and Kenya will be held in Islamabad in December this year to discuss futuristic economic policies to fully exploit the trade potential of the two countries.

Addressing members of the Faisalabad Chamber of Commerce and Industry (FCCI), High Commissioner of Kenya Professor Julius Kibet Bitok said that the private sector and business community of the two countries have to play their role in enhancing bilateral trade and the Kenyan High Commission was ready to extend full support to potential investors.

He said that Free Trade Agreement (FTA) was the best tool to resolve duty-related issues; hence both counties should start negotiations.

The Kenyan official said that they are also organising a trade and investment conference in Kenya, with a view to promote business opportunities. He invited FCCI members to attend this conference, assuring of his support to ink MoUs with the National Chamber of Commerce and Industry Kenya.

FCCI President Chaudhary Muhammad Nawaz said that Pakistan and Kenya enjoy good economic as well as diplomatic relations as nearly 2,000 Pakistanis are settled in Kenya and are also contributing to the overall development of the country.

Talking about bilateral trade, FCCI executive member Ahmed Hasan said relations between the two countries are based on mutual cooperation, which is growing with the passage of time.

http://tribune.com.pk/story/1173794/enhancing-ties-pakistan-kenya-look-explore-trade-potential/

KPCCI TO HOLD TRADE FAIRS ACROSS COUNTRY, ABROAD
Dawn, September 3rd, 2016

PESHAWAR: Khyber Pakhtunkhwa Chamber of Commerce and Industry has announced that it will organise 'made in Khyber Pakhtunkhwa' exhibitions in different provinces and abroad to build a soft image of the country and attract local and foreign investors to KP.

In a statement issued here on Friday, the chamber president Zulfiqar Ali Khan said the experience of an exhibition of the series held at Islamabad was successful wherein large number of local and foreign investors and diplomats participated.

In view of the positive feedback from the visitors to the exhibition, he said the chamber would take steps to arrange more trade fairs in other provinces and in different countries to attract business community to make investments in KP, to promote local products and build a soft image of the country.

Mr Ali said Punjab Governor Rafiq Rajwana, who was chief guest at the Islamabad exhibition, had appreciated the KPCCI's efforts and assured his cooperation to organise such an event in Lahore.

The KPCCI chief said agreements were signed with business community of different cities during the exhibition which had encouraged the chamber to continue its efforts for organising more events of the kind. He said the diplomats of various countries, including Iran, Sri Lanka, UK, US, Romania and Turkey and also appreciated the efforts of KPCCI to promote local products.

http://www.dawn.com/news/1281752/kpcci-to-hold-trade-fairs-across-country-abroad

STUDY FINDS GOVT'S FOCUS ON EXPORTERS RIGHTLY PLACED
The Express Tribune, September 2nd, 2016.

Lahore: Developing countries have sought to promote exports as a growth strategy since they are both – a source of higher demand and of coveted foreign exchange. Proponents of trade liberalisation argue that there is a positive relationship between openness of economy and productivity of its firms.

A research conducted by the Lahore School of Economics suggests that this works through the introduction of imports that increases competition and lowers the average cost of production due to the exit of low-productivity firms.

Research showed that the average sales from exports were approximately 51% of total sales in Punjab and that many exporters in Pakistan don't have a significant domestic presence. Exporting firms have been found to have 29% higher revenues and 150% more output even after controlling for firm level characteristics such as geographical locations and ownership status.

The labour productivity of exporting firms was found to be two to three times higher than that of non-exporters and exporters were doing better in terms of larger firm sizes, more employment opportunities, higher compensation and greater productivity.

The researchers found that apparel producers are doing well and exporting nearly 93% of their output. This sector employs on average 400 workers per organisation and offers significantly higher compensation which makes the sector favourable for exports. Therefore, the government's recent emphasis on developing the readymade garments sector is well placed.

The researchers also found generally that the capital to labour ratio among exporters was twice than that of non-exporters. Exploring some additional dimensions by which the exporting and non-exporting firms differ, it was found that the average exporting firms tended to use a larger share of imported material in their input mixes than non-exporting firms.

http://tribune.com.pk/story/1174439/study-finds-govts-focus-exporters-rightly-placed/

OBAMA ARRIVES IN ASIA, BUT HIS PACIFIC TRADE DEAL IS ALMOST DEAD
Dawn September 4th, 2016

David Francis

BARACK Obama Once Declared Himself The First Pacific President. But Now, As He Prepares To Meet Saturday With Group Of 20 Leaders In The Chinese City Of Hangzhou During His Last Visit To The Region As President, The Centrepiece Of His Pacific Policy Appears Moribund.

The President Spent Five Years Negotiating The Trans-Pacific Partnership (TPP) With 11 Other Countries In North America, Asia And Latin America Covering 40 Per Cent Of The Global Economy, Making It Potentially The Largest Trade Deal In US History. The White House Claims The Deal Benefits American Businesses By Eliminating Tariffs To Every TPP Signatory, Which Would Make American Exports More Competitive Across Asia.

The Independent US International Trade Commission Found That The Deal Would Increase US Annual Real Income By $57.3 Billion, Boost US GDP By $42.7bn, And Create 128,000 US Jobs By 2032.

But Those Economic Benefits Couldn’t Sell The Public On The Deal. Last Summer, After Obama Teamed Up With Republicans To Pass Fast-Track Trade Authority, Which Allows The White House To Quickly Push Through Trade Deals, He Seemed Poised To Get The Pact Sealed Before He Left Office. One Year Later, He’s Facing A Very Different Reality.

Pushed To The Left, Especially By The Insurgent Primary Run Of Sen. Bernie Sanders, Democratic Presidential Nominee Hillary Clinton Abandoned Support For TPP, Even Though She Had Championed It As Obama’s Secretary Of State.

Many Democrats Are Leery Of The Trade Deal’s Environmental And Labor Provisions, And Fear It Gives Too Much Bargaining Power To Big Business.

Her Republican Counterpart, Donald Trump, Has Made Opposition To Trade Deals Like TPP A Cornerstone Of His Campaign.

He Maintains It Would Benefit China, Even Though Beijing Is Not A Signatory; What’s More, The Death Of TPP Gives China The Opportunity To Negotiate Its Own Asian Trade Deal, The Regional Comprehensive Economic Partnership.

“The Bullet We Won’t Dodge Is When China Goes Into Countries On The Front Line And Says, As They Have Been Saying By The Way, ‘We Are Here, We Are Not Going Away, You Better Think Twice What Happens When President Obama Leaves Town,’” Michael Green, A Former Top East Asia Official In The Bush Administration, Told CNN Friday.

Also At Risk Is US Credibility. The Pact Was Negotiated In Good Faith. If America Abandons TPP, It Would Be A Major Blow To Washington’s Regional Credibility, As Singapore Prime Minister Lee Hsien Loong Suggested During A Visit To Washington Earlier This Month.

"For America's Friends And Partners, Ratifying TPP Is A Litmus Test Of Your Credibility And Seriousness Of Purpose," Lee Said. "Asian Countries Want America To Be Engaged. But We Need To Know That This Engagement Will Be Sustained, We Need To Know That Agreements Will Be Upheld, And That Asia Can Depend On America."

Obama Insists TPP Is Not Dead, And Is Promising A Push To Get It Passed During The Lame Duck Session Of Congress After November's Election. But If He Can't Get It Done There, It Will Fall To His Successor. Unfortunately For Obama's Trade Legacy, Both Candidates Have Vowed To Make Sure That TPP Withers And Dies On The Vine.

http:/www.dawncom/news/1281885

NEWS COVERAGE PERIOD FROM AUGUST 22ND TO AUGUST 28TH 2016
OBAMA READIES ONE LAST PUSH FOR TRANS-PACIFIC PARTNERSHIP
Jackie Calmes

International New York Times Aug. 22, 2016

WASHINGTON — His successor, whether Democrat or Republican, opposes it, as does most of his party. Delegates at the Democratic National Convention waved signs saying "T.P.P." slashed by a bold line, while the Republican Party platform opposed any vote on it in Congress this year.

Yet President Obama is readying one final push for approval of the Trans-Pacific Partnership, the largest regional trade agreement ever, between the United States and 11 other Pacific Rim nations. And though the odds may be long, a presidency defined by partisan stalemate may yet secure one last legacy — only because of Mr. Obama's delicate alliance with the Republicans who control Congress.

"Both parties have candidates who have very strong rhetoric against trade," said Representative Kevin Brady, Republican of Texas and chairman of the House Ways and Means Committee, which is responsible for trade. "Nonetheless, we can't grow America's economy unless we're not merely buying American but selling American all throughout the globe."

Still, he added, timing a vote "is absolutely dependent on support for the agreement."

Although the administration's push will begin in September, no vote on the accord will occur before the election. Just as the White House and congressional Republican leaders mostly agree on the economic benefits of trade, they have parallel political interests in delaying debate.

Republicans do not want to provoke attacks from their presidential nominee, Donald J. Trump, who called the trade accord "a rape of our country," or hurt other Republican candidates. Mr. Obama does not want to make trouble for the Democratic nominee, Hillary Clinton, who has struggled to persuade voters of her sincerity in switching from support of the pact to opposition. This month, during an economic address in Michigan, she declared, "I oppose it now, I'll oppose it after the election and I'll oppose it as president."

Yet the administration does not plan to be silent or forfeit hopes for a postelection vote.

Mr. Obama, who advocated the trade accord in a pre-vacation news conference, will rejoin the debate during an early September trip to Asia. Cabinet officials will fan out to promote the agreement, which would end 18,000 tariffs and other nontariff barriers that Japan, Australia and the other nations have against American imports and services, and set new rules for labor and environmental practices.

While administration officials and bipartisan surrogates will counter opponents' economic arguments, a big focus will be on national security. Mr. Obama has emphasized that the pact would expand American influence in the Asia-Pacific region as a counterweight to China, which is not part of the pact.

Among those who will hit the road will be Secretary of State John F. Kerry; Secretary of Defense Ashton B. Carter; retired Admiral Michael G. Mullen, former chairman of the Joint Chiefs of Staff under Presidents George W. Bush and Obama; Admiral Harry B. Harris Jr., commander of the United States Pacific Command; and William Cohen, a former Republican senator and defense secretary under President Bill Clinton.

Business and agricultural associations have been campaigning through the summer. The Business Roundtable, an association representing the chief executives of some of the largest American companies, has held events in more than 120 congressional districts during lawmakers' summer recess.

Last week, with families making back-to-school purchases, the lobbying association for footwear companies circulated a report concluding that Americans could save $4 billion on children's shoes if T.P.P. takes effect and cuts tariffs on imports from Vietnam and elsewhere.

Environmental and labor groups have been active, too, holding "Rock against the T.P.P." concerts in several cities and flying protest blimps outside lawmakers' offices.

"Even the most ardent supporters of the bill, which would include us, would say, 'Please don't put a bill on the floor if you don't have the votes,'" said Bill Miller, a vice president at the Business Roundtable. "The parties have been working pretty well to get resolution, but they're not there yet."

Talks have begun between administration officials, chiefly Mr. Obama's trade ambassador, Michael B. Froman, and Republican leaders, including Mr. Brady and Senator Orrin G. Hatch, chairman of the Senate Finance Committee. But essential negotiations over Republican objections are not likely to take place until Republicans decide Congress will act.

Mr. Brady and others cite progress in addressing lawmakers' concerns about Japanese pork, labor rights in Mexico and financial companies' data protections. But other issues remain.

Many Republicans and the tobacco industry object that the tobacco companies would be barred from using international trade tribunals to sue countries that restrict smoking. More problematic is the complaint of Republicans, led by Mr. Hatch, and the pharmaceutical industry that the agreement would undercut drug makers' intellectual property protections on the advanced drugs known as biologics. The issue was the last to be settled among the T.P.P. countries in October; other nations demanded fewer years of protection, to hasten the production of less costly generics.

Mr. Hatch, in a statement, also said he wanted to see written plans from the T.P.P. nations on how they would "abide by their commitments."

"Those issues have to be addressed in a positive way before we can move forward," Mr. Brady said, echoing the House speaker, Paul D. Ryan of Wisconsin, and the Senate majority leader, Mitch McConnell of Kentucky. "But the White House really needs to pick up the pace if we're going to consider it this year."

Yet satisfying Republicans, who not only run Congress but also provide the bulk of pro-trade votes, risks costing critical Democratic votes.

Senator Ron Wyden of Oregon, senior Democrat on the Senate Finance Committee, said in a statement, "Republicans have made clear they want to gut the public health, pharmaceutical, labor and environmental provisions, which President Obama has said he will not do, and which I strongly oppose."

The White House cannot afford to lose much support. The template vote is Congress's narrow approval last year of a "fast track" law that cleared the way for final negotiations on the Pacific pact, by allowing an up-or-down vote without amendments that could unravel the agreement.

In the House, all 28 Democratic supporters remain on board, both sides say. While House Republicans have not counted yet whether they still have at least 190 votes for T.P.P., Mr. Brady said, pro-trade Republicans "are in a good place" if the outstanding issues get resolved.

But the climate has shifted for the traditionally pro-trade party. A new poll from the Pew Research Center found that since May 2015 — just before Mr. Trump began his campaign — the percentage of Republican and Republican-leaning voters with negative views of trade pacts increased 22 percentage points, to 61 percent.

Last week, Senator Patrick Toomey, a Republican fighting for re-election in Pennsylvania, announced he had switched against T.P.P., following Senator Tim Kaine of Virginia, who did so after becoming Mrs. Clinton's running mate.

Of the 60 senators who supported the fast-track bill last year, at least five have now come out against T.P.P. It will need at least 50 votes, assuming Vice President Joseph R. Biden Jr. is the tiebreaker.

"There is a big gap between the rhetoric of the campaign and even in what you see in the polls," Mr. Froman said. "It's going to be hard. But the votes will be there."

http://www.nytimes.com/2016/08/22/business/international/trans-pacific-partnership-obama.html

BULOG DELEGATION COMING: REAP WISHES TO NEGOTIATE RICE EXPORTS TO INDONESIA
The Express Tribune, August 27th, 2016.

Peer Muhammad

ISLAMABAD: The Rice Exporters Association of Pakistan (REAP) has sought permission to negotiate with a delegation of Indonesian organisation Bulog, which is expected to arrive next week, for the export of Pakistani rice.

The delegation of Bulog – the state logistics agency – is coming to hold negotiations with authorities in Pakistan for the import of rice.

Earlier this year, Pakistan signed an agreement with Indonesia for the sale of one million tons of rice estimated at around $400 million over four years. The export will be made through the Trading Corporation of Pakistan (TCP) rather than the private sector including the rice exporting association – REAP.

Following the MoU, REAP came up with the argument that since it was the duty of private sector to export, the government must not get involved in the business, rather, it should facilitate and support the private sector.

Talking to The Express Tribune, REAP former chairman Rafiq Suleman said the delegation of Bulog was coming and the government should ensure that the private sector was authorised to execute the rice export agreement so that shipments could be smoothly carried out.

He said it would be more appropriate to leave business and trade matters to the private sector, which could proceed in a better way and provide quality services.

He also pointed out that REAP had got no assistance under the Export Development Fund for holding exhibitions and sending delegations to different countries for the promotion of rice exports.

Suleman argued that REAP was against the involvement of any government body in trade matters as it could not do business due to compromises on quality and standards.

He was of the view that if the government jumped into business, it would create long-term problems. "Following visits of REAP delegations to various countries including Iran, there was a good response from international markets," he said.

The TCP finalised the first tender of 15,000 tons of rice for export to Indonesia, which included 5,000 tons of basmati rice and 10,000 tons of non-basmati rice.

Pakistan was the first country outside the Association of Southeast Asian Nations (Asean) to have a rice export agreement with Indonesia.

http://tribune.com.pk/story/1170659/bulog-delegation-coming-reap-wishes-negotiate-rice-exports-indonesia/

NEWS COVERAGE PERIOD FROM AUGUST 15TH TO AUGUST 21ST 2016
TRADE DEFICIT WITH CHINA SWELLS TO $6.2 BN
Dawn, August 16th, 2016

Shahid Iqbal

KARACHI: Pakistan's trade deficit with its largest trading partner China widened to $6.223 billion in the previous fiscal year.

The increase in the deficit came as Pakistan's exports to China falter while imports from that country have been increasing for the last five years.

The volume of Pakistan's overall trade with China was $10.029bn in the fiscal year 2015-16, including $1.903bn exports and $8.126bn imports.

There is no improvement in trade in favour of Pakistan with Beijing despite China-Pakistan Economic Corridor (CPEC). Though shrinking foreign direct investment in Pakistan was still dominated by China during FY16, the size was insignificant.

The trade deficit with the United Arab Emirates (UAE), which was the second biggest exporter to Pakistan after China, was $4.941bn in the preceding fiscal year.

Pakistan imported goods worth $6.021bn from the UAE while the exports were just $1.080bn. Both exports and imports to the Emirates dropped in the previous fiscal year.

Some analysts have cautioned that the rising Chinese influence in the economy of Pakistan could be counterproductive if Islamabad failed to avail the opportunities emerging out of close relations with Beijing.

Due to unusually large trade deficits in the preceding fiscal year, Pakistan had to use remittances being sent by the overseas Pakistanis to meet the shortfall. The remittances in FY16 came in at $20bn, but the country still faced the current account deficit of more than $2.5bn.

http://www.dawn.com/news/1277774/trade-deficit-with-china-swells-to-62bn

PAKISTAN MUST STRENGTHEN BANKING LINKS TO BOOST BILATERAL TRADE, SAYS IRANIAN ENVOY
Dawn, August 16th, 2016

Ali Hazrat Bacha

PESHAWAR: Before strengthening bilateral trade, Pakistan should facilitate Iran in banking transactions to help our traders, Iranian Ambassador to Pakistan, Mehdi Honardoost said on Monday.

Meeting with the business community of Khyber Pakhtunkhwa and office bearers of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI), he said, “We are in the era of turning around our economy and Pakistan businesses should garb this opportunity.”

“Iran is a tested friend of Pakistan and we never want to interfere in Pakistan’s internal matters,” he added.

He urged the FPCCI to share information of businesses and businessmen with the Iranian Embassy so that they can be facilitated better.

The Iran-Pakistan Gas Pipeline project would be for Pakistan which needs to overcome its energy needs on affordable rates, he stressed.

Bilateral trade between Afghanistan and Iran during sanctions were $2.5 billion and comparatively trade with Pakistan was not more than half a billion dollar, he said.

“I am shocked and unsatisfied. In the last three decades, why didn’t you enhance further corporation with us regardless of what the other countries were doing?” he questioned.

The FPCCI office bearers urged Iran to allow imports of kinno and potato from Pakistan.

FPCCI Vice President and Regional Chairman Riaz Khattak said it was high time trade barriers were removed, allowing the two countries to become a strong economic bloc in the region.

He urged for the implementation of the Preferential Trade Agreement (PTA) which was signed back in 2006.

FPCCI Chairman Standing Committee on Horticulture Ahmad Jawad said Pakistan’s halal meat and horticulture sectors hold immense potential for trade with Iran. He urged for business-to-business interactions between the two countries.

Vice President Islamic Chamber of Commerce (ICCI) Senator Ghulam Ali proposed a joint seminar to discuss bottlenecks which hampered bilateral trade between Iran and Pakistan.

He urged the State Bank of Pakistan to expedite the matter to facilitate banking transactions between the two countries.

The meeting was attended by leading businessmen, representatives of Mardan and DI Khan Chambers of Commerce and Industry as well as seniors members of the FPCCI.

http://www.dawn.com/news/1277769

COOPERATION: PAKISTAN, TAJIKISTAN DISCUSS ENERGY, TRADE TIES
The Express Tribune, August 16th, 2016.

ISLAMABAD: In a bid to foster regional ties, Tajikistan Ambassador Jononov Sherali called on Federal Minister for Water and Power Khawaja Muhammad Asif on Monday to discuss how to further strengthen the bond between the two countries.

During the meeting, areas of mutual interest and bilateral cooperation in the field of energy, trade and defence came under discussion.

The minister said Pakistan highly valued its relations with Tajikistan and wanted to enhance the ties between the two countries.

He said Pakistan and Tajikistan had enjoyed a very close relationship in the past and continued to do so at present. “We have coordinated in various fields such as energy and defence and should look into other sectors where we can join hands,” said Asif.

The minister said Pakistan’s economy was progressing at a swift pace and initiatives taken by the government had encouraged the international community to invest in the country, especially in energy and infrastructure development.

“Mutual trade and people-to-people contact may further enhance bilateral relations,” he added.

The ambassador, while appreciating the progressive steps being taken by the Pakistan government and the Ministry of Water and Power for the development of energy sector, assured them of his cooperation for enhancing bilateral engagement in the energy, economic and defence spheres.

http://tribune.com.pk/story/1163157/cooperation-pakistan-tajikistan-discuss-energy-trade-ties/

TRANS-PACIFIC PARTNERSHIP & PAKISTAN
The Express Tribune, August 17th, 2016.

Ahmed Ilahi

With ‘The Donald’ contesting a presidential election, this campaign was always going to feel a little like a reality television show. For instance, media coverage so far has delivered a breathless examination of the presumptive first lady, Melania Trump; Slovenian supermodel, American soccer mom and as it now turns out, star attraction at a dodgy photoshoot. So while it’s tempting to dismiss the Republican campaign as a study in the somewhat vapid and the outright bizarre, there’s actually a lot more to it.

So far, Trump’s signal contribution to the election season debate has been a vigorous attack on the proposed Trans-Pacific Partnership (TPP). Conceived in an effort to limit Chinese influence in the Asia Pacific, the TPP is intended to integrate that region in an economic alliance with major Western powers, chief among them the US. The basic mechanics of the pact are fairly simple — removal of tariffs, expedited customs clearance and reduced restrictions on transnational banking.

Of the 12 participating nations, only the US houses a major consumer market. So while exports are expected to rise for all, the most benefit is likely to be realised by countries that have become manufacturing hubs for high-end consumer goods, like Vietnam, Mexico and to a lesser extent Malaysia.

The sheer scale of economic activity likely to be affected is massive; the bloc would constitute no less than 40 per cent of global GDP and projected commercial benefits far exceed every comparable free trade agreement in the region. For member nations then, a harmonised trade regime will attract increasing trade flows into its own orbit. Unfortunately for non-members like Pakistan, much of this gain is expected to be at our expense.

Take for example the export of textiles. As outlined in The New York Times, the textile trade is likely to be governed by a “yarn forward” rule or a condition that garments may only qualify for duty free access if they are both manufactured within the trading bloc and composed of yarn originating in a member nation.

Within the TPP, the US is the only major producer of textiles. Effectively, the rule guarantees protection for these products. Due to higher costs, exports of American cotton and yarn have remained chronically uncompetitive for some time now.

However, with duty free access to American retailers guaranteed, garment manufacturers within the trading bloc are expected to turn away from traditional export leaders like Pakistan and towards American textiles.

For Pakistani textiles, one possible remedy involves moving into the trade zone. According to Bloomberg, established textile names from China have already relocated manufacturing capability to Vietnam and more are likely to follow.

Alternatively, textile manufacturers may consider reorienting towards countries not in the TPP fold. Obvious destinations include China and South Korea. And yet counter-intuitively, our exports to both have shown a downward trend in recent years. Yarn exports to China have fallen steadily even as demand in that country has increased.

Over the last two years, India has overtaken Pakistan as the leading exporter of yarn to China. Exports to South Korea have plunged at an even greater rate. Year on year decreases of 33 per cent in 2013 and 23 per cent in 2014 reflect just how difficult it will be for Pakistani textiles to remain viable if the TPP comes into force.

Having secured executive approval in the US last year, it was expected the trade deal would be ratified by Congress at some point this fall. But of course, Trump wasn't expected to be the Republican candidate for president — and his rhetorical assault on the pact was certainly not expected to polarise public opinion to such devastating effect. Understandably, Congressional support for the deal has plummeted and US participation in the bloc appears uncertain.

Integration is the watchword for every aspirational economy in the world today. Liberal and standardised trade regimes are universally accepted as some of the best accelerators of economic growth. So yes, it's possible the TPP may never come into force — at least in its current iteration.

But this doesn't mean economic integration in our part of the world can be ignored. If the economic outlook here in Pakistan is to be anything other than grim, we must urgently rectify the cocktail of deficiencies that have long plagued our local industry.

Tailpiece: Just how toxic is talk of the TPP this election year? In a flip flop that has become emblematic of the Democratic Party, Secretary of State Clinton was for the trade deal but presidential candidate Clinton now opposes it.

Except campaign surrogate and longtime Clinton confidante, Governor Terry McAuliffe claims the candidate intends to reverse her position yet again if she ends up in the White House. A clarification that doesn't really clarify anything at all. Predictably, Clinton representatives deny the claim. Go figure.

http://tribune.com.pk/story/1164055/trans-pacific-partnership-pakistan/

CONSULTATIONS ON TRADE POLICY FROM TODAY
Dawn, August 18th, 2016

ISLAMABAD: The Ministry of Commerce has initiated consultations with the private sector and other stakeholders to effectively implement the Strategic Trade Policy Framework (STPF) 2015-18.

The ministry is holding a seminar today in Karachi in this regard to create awareness among the private sector and other stakeholders on the initiatives provided in the framework for their optimum use by the private sector.

Seminars in Lahore, Sialkot and Faisalabad will be held on Aug 22, 24 and 26, respectively.

During the consultative workshops, the private sector would be educated on procedural requirements, eligibility criteria and other formalities to avail incentives provided in the framework.

According to a statement issued by the commerce ministry on Wednesday, these workshops would help get feedback from the private sector for course corrections in the current STPF and implementation monitoring of the trade policies. Besides, they would help in developing partnerships with the private sector for the implementation of the framework.

The consultations would also help identify areas and issues for further research and analysis which may assist the Ministry of Commerce in designing the future frameworks.

The statement said that for successful formulation and implementation of government policies, constructive collaboration and partnership was necessary among public and private sectors and academia.

The ministry announced the policy framework with the major targets of increasing annual exports from $23.66 billion in 2014-15 to $35bn in 2017-18, by improving exports competitiveness, transition from factor-driven economy to innovation-driven economy and increasing the share of Pakistan's exports in regional markets.

http://www.dawn.com/news/1278185

MANGO EXPORTS TO REACH $200M IN TWO YEARS
Dawn, August 19th, 2016

KARACHI: Mangoes are fetching a price of $600-700 per tonne (FOB) in various foreign destinations this current season compared to $400-500 shipped last year.

Waheed Ahmed, Chairman All Pakistan Fruit and Vegetable Exporters, Importers, and Merchants Association (PFVA), said so far the country fetched $48 million through 80,000 tonnes of mango exports. The current year export target of 100,000 tonnes is expected to be met in the next 42 days.

Mr Ahmed said last year, exporters' targeted 100,000 tonnes but only 68,000 tonnes of mangoes were actually exported. Bad weather and a late winter damaged 60 per cent of Punjab's mango crops last year.

A drastic jump in the export of mangoes to European countries has been recorded this year with 8,400 tonnes exported compared with 5,500 tonnes last year.

He said exports could rise to $700m if more focus was given to research and development. He also said coordinated efforts from institutions related to the horticulture industry were also needed.

He expected $200m worth of mango exports in next couple of years if the government maintains support and supervisions to the sector.

Mangoes are Pakistan's second largest fruit export after kinno which fetches around $200m annually.

As per figures from the Pakistan Bureau of Statistics, total fruit exports stood at 679,765 tonnes ($427m) in 2015-16 as compared with 682,102 tonnes ($438m) in 2014-15.

http://www.dawn.com/news/1278459/mango-exports-to-reach-200m-in-two-years

TRADERS URGED TO UTILISE MULTAN DRY PORT
The Express Tribune, August 20th, 2016.

MULTAN: The up-country dry port has contributed a lot towards the national exchequer and played a vital role in development of exports but there is lethargy in resolution of problems by concerned departments, said Multan Dry Port Trust Chairman Muhammad Ahmed Chughtai.

Addressing a meeting of Custom Clearing agents and members of the Multan Chamber of Commerce and Industry (MCCI), Chughtai said the trading community should utilise the facility of Multan dry port for its survival while their problems would be redressed on top-priority basis.

He said that exporters were not using the up-country dry port due to considerable delay in refund of rebate claims as compared to duration of refund of rebate claims at Karachi Collectorates. "Ruthless double checking of export consignments by the Anti-Narcotic Force, WeBOC system is creating problems for exporters instead of facilitating them."

"In the Web Based One Customs (WeBOC) system, it is extremely difficult to rectify even a simple typographic error," said MCCI President Khawaja Muhammad Yousaf. "A number of times issues regarding WeBOC were conveyed and discussed with departments concerned but nobody cared or took notice."

"Similarly, licences of bonded carriers are suspended every month, which halt the export and import processes and cause the missing of vessels and financial loss," he added.

Meanwhile, FPCCI Vice President Syed Muhammad Aasim Shah said a help desk should be formed immediately to facilitate exports and imports round the clock to rectify errors in the WoBOC system, hence paving way for the smooth clearance of consignments.

http://tribune.com.pk/story/1166168/traders-urged-utilise-multan-dry-port/

NEWS COVERAGE PERIOD FROM AUGUST 8TH TO AUGUST 14TH 2016
PREVENTING DECLINE OF RICE EXPORTS
Dawn, Business & Finance weekly, August 8th, 2016

Ashfak Bokhari

PAKISTAN'S rice exports have been falling in recent years, mainly due to higher prices, energy crisis, poor quality seeds, low yield and persistently lower commodity prices in global markets.

The fall has a bearing on the country's economy for rice is the second main earner of foreign exchange for the country after textiles.

However, the office of Global Analysis of USDA has raised Pakistan's exports forecast by 0.1m tonnes to 4.5m tonnes on a stronger pace of trade.

In the just-ended fiscal year of 2015-16, rice exports witnessed a decrease of 8.60pc. The country earned $1.86bn from these exports during the year compared to $2.04bn earned in the fiscal year 2014-15. Besides, 503,037 metric tonnes of basmati worth $455.25m was exported as compared to 523,450 tonnes a year ago, valuing $601.27m.

Meanwhile, for 2016-17, USDA Grain Report forecasts global production at a new record, primarily due to a larger crop in the United States, while global trade is forecast lower, with reduced imports and consumption in Bangladesh, Iran, and Nigeria. USDA expects about 20pc larger purchases by Saudi Arabia and Azerbaijan from Pakistan. Saudi Arabia would in fact import about 1.6m tonnes of rice during the period. The USDA maintains Pakistan's rice export quotes at $410/tonne.

The Rice Exporters Association of Pakistan (REAP) in a recent meeting with officials of the ministry of national food security and research in Islamabad pleaded for measures to either reduce the cost of production or introduce high-quality seeds to increase productivity.

The ministry asked the chief secretaries of the provinces to take appropriate measures to facilitate growers in lowering the cost.
While looking into the reasons for decline in exports, the fact remains that high production cost of rice is hampering its sales in the international market. Exporters are finding it difficult to sell the commodity because of sluggish demand and comparatively higher price.
The price of Pakistani rice is higher than the paddy produced by India and other regional countries. The price of Pakistani basmati is higher by at least $100 to $150 compared to Indian basmati, and, hence, selling it is a big challenge.

Since 1997, no new basmati seed has been introduced in the market and that's the reason for the low yield per acre, which has pushed rice prices higher. India, on the contrary, has introduced five new seed varieties in the last 10 years and that has helped it in increasing yield.

Another step the government could take is to subsidise rice exports so that the stock could be disposed of, Malik Jahangir, a REAP official suggested. "If we fail to export the existing stock, then next year farmers will not grow the grain." The association also wrote to the Rice Research Centre, Kala Shah Kaku Lahore, but received no appropriate response.

An office-bearer of the Pakistan Rice Growers Association says hybrid varieties are becoming popular and being used in many areas, giving better results. Pakistan's rice exports have crossed the 4.0m tonne mark in the past. If the country's production during the year 2016-17 reaches 7.0m tonnes, trade surplus will surely surge to 4.5m tonnes.

But the problem arises from the lower prices being paid to growers which are compelling them to shift to alternate crops. A number of rice growers in Sindh have already switched to sugarcane due to low rice prices. However, the hybrid seed, one of them say, can resolve the problem, for it produces higher yields on smaller land. China, being a big market, likes to use hybrid seeds for better results. However, there are concerns among Pakistani farmers and officials regarding effects of hybrid produce on both human beings and the soil.

Although the United States produces less than 2pc of the world's rice, it is a major exporter, accounting for more than 10pc of the global rice trade per annum.

In Thailand, rice and corn production in 2016-17 is expected to gradually recover from drought-reduced production in 2015-16 due to an acreage expansion and average yields. Rice production is forecast to increase to 17.5m metric tonnes, up 11pc from 15.8m tonnes in the just-ended fiscal year, assuming some recovery of off-season rice production.

While new-crop rice supplies are tight in 2016, larger supplies in 2017 will potentially boost Thai rice exports to 10m tonnes. Meanwhile, supplies from new-crop in 2016 will likely limit Thai rice export potential at around 8m tonnes.

http://www.dawn.com/news/1276077

PAKISTAN'S EXPORTS TO INDIA ON DOWNWARD SPIRAL
The Express Tribune, August 10th, 2016.

Riazul Haq

ISLAMABAD: The government has admitted that Pakistan's exports with its neighbouring countries have been sliding since 2012-13.

As the trade liberalisation agenda has been put on the back burner, the gains made through trade liberalisation with India have started to reverse, official statistics show.

During first eleven months of FY2015-16, the volume of bilateral trade with India was less than recorded during FY2012-13, according to the information provided by the Ministry of Commerce to the National Assembly recently.

The volume of bilateral trade amounted to Rs206 billion during July-May of the last fiscal year, the ministry said. It was Rs232.6 billion during FY2012-13 – the first year after trade liberalisation.

Pakistan, in 2012, took a giant step by replacing the Positive List of 1,946 items, which could be imported from India, with the Negative List of roughly 1,250, which cannot be traded.

As per the figures provided to the Lower House of parliament, there is a constant decline – both in imports and exports – since 2012-13. The export value was Rs35.5 billion during FY2013-14 which jumped to Rs46.4 billion during FY2014-15, but during FY2015-16, it started squeezing to Rs41.5 billion.
Similarly, the import value has also witnessed a downward trend – from Rs197.2 billion during FY2012-13 to Rs162.0 billion up to May 2016.

Surprisingly, besides India, Pakistan's exports value is also witnessing a decline since 2012-13. The statistics stated that the downward trend is also vivid in exports with Afghanistan, China, and Iran.

The export value of trade with China was Rs260 billion during FY2012-13. It has slipped to Rs162 billion during 2016. While the Chinese import value of trade with Pakistan has seen a whopping increase – from Rs722 billion during FY2012-13 to Rs1.11 trillion till May 2016.

Our exports volume with Afghanistan was Rs183 billion during FY2012-13, but it came down to Rs140 billion during FY2015-16. Similarly, with Pakistan, Iran's export value was Rs9.4 billion in that specific period and it has also started going down till May 2016 which is Rs3.4 billion.

The ministry has also stated that the value of exports through the border with Iran has currently come to zero from Rs36 million in 2012-13.

http://tribune.com.pk/story/1159210/trade-concerns-exports-india-downward-spiral/

MORE BORDER CROSSING POINTS TO BOOST TRADE WITH KABUL: DASTGIR
Dawn, August 11th, 2016

ISLAMABAD: More crossing points at the Pak-Afghan border would be opened soon to facilitate trade between the two countries, Minister for Commerce Khurram Dastgir Khan said on Wednesday.

Addressing the concluding session of Pakistan, Afghanistan and Central Asian Republics Trade Summit (PACTS), the minister said Pakistan is practically re-discovering Central Asia to further enhance trade activities with the countries there.
The day-long PACTS event was organised by the Rawalpindi Chamber of Commerce and Industry (RCCI) in collaboration with USAID.
Mr Khan said the purpose of regional connectivity is to improve quality of lives of people in Pakistan, Afghanistan and Central Asian states including Kazakhstan, Tajikistan, Kyrgizstan, Turkmenistan and Uzbekistan

"Pakistan attached highest importance to economic relations with Afghanistan and Central Asian states and in future we would see up-tick in the country's exports and transit trade with these nations," he said.

"We are also interested in initiating a Preferential Trade Agreement with Afghanistan and a proposal has already been sent to the neighbouring country," he added.

He said Pakistan Railways would also play a role in transporting goods to reduce the cost of doing business.

He added that visa issues would be resolved in the upcoming TIR convention.

Mr Dastgir said due to the government's efforts in last three years, stability had been brought in Pakistan as energy crisis was gradually subsiding, infrastructure was being up-grading and terrorism was also being controlled.

He said the government was committed to complete CASA-1000 and Turkeminstan, Afghanistan, Pakistan, India (TAPI) energy projects.

Mr Dastgir said the $46 billion China Pakistan Economic Corridor (CPEC) is going to transform the destiny of the people of the region. “Significant benefit of CPEC is connectivity between China, Pakistan, South Asia and Central Asia,” he added.

RCCI President Humayun Pervaiz said PACTS would help explore new trade avenues, business opportunities and allow for discussing trade aspects for doing business between Pakistan, Afghanistan and Central Asian countries.

http://www.dawn.com/news/1276765

DASTGIR HINTS AT DOWNWARD REVISION IN EXPORT TARGET
Dawn, August 14th, 2016

Mubarak Zeb Khan

ISLAMABAD: The country has missed the export target for the outgoing fiscal year by a wide margin and is unlikely to come closer to the ambitious export goal of $35 billion projected under the Strategic Trade Policy Framework (STPF) 2015-18. The policy implementation was delayed by almost a year and even the support measures announced by the government for boosting exports from July 1, 2016 have yet to be implemented.

“We have not received funds from the finance ministry in July 2016 to provide support to the exporters under the framework,” a source said, adding that an amount of Rs20 billion has been stuck under the Export Development Surcharge (EDS).

The EDS is being charged on export proceeds to be used for the facilitation of exporters. This amount, however, has been used by the finance minister for other purposes over the years, the source added.

In a written reply to queries emailed by Dawn, Commerce Minister Khurram Dastgir Khan has said the export target of $35bn was fixed in a trading environment which was fundamentally different than what has developed during the last one year.

Pakistani exporters are struggling in a difficult trading environment where global trade has contracted and most of the countries with similar product-mix have suffered a decline in exports, the minister said.

“Due to the multiple exogenous and endogenous factors we think that an adjustment in the export targets would have to be made,” the minister hinted for downward revision in the target.

Asked about the falling exports, the minister said that his ministry has been closely monitoring the export performance and is in continuous dialogue with the private and public stakeholders to reverse the trend.

For the sector-specific measures announced in the STPF, the government is trying to ease the pressure on the export sector through multiple measures like improving access to energy, downward adjustment in electricity tariff, lowering of interest rates and zero rating of leading export sectors, the minister said.

Besides, he said his ministry has been negotiating for more policy space for export sector within the overall economic policy environment.

A trade analyst said that the exports are falling because of structural weaknesses. With the current composition or structure of trade, Pakistan might not even touch the export figure of $30bn in the foreseeable future.

Pakistan’s textile exports constitute over 55pc of total exports. In total textile, 40pc share is of commodities, while in $6bn worth agriculture products exports the share of commodity is 74pc.

So the rise and fall in commodity prices drastically impacted the country overall exports. In 2009-10, the boom in commodity price edged up Pakistan overall exports to $24.5bn, while the fall in commodity price in 2015-16, the export proceeds was dragged down to $20bn.

"Cotton price is again picking up and it might help to push up exports to around $25bn in next two to three years but beyond this with current structure will be an imagination," a trade official said.

According to data, in 50 countries export profiles which is $40bn each, there is not a single country which has more than 25pc share of commodity component in total exports. Resultantly, only market access is not sufficient to boost exports from Pakistan. There is a dire need to adopt the policy that exports only increases with innovation and value creation, the official added.

http://www.dawn.com/news/1277386

MEAT INDUSTRY: FPCCI PUSHES FOR STRONGER HALAL MEAT INDUSTRY
The Express Tribune, August 14th, 2016.

Peer Muhammad

ISLAMABAD: Federation of Pakistan Chambers of Commerce and Industry (FPCCI) has sought a stronger domestic halal meat industry through value addition.

Talking to The Express Tribune, chairman of the Regional Standing Committee of FPCCI, Ahmad Jawad, said Pakistan has immense potential in the Halal meat sector as the country has more than 159 million animals."Pakistan can be a leading player in the Halal meat industry through value addition," said Jawad.

He said that the ban on slaughtering cows, imposed by some states in India, was yet another opportunity for Pakistan to capture the $4.5 billion market left over in the world and this requires a proper strategy on a priority basis.

However, recently Pakistan has started importing meat from India without there being any particular need for it and the matter has also been raised in the National Assembly by Pakistan Tehreek Insaf (PTI) MNA Shafqat Mahmud.

It may be noted that Pakistan was ranked 18th in the production of Halal meat but its volume was only 2.9% of the global production. He projected that with a 100% halal production base, Pakistan has direct access to 470 million consumers in Central Asia, Middle East and Europe.

Since 2003, Pakistan's Halal meat export has increased at a Compound Annualised Growth Rate (CAGR) of 29.1%, growing from $14 million in 2003 to $230 million in fiscal 2014.

Despite the growth having slowed down to 9.5% in 2013-14, experts still believe that the industry has room to grow.

http://tribune.com.pk/story/1161906/meat-industry-fpcci-pushes-stronger-halal-meat-industry/

NEWS COVERAGE PERIOD FROM AUGUST 1ST TO AUGUST 7TH 2016
'ISLAMIC WORLD SHOULD FOCUS ON INNOVATION TO BOOST TRADE'
Dawn, August 3rd, 2016

JAKARTA: The Islamic world should put forth new ideas and innovation-based research to recover from its economic inertia, Minister for Commerce Khurram Dastgir Khan said on Tuesday.

“We are suffering not only from pervasive poverty of our people but also from a poverty of ideas on how to bring about an economic revolution to improve the lifestyles of our people,” he said while speaking at the 12th World Islamic Economic Forum (WIEF), being held in Jakarta, Indonesia, from Aug 2-4.

“We suffer from a poverty of ideas to facilitate our private sector within the Organisation of Islamic Cooperation (OIC) behind our borders, at our borders, and beyond our borders,” he added.

The forum was to be attended by Prime Minister Nawaz Sharif. However, he nominated Mr Dastgir to represent Pakistan on his behalf.

Emphasising the need to provide equal opportunities for all the Muslims, the commerce minister said the Muslim world had to empower future businesses by de-centralising growth so that the benefits of economic progression may trickle down.

He said Pakistan was committed to strengthening intra-OIC economic and trade cooperation to further the cause of economic integration of Muslim states leading to the establishment of a common Islamic market.

Mr Dastgir apprised the participants of the efforts Pakistan has made to integrate itself with the Muslim world in trade, logistics and economic cooperation.

Trade Preferential System of the OIC (TPS-OIC) was one of the most important projects of the organisation to foster trade among the member states, he mentioned.

This system is based on three agreements, namely the Framework Agreement, the Protocol on Preferential Tariff Scheme (PRETAS) and the Rules of Origin.

The minister said that Pakistan has already signed and ratified the required three agreements pertaining to TPS-OIC and submitted the concession list to the OIC Secretariat.

He said Pakistan has also been pursuing trade partnerships with OIC member countries through preferential trade agreements, free trade agreements and various other bilateral arrangements.

He informed the audience that Pakistan has signed and ratified the World Trade Organisation’s (WTO) Trade Facilitation Agreement. “This reflects our commitment to a transparent, simple, de-regulated and private sector-driven business environment,” he said.

The minister emphasised the need for more frequent interaction among policy makers and the private sector.

He said Pakistan offered its full support to initiatives for liberalisation of trade, investment and services as well as travel facilitation between Islamic countries. He also called upon the Muslim world to join hands for deeper trade liberalisation, and for more extensive technical and knowledge collaboration in other fields of economy.

The WIEF was inaugurated by Indonesian President Joko Widodo. Malaysian Prime Minister Najib Razak, who is also the patron of the WIEF Foundation, made a special address at the forum.

Leaders and representatives of Kuwait, Qatar, Bangladesh, Nigeria, Algeria, Tajikistan, Jordan, Guinea, Sri Lanka, Vietnam, Thailand, South Africa and the Islamic Development Bank also spoke on the occasion.

http://www.dawn.com/news/1274944

INDONESIAN ENVOY FOR GREATER TRADE
Dawn, August 3rd, 2016

KARACHI: Indonesia is eager to provide maximum facilities to Pakistani businessmen for investment and to increase bilateral trade, according to a statement by Consul General of Indonesia Hadi Santoso during his visit on Tuesday to Federation of Pakistan Chambers of Commerce and Industry (FPCCI).

He further said that the trade volume between Pakistan and Indonesia has increased by over 300 per cent in the last five years and steps are being taken to further increase this volume. The volume of bilateral trade in 2010 was $700 million and has boosted to $2.3 billion in 2016.

He added that his country has exemplary diplomatic and political ties with Pakistan.

The Indonesian envoy lauded the FPCCI for their significant role in promoting bilateral trade relations between the two countries.

He said Indonesia also aspired to fortify cooperation with Pakistan in the sectors of tourism, education, culture and science and technology.

Senior vice president FPCCI Sheikh Khalid Tawab said that FPCCI wants to see higher volume of trade between Pakistan and Indonesia for which it was ready to play its due role by exchanging trade delegations and holding trade fairs.

http://www.dawn.com/news/1274941

‘PAKISTAN’S GLOBAL TRADE SHARE GROWS 5.5PC IN FIVE YEARS’
Dawn, August 4th, 2016

ISLAMABAD: Pakistan’s trade share in the global market has increased by 5.48 per cent during the last five years, Minister for Law and Justice Zahid Hamid said on Wednesday.

He was speaking during National Assembly’s question-hour. The minister said Pakistan’s global export share in 2015 had increased by 3.50pc as compared to 2014.

He expressed hope that country’s trade share in global market would further increase due to upcoming economic activities under the China-Pakistan Economic Corridor (CPEC), regional trade arrangements and Strategic Trade Police Framework (STPF).

The government was well aware of the real issues affecting the country’s exports such as terrorism, energy crisis, low investment inflows and high cost of doing business, he said.

Several steps were taken relating to high cost of doing business, market access and competitiveness, he added.

He said a total of Rs20 billion would be spent on development of export sector during the next three years.

Other measures included support for the import of plant and machinery to strengthen supply chain and encourage value-addition, establishment of Export Promotion Council for Pharmaceuticals and Cosmetics, and Rice Export Promotion Council, Performance Based Incentive (PBI) to offset the burden of higher utility costs and local levies and taxes on the export sectors.

He said under short-term export enhancement measures four product categories were being focused including Basmati rice, horticulture, meat and meat products; and jewellery, with the parallel focus on Iran, Afghanistan, China, and European Union markets.

He said government was trying to get better market access for the local businesses in international markets by concluding Free Trade Agreements and Preferential Trade Agreements with different countries.

Bilateral free trade agreements with China, Sri Lanka, Malaysia, Iran, Mauritius and Indonesia were already in place, he added.

The opportunity of zero-rated market access in European Union market under GSP + scheme had provided a fillip to our exports to our largest market.

Moreover, the government is in the process of negotiating trade agreements with Thailand and Turkey.

Replying to another question, he added that Pakistan had not so far acceded to Information Technology Agreement during two main reasons including FBR had shown reluctance as removal of duties may result in loss of revenue and the Ministry of Industries and Production was of the opinion that without adequate tariff protection, there would be no incentive to set-up IT related industries in Pakistan.

However, he added, the Ministry of Industries has since modulated its stance on the agreement.

http://www.dawn.com/news/1275183

POST-BREXIT: PAKISTAN AIMS FOR NEW CONCESSIONARY DEAL WITH UK
The Express Tribune, August 7th, 2016.

Peer Muhammad

ISLAMABAD: In the aftermath of Brexit, Pakistan is considering alternatives to continue duty-free exports to the UK that currently fall under the Generalised System of Preferences (GSP) Plus scheme.

UK's referendum on exiting the EU will mean that Pakistan's exports will no longer enjoy duty-free exports to the country.

Hence, the Pakistani government is looking to explore options for a free trade agreement (FTA) that would allow the incentives to continue.

"The Ministry of Commerce has recently written to the Foreign Office expressing its desire to be included in the Strategic Dialogue with the UK to take up trade-related matters as the GSP Plus status will soon be terminated with the country," said a senior officer in the ministry, while talking to The Express Tribune.

"We have to pursue a new course of line for trade and commerce with the UK after the new development," the officer said.

"We are expecting a package along the lines of GSP Plus. Another option is to make an FTA with the kingdom", he noted. "Pakistan is a traditional trade partner of the UK and we want to enhance our exports by striking a comprehensive trade deal."

According to another source in the ministry, Minister of Commerce Khurram Dastgir wrote a letter to his new counterpart, as soon as he assumed the reign with congratulatory remarks and expressed desire to enhance bilateral trade and investment in future.

"The minister, however, did not mention details about the future course of action in his maiden letter," the source added. "Dastgir will write another letter with formal expression of interest.

"Besides seeking a similar package as enjoyed under the GSP Plus, Pakistan will also offer for an FTA," said the official.

UK is a leading trade partner of Pakistan. In 2015, Pakistan and UK's bilateral trade stood at 2.06 billion euros. Pakistan's exports to the UK amounted to 1.355 billion euros while import from UK amounted to 0.704 billion euros.

Pakistani exporters have enjoyed duty free access in UK since January 1, 2014 under the EU's GSP plus scheme.

As UK negotiates its withdrawal from EU, the GSP plus facility is likely to remain available for Pakistani exports for another two years.

As a result of the GSP Plus scheme, Pakistan's exports to UK had increased by about 40% since 2013.

http://tribune.com.pk/story/1157197/post-brexit-pakistan-aims-new-concessionary-deal-uk/

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September 2016

NEWS COVERAGE PERIOD FROM SEPTEMBER 26TH TO OCTOBER 2ND 2016

'POOR MARKETING SKILLS' AGGRAVATED THE WHEAT CRISIS

Dawn, Business & Finance weekly, September 26th, 2016

Ashfak Bokhari

THE two state-run trade bodies have been accused of failing to find export markets for surplus wheat due to 'poor negotiation skills', by a representative of the apex body of trade and industry.

He wondered why the federal government has stopped exploring different options to sell the stocks before the arrival of the next crop; that, however, may be one aspect of the problem.

Ahmad Jawad, head of a standing committee of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) says Trade Development Authority of Pakistan (TDAP) and Trading Corporation of Pakistan (TCP) could not rise to the occasion to meet the serious challenge despite the huge subsidy on exports.

Until now, Punjab and Sindh could export only 252,650 tonnes and 164,000 tonnes, respectively. Only 86 tonnes were shipped fetching just $29,000 in July 2016 as compared to zero exports in the same month of 2015. The fact remains that the world grain glut does not appear to be subsiding, but instead, is poised to extend into a fourth year.

Despite a huge subsidy, running into billions of rupees, being offered on wheat export, there is no encouraging signal from any country to import Pakistan's commodity simply because of lower prices in the international market. In fact, it is because of stubborn lower prices that all of Pakistan's strategies to sell the harvest have proved fruitless.

Pakistan's wheat remains uncompetitive despite subsidies and rebates. At present, the finest quality of Russian and Ukrainian wheat is available at $170 per ton, while Pakistani wheat is tagged at $200 per ton (August prices). Since prices began falling in the international market preventing exports, a large quantity of surplus wheat has been lying in the country exposed to rains and inadequate storage facilities.

At present, Pakistan has a wheat stock of 9.923m tonnes lying with the provinces and stores of the Pakistan Agriculture Supplies and Services Corporation (Passco).

Some of the commodity has reportedly been infected and may not be fit for human consumption. This is the nub of the issue, says Jawad, after months of negotiations, as it looked certain to export the surplus commodity, Pakistan failed at the 'final hurdle' If immediate measures are not taken then there are chances that the entire surplus stock may turn into waste.

Since under the World Trade Organization (WTO) rules, a country cannot ban import of a commodity, the regulatory duty in such a situation becomes the only viable option to protect the local product. By raising the duty to a point where import becomes unfeasible, the government has managed to keep the wheat imports at zero, thus protecting the growers from being exploited by the middleman.

According to the Pakistan Bureau of Statistics (PBS), wheat imports remained at zero in 2015-16 as compared to 686,650 tonnes of imports worth $185m in 2014-15. The trend has not changed.

Pakistan Flour Millers Association (Sindh zone) says under the current circumstances, only Khyber Pakhtunkhwa can export some wheat as its territory borders with Afghanistan. Sindh has been unable to do so owing to low rates in the global market. Sindh Food Department's reserves of wheat stocks are 1.4m tonnes of 2015-2016 crop plus 0.4m tonnes of the 2014-15 crop.

The Association has suggested the Sindh government extend $60 rebate (it is difficult to understand why the subsidy is being demanded in US currency since it is a matter of domestic trade) as a subsidy on the entire wheat stock, so that people can get flour at cheaper rates during this season and wheat stocks can be disposed of within the local market. However, flour millers and traders are wary of the wheat export scenario in coming months despite additional rebate on surplus wheat.

The country's wheat production is projected at 25.13m tonnes this year against expected consumption of 24.5m tonnes, leaving a surplus of 0.7m tonnes. There is a leftover stock of around 0.8m tonnes of the last two years.

The government has allowed exports of 0.9m tonnes with subsidies, costing the exchequer a huge amount of around Rs11bn, to prevent the domestic price fall. Exporting the commodity via sea is not possible as this would make it even more uncompetitive. It seems that the only buyer at the moment is Afghanistan.

Currently, the EU and Black Sea countries are the most competitive in price terms, having freight and logistical advantages to the major growth markets of the Middle East and North Africa.

Since Pakistan does not have the required storage capacity for excess stocks, domestic prices will go down when the un-exported glut is finally transferred to the local markets. The government had allowed 1.2mn tonnes of wheat for export in January last year: 800,000 tonnes with a subsidy of $55 per tonne for Punjab and 400,000 tonnes at $45 per tonne rebate for Sindh out of the federal account. Though the two provinces also gave a rebate from their accounts, making it $90 per tonne in both cases. But it all turned out to be an exercise in futility.

http://www.dawn.com/news/1286040

MALAYSIA ON TRACK TO MEET TPP RATIFICATION DEADLINE
Dawn, September 27th, 2016

KUALA LUMPUR: Malaysia is on track in meeting the 2018 deadline for the ratification of the Trans-Pacific Partnership (TPP) agreement.

The TPP will come into effect as long as six countries accounting for 85 per cent of the blocs' gross domestic product ratify the agreement, said International Trade and Industry Ministry secretary-general Datuk J. Jayasiri.

All 12 countries in the TPP have 24 months to ratify the agreement which was signed in February in New Zealand. The agreement will come into force 60 days after that.

On Saturday, Jayasiri launched The Kings Discourse on the TPP organised by Kings College London Alumni Malaysia and Columbia University Alumni Association.

The one-day event brought together embassy representatives, lawyers and industry players to analyse the impact of the TPP.

Should the TPP fall through, Jayasiri said Malaysia would find ways to engage with the four countries in the bloc with which Malaysia does not have an existing free trade agreement (FTA).

The 12 countries that negotiated the TPP included Malaysia, the United States, Japan, Australia, Peru, Vietnam, New Zealand, Chile, Singapore, Canada, Mexico and Brunei.

The four new preferential markets for Malaysia through the multilateral FTA are the US, Peru, Canada and Mexico.

In his presentation, Jayasiri said the TPP was a done deal which would not be renegotiated.

The TPP, he said, promotes good governance where many of its requirements focused on transparency.

Most of the ranking agencies today look at good governance when ranking a country. Hopefully the TPP will bring us there, he said.

Being part of the TPP would demonstrate to the world that Malaysia is ready to negotiate high standard FTAs, he said, adding that a reluctance to participate in it would send a signal that Malaysia was frightened.

Indran Shanmuganathan of Shearn Delamore & Co said in terms of intellectual property laws, Malaysia was essentially almost compliant with most of the TPP standards, pending some structural amendments.

Take the copyright protection, for instance. The TPP protects copyright for the life of the author plus 70 years, while the current law covers life plus 50 years, he said.

http://www.dawn.com/news/1286312/malaysia-on-track-to-meet-tpp-ratification-deadline

PAKISTAN, BAHRAIN TO SET UP INVESTMENT COMPANY
The Express Tribune, September 27th, 2016.

LAHORE: Pakistan and Bahrain have decided to establish a joint investment company in an effort to enhance economic cooperation.

The decision was taken at the Pakistan-Bahrain Business Conference held in Manama where two memoranda of understanding (MoUs) were also signed, says a statement released by the Punjab Board of Investment and Trade (PBIT) on Monday.

One MoU was signed by the PBIT and the Bahrain Economic Development Board, under which both parties will work closely to enhance economic cooperation.

The other MoU was inked by the Federation of Pakistan Chambers of Commerce and Industry and the Bahrain Chamber of Commerce for deepening economic ties.

During the conference, Pakistan and Bahrain agreed to set up a display centre for Pakistani goods in Bahrain.

At the event, aimed at enhancing bilateral trade and economic relations, the PBIT explored areas of collaboration with businesses and investors from various countries including Bahrain, Qatar, Saudi Arabia and the United Arab Emirates.

Bahraini company Albakara expressed interest in Punjab's growing meat market, while many other investors were keen to explore opportunities in the province's agriculture and livestock sectors.

Speaking on the occasion, PBIT Chief Executive Officer Amena Cheema briefed investors about Pakistan's economic turnaround and the positive investment climate in the country's largest province, Punjab.

She gave assurances to investors that the PBIT would continue to facilitate them by using every resource at its disposal.

Federal Commerce Minister Khurram Dastgir Khan, who was also present on the occasion, praised conference organisers for a thoughtful initiative and voiced satisfaction over the strong relations between Pakistan and Bahrain.

http://tribune.com.pk/story/1188898/stronger-ties-pakistan-bahrain-set-investment-company/

90,000 TONNES OF MANGO EXPORTED
Dawn September 29th, 2016

KARACHI: Around 90,000 tonnes of mango have so far been exported to various destinations mainly the United Arab Emirates, European countries, Iran, Canada, Muscat etc against the target of 100,000 tonnes set for this season.

All Pakistan Fruit and Vegetable Exporters and Importers Association (PFVA) Waheed Ahmed said that exports were started from May 20 and the target would easily be crossed by close of the season in next 10-15 days. Last year exporters shipped 68,000 tonnes of the fruit.

http://www.dawn.com/news/1286738/90000-tonnes-of-mango-exported

REDUCING IMPORTS: PUNJAB AIMS TO GROW ITS OWN OLIVES
The Express Tribune, September 29th, 2016.

SIALKOT: The Punjab government has chalked out a plan to promote olive cultivation in the province and efforts are underway for adopting scientific methods for better results.

On Wednesday, agriculture officials said Sialkot, Narowal, Gujrat, Jhelum, Rawalpindi, Attock, Chakwal and Khushab districts have been identified as potentially ideal areas for olive cultivation.

They said olive cultivation in these potential areas could produce huge quantity of olive oil, which might bring Pakistan's olive oil import share to zero.

The environment, minimum and maximum temperatures, soil types, average rainfall and other related growth factors in the identified districts were optimum for olive cultivation.

The officials pointed out marginal lands could be utilised for olive cultivation without replacing other crops and it would also help in reducing the import of olive oil.

The agriculture department has been organising awareness and training programmes to educate farmers on olive cultivation techniques and producing value-added products.

The overall demand of olive oil is over 1.9 million tonnes of which 1.3 million tonne is imported from various countries for catering to domestic requirements, costing billions of rupees every year.

In 2012 also, the Punjab government initiated a campaign to plant olives in the province as part of the 300-million-dollar project 'Promotion of Olive Cultivation for Economic Development and Poverty Alleviation'.

Financed by Italy, the project aimed to help Punjab, Khyber-Pakhtunkhwa, FATA and Balochistan grow olive plants.

Agriculture scientists have identified areas for olive growing in Sialkot, Narowal, Gujrat, Jehlum, Chakwal, Attock, Khushab, Faisalabad, Kasur, Rawalpindi and Islamabad. The spread of the cities shows that entire central and upper Punjab is suitable for olive production.

Though the soil type, range of temperatures and amount of rainfall suits olive production in Pakistan, policymakers did not make any move earlier to capitalise on the potential, despite the edible oil import bill swelling by the year and hitting 2.6 billion dollars in 2011.

In addition, scientists in Punjab have collected around 52 olive genes that cover the entire range available in the world, including ones from Spain, Italy, Turkey, Tunisia, Palestine, Syria and Jordan.

They have also identified suitable ecological zones for each variety and have got two of them formally approved from the Federal Seed Certifications.

In the past few months, 25 nursery owners have been trained for production of olive plants.

http://tribune.com.pk/story/1190517/reducing-imports-punjab-aims-grow-olives/

BUSINESSMEN DEMAND DIRECT CARGO FLIGHTS TO CENTRAL ASIA
The Express Tribune, October 2nd, 2016.

Peer Muhammad

ISLAMABAD: The business community has asked the government to start direct cargo flights of Pakistan International Airlines from Lahore to Tajikistan in order to save time and cost on the export of goods to Central Asian states.

A delegation of businesspersons met Commerce Minister Khurram Dastgir Khan last week where they highlighted the challenges being faced by exporters in the absence of direct cargo flights and road links with the Central Asian nations.

They described the two issues as key hurdles in the way of promoting trade and enhancing exports to these potential markets.

A source in the Ministry of Commerce told The Express Tribune that the business community was of the firm view that they could ramp up annual trade from the current $500 million to $5 billion immediately if direct cargo flights were made available from Lahore to Central Asia.

They have already received orders for the export of commodities to the Central Asian states but transportation challenges have prevented them from meeting the orders.

At present, they dispatch their goods from Lahore to Central Asia via Dubai, which results in higher shipment costs and waste of time as well as dents the country’s competitive edge.

A direct cargo flight from Pakistan to Tajikistan will hardly take an hour compared to around 24 hours for the flight via Dubai and other destinations.

“Time and cost can be saved by beginning direct cargo flights to Central Asia, which will allow exporters of commodities to compete effectively in these markets,” a businessman remarked.

According to the source, the commerce minister assured the business community that he would take up the issue with the relevant quarters. "This is a reasonable proposal and the commerce ministry will take all possible steps to help implement it," he said.

The minister pressed the businessmen to take advantage of the incentives and facilities offered under the Strategic Trade Policy Framework 2015-18.

Many incentives in the framework have lapsed due to lack of interest on the part of business community, causing concern for the government.

In recent months, Afghanistan has created hurdles in the way of transit trade between Pakistan and Central Asian states as relations between Islamabad and Kabul are at a low ebb over militant attacks in both countries.

Now, Pakistan is thinking about opting for an alternative route via China, which is much longer than transit trade via Afghanistan, to reach the markets of Central Asia.

A number of Pakistani commodities have a high demand in Central Asian markets which include fruits, textiles, building material, home appliances, healthcare products, food items, sports goods and IT products and services.

http://tribune.com.pk/story/1191948/trade-promotion-businessmen-demand-direct-cargo-flights-central-asia-business/

NEWS COVERAGE PERIOD FROM SEPTEMBER 19 TO SEPTEMBER 25TH 2016
TDAP REJECTS PROJECTS REPORT
Business Recorder, 20th, 2016

ISLAMABAD: TDAP's spokesperson rejects the news published in Business Recorder, in which TDAP has been accused of squandering billions of rupees on account of participation in international exhibition by Riaz Khattak, Vice President FPCCI and Chairman Business Advisory Committee of KPK.

It has been clarified that annual "Calendar of Events i.e. Exhibitions" are selected to participate by TDAP after a comprehensive consultation process in which all stake holders i.e. trade bodies, chambers, associations, and respective trade missions are asked to give input on exhibitions.

On the basis of input from all concerned and due deliberations, TDAP finalises exhibitions to participate and the annual calendar of event, i.e., exhibitions are uploaded on the website of TDAP not only to ensure transparency but to provide equal opportunity to all exporters to participate in the interested events.

It is pertinent to highlight that TDAP receives a huge number of applications from exporters to participate, which proves that selection of exhibitions is merit based and judicious.

TDAP is strongly involved in export promotion and market diversification. Some 2000 exporters are supported in 120 exhibitions annually throughout the world. Single country exhibitions such as Aalishan in India and Sri Lanka have proved extremely successful bringing in strong orders, which will certainly be reflected in trade figures next year.

Around 100 sector specific delegations have been sent and received throughout the world. Expo Pakistan has brought in bona fide buyers and become a strong brand for Pakistan. Pakistan Trade Caravan to Central Asia (Almaty, Bishkek, and Dushanbe) was a great success and it opened the doors of trade with Central Asian Countries.

An analysis of trade trends shows an economic slowdown and recession all over the world with exports declining in large economies such as China, India and S. Korea. Concomitantly, imports have also taken a downturn with countries such as China importing 17 % less, Japan importing 21% less, and Korea 14% less and these global figures do not rest on the shoulders of TDAP.

Therefore, TDAP is doing its best in available resources / circumstances to boost the exports of the country and baseless allegations on TDAP by Riaz Khattak are again condemned / rejected.

http://epaper.brecorder.com/2016/09/20/12-page/795637-news.html

GOVT PLANS TO BOOST CHILLI EXPORTS: BOSAN
Dawn, September,21, 2016

KARACHI: The government is taking measures to tap chilli exports potential of 90,000 tonnes a year, which can help the country earn $47 million in foreign exchange, the federal food minister said on Tuesday.

For that, the country has to improve the supply chain of chillies as well as other spices to fetch better prices and boost exports volume, Minister for Food Security and Research Sikandar Hayat Bosan said while speaking at a seminar titled 'On Export Potential of Chillies'.

Expressing concern over a steep fall in the exports of the commodity after a number of shipments were rejected, he said the government plans to set up a board to improve the value chain of spices. "It's necessary that all the stakeholders are taken on board," he said.

He also stressed the need for improving per-hectare yield and adopting modern techniques to make the chilli crop free of aflatoxin, a substance that can cause liver damage and cancer.

The minister said research institutes should be set up to use modern techniques for growing, picking and processing of the commodity.

"When exports of chilli or other spices are rejected due to any reason, it not only hurts the entire supply chain but also directly hits the rural economy," he told the seminar, organised by the Trade Development Authority of Pakistan (TDAP) in collaboration with the World Bank, the United States Agency for International Development and Sindh Agriculture Growth Project.

In his welcome address, TDAP Chief Executive S.M. Muneer said Pakistan used to export substantial quantity of chillies, but the volume has recently declined due to restrictions imposed by some countries, particularly the European ones.

One of the major reasons for restriction on Pakistan's chilli exports was aflatoxin contamination, he said. In fact, data showed that around 35 per cent of the rejections were solely due to excessive level of mycotoxins.

Pakistan had a global market share of 6pc, he said, adding that last fiscal year it exported chillies and its powder worth $4.7 million to various destinations, mainly Saudi Arabia, the United Arab Emirates, Mexico, the United States and Kuwait.

Mian Mohammad Saleem, president of Red-Chilli Growers Association, Kunri, urged the government to set up a chilli development board so that all the stakeholders have a platform to get their issues resolved.

A representative of a processing company, Mohsin Ahmed, told participants of the seminar that aflatoxin could only be managed in chilli by proper picking and handling, improving traditional sun drying practices, sorting, etc. The modern method to dry chillies is the use of high-tech dehydration plants.

http://www.dawn.com/news/1284989/govt-plans-to-boost-chilli-exports-bosan

'FTA BETWEEN PAKISTAN, TURKEY TO DOUBLE BILATERAL TRADE'
Business Recorder, September,21, 2016

KARACHI: Commercial Counselor of Turkey Murat Mustu has assured business community to take up their issues and problems pointed out during a meeting with Turkish government.

He agreed that the bottlenecks pointed out in the meeting are major cause of low bilateral trade between the two nations.

Speaking at a meeting of Federation of Pakistan Chambers of Commerce and Industry (FPCCI), he said that Free Trade Agreement (FTA) between Pakistan and Turkey will double the existing bilateral trade.

He gave a comprehensive presentation on Turkish economy and bilateral trade and economic relations between two countries in the backdrop of recent development and situation in Turkey.

He stated that on 15 July, Turkey was faced with a military coup attempt against its Constitutional order, but the people of Turkey foiled it and succeeded in saving democracy.

He further added that there was no impact of the failed coup attempt on Turkey’s economy.

“The flow of investment is increasing particularly from GCC countries and rating companies are also indicating stable rating of its sovereign bonds,” he added.

Acting President of FPCCI Arshad Farooq said that both the countries were enjoying brotherly relations but there was a lot of opportunities need to be explored to expand bilateral trade and economic relations between the two countries and early implementation of FTA.

He suggested that Pakistan should use the expertise of Turkey in various sectors particularly in development of infrastructure, construction, energy and information technology.

While quoting the trade statistics, he stated that the bilateral trade volume was just $ 599.7 million comprising of Pakistan’ export to Turkey US$ 310.5 million and imports from Turkey $289 million in 2015.

He believed that with the implementation of FTA both countries will come closer to each other and it will open a new horizon in economic and commercial ties. At present, there are some countervailing duties from Turkish side for Pakistan’s textile due to which the exports of Pakistan has declined to Turkey.

He hoped that all impediments will be resolved after the implementation of FTA. While appreciating the efforts of Pakistan Turkey Joint Business Council he suggested for regular exchange of delegations and participation in trade fairs of each other countries.

The meeting was also attended by Vice President FPCCI Zulfiqar Shaikh, Chairman Pakistan Turkey Joint Business Council (PTBC) Captain Rasheed Abro and other members of PTBC.

http://epaper.brecorder.com/2016/09/21/9-page/795862-news.html

IMPORTANCE OF CROSS-BORDER POWER TRADE HIGHLIGHTED
Business Recorder, September,22, 2016

Chairman National Electric Power Regulatory Authority (Nepra) Brigadier Tariq Saddozai (retired) hinted on Wednesday at the possibility of Central Asia South Asia (CASA) 1000 project being extended to India. He was addressing a two-day (22-23 September) third Saarc Energy Regulators” Meeting held in Islamabad and attended by all SAARC member countries.

“Outside the region Pakistan is importing 100MW from Iran for supply of electricity to its coastal area. Further, CASA project would enable Afghanistan and Pakistan to import 1300MW electricity from Central Asian countries.

There can be a possibility of CASA being extended to India. Pakistan has also submitted a draft MoU to India on importing 1200MW of electricity," he added. He said, presently some of the Member States are already involved in cross border electricity trade within the region.

India and Bangladesh are interconnected through an HVDC line that can support electricity export of up to 500MW (expandable to 1000MW in future). Nepal imports 5MW electricity from India from multiple interconnections, which is projected to be increased to 150 MW. India is importing up to 1200MW from Bhutan.

Secretary Cabinet, in his inaugural speech welcomed the delegates and said that SAARC member states are struggling with a massive gap in demand and supply. There is a need to address energy security from a regional perspective. He argued that to achieve regional co-operation "we have to take various factors into account including the high investment cost, private participation, environment, affordability and right of way".

Director, SAARC Secretariat, Ali Haider Altaf opened the meeting of the SAARC Energy Regulators and in accordance with the SAARC practice, the leader of the delegation of the host country, Chairman NEPRA, was elected as Chairperson of the SAARC Energy Regulators Meeting. Delegations of participating states presented their papers on the existing Regulatory Mechanisms, Rules, Methodologies and Processes of respective Member States.

Tariq Saddozai, Chairperson of the Saarc Energy Regulators" Meeting, in his speech stressed on the need for co-operation for the development of efficient conventional and renewable energy resources, strengthening of related transmission systems and cross-border electricity trade for sustainable development of member states.

He said Pakistan is already importing 100MW from Iran and CASA project would enable Afghanistan and Pakistan to import 1300MW electricity from Central Asian countries. Pakistan has also submitted a draft MoU to India on import of 1200MW of electricity. He added that the Nepra Act envisages open access to transmission and distribution systems and Nepra Interim Power Procurement Regulations have been framed to allow foreign generation companies to sell electricity to power purchasers.

The power sector in Pakistan is in transition towards a competitive regime which is targeted to be achieved by 2020. The Government of Pakistan has established one-window facilitators such as PPIB and AEDB to encourage private sector investment in electricity generation. While the power sector has witnessed success stories the road that lies ahead is beset with challenges and as per Sadozai "we believe that SAARC countries are facing similar issues.

There is need for alternative energy to offset dependence on imported and expensive fuels. Saarc Framework Agreement emphasises mutual co-operation on development of efficient conversational and renewable energy resources, energy efficiency and energy conservation, sharing of knowledge and promoting competition.

Joint research, reduction of losses and grid integration for renewable energy are low hanging fruits we can all benefits from each other on these subject. We have benefited from the experience of SAARC member states for determining tariff of HVDC line and received excellent feedback from member states thorough SARRC Energy Centre.

Saarc Energy Regulators" Meeting is a drive by energy regulators representing all SAARC member countries to harmonise the Regulations, Codes and Standards relating to transmission and distribution of electricity and synchronise their regulatory frameworks for cross-border electricity trade.

Given the importance of regional energy co-operation and promotion of cross-border electricity trade in the Saarc region the meeting is an important milestone in reviewing the implementation status of Saarc Plan of Action on Energy Regulations (Electricity).

Delegates who attended the meeting are Mujtaba Yaseen , First secretary , High Commission, Afghanistan, Najmul Huda Dy. High Commissioner, High Commission, Bangladesh, Thukten Wangmo, Chief (Monitoring Division) from Bhutan Electricity Authority, Raghuram , First Secretary, High Commission, India, Ahmed Mujabta, First Secretary /Dy. Head of Mission, High Commission, Maldives, Ambu Bhawani karki, Member, Electricity Tariff Fixation

Commission, Nepal, C.N. Saliya W. Mathew, Chairman , Public Utilities Commission, Sri Lanka and Garmini Hearath, Deputy Director General, public Utilities Commission, Sri Lanka.

http://www.brecorder.com/fuel-a-energy/193/86857/

CANADA, CHINA AIM TO STRIKE FREE-TRADE DEAL
Business Recorder, September,23, 2016

OTTAWA: Canada and China have agreed to begin talks for a possible free-trade accord and are aiming to double bilateral commerce by 2025, Canadian Prime Minister Justin Trudeau announced Thursday.

“We’ve agreed to launch exploratory talks towards a potential free-trade agreement between Canada and China,” Trudeau said at a joint news conference with visiting Chinese Premier Li Keqiang.

“And further to this, we’ve set an ambitious new goal to double bilateral trade between Canada and China by 2025.”

China is Canada’s second-largest trading partner after the United States, with trade last year exceeding Can$85 billion ($64.5 billion USD).

“We know that there is a huge amount of untapped potential in our commercial relationship,” Trudeau noted.

The Canadian leader also announced a lifting of Chinese bans on Canadian canola and beef exports, and a tourism agreement that seeks to double two-way visits by 2025.

Li, meanwhile, praised a reboot of Sino-Canadian relations after a decade of cooling, which had been kicked off during Trudeau’s visit to China at the end of August.

“We believe that China and Canada have extensive common interests and good relations,” Li said through an interpreter.

“On economic and trade relations, we reached a lot of new agreements, and we stand ready to work with Canada to explore and to study how we can work to set up a free-trade area,” he said.

Last month, Canada also said it would apply to join the China-backed Asian Infrastructure Investment Bank, which has been criticized by its neighbor and closest ally, the United States.—AFP

http://epaper.brecorder.com/2016/09/23/11-page/796398-news.html

TRADE EXHIBITION IN INDIA CALLED OFF
The Express Tribune, September,24, 2016

Islamabad: In view of increasingly strained relations between Pakistan and India, the Aalishaan Pakistan exhibition has been called off.

The exhibition was meant to promote bilateral trade between the two countries and bring buyers and sellers together on one platform.

The Trade Development Authority of Pakistan (TDAP) has been focusing on increasing regional trade for which the third edition of the exhibition was planned in Sep/Oct 2016, especially after the success of similar exhibitions held earlier in 2012 and 2014.

“In view of the strained ties between the two countries, which are beyond TDAP’s control, the event planned for 2016 has been called off,” said a TDAP release. For the two countries bilateral trade amounted to Rs206 billion during July-May of the last fiscal year, of which Rs42 billion was exported by Pakistan and Rs162 billion by India.

http://tribune.com.pk/story/1187285/aalishaan-pakistan-trade-exhibition-india-called-off/

NEWS COVERAGE PERIOD FROM SEPTEMBER 11TH TO SEPTEMBER 18TH 2016
PROBLEMATIC WITHHOLDING TAX ON WHEAT TRADING
Dawn, Business & Finance weekly, September 12th, 2016

Mubarak Zeb Khan

As part of the move to collect agriculture turnover tax revenue of an estimated Rs15bn per year, the Federal Board of Revenue intends to tighten the noose around wheat flour mills that are allegedly misusing a concession available only to the agriculture sector.

The flour mills are required to withhold 6.5pc tax from non-filers of income tax returns on the procurement of wheat from grain merchants including intermediaries. The rate is 4.5pc if the seller is a filer of income tax return.

As per constitutional provision, farmers are exempted from the levy of withholding taxes. Therefore, the sale receipts of agriculture produce are exempted from withholding taxes.

The issue of tax evasion came to the surface a few months earlier when the Large Taxpayer Unit (LTU) Islamabad sent show cause notices to two flour mills for non-deduction of withholding taxes. This created ripples among the millers who said that they would increase the flour price by Rs5 per kilogramme.

Since then, the issue has been on the back burner for two reasons: the fear that tax on turnover will push up prices of the staple, and that millers will have to improve their documentation process in order to avoid tax problems in the future. No change in documentation has been observed so far.

Former Chairman Flour Mills Association of Pakistan Shaikh Shabir told Dawn that his association members are deducting a10pc withholding tax (WHT) from commission agents on the purchase of wheat.

According to Mr Shabir the tax is deductible only on the commission amount of the agent and not on the total sales of proceeds. This, he said, needs clarification from the FBR.

Contrary to this, if the wheat is purchased indirectly from growers through intermediaries, flour mills are not required to deduct taxes. However, in that case, mills have to produce a certificate proving that the wheat was procured from growers. Almost all mills are claiming that they are directly or indirectly procuring wheat from growers to avoid the 6.5pc withholding taxes.

According to a tax official, the miller’s documents are not sufficient to prove that this is the case. It has been observed that in most cases, the intermediaries buy the commodity from growers at less than the official support price and sell it at a later stage at higher market rates. This practice has deprived growers from getting the right price for their commodity.

According to data, there are over 915 registered flour mills. The average annual turnover of each mill is estimated at Rs300m. On average, they are jointly procuring roughly Rs275bn worth of wheat annually.

Tax officials say that if the FBR enforces the law in its true spirit, millers would definitely retaliate. They say that the large flour mills in the Islamabad and Rawalpindi regions alone are believed to be avoiding roughly Rs3bn taxes annually.

According to some stakeholders, the 6.5pc WHT rate was too high for commission agents and intermediaries. They said one option was to lower the rates within the range of 2pc. However, for that, the government will have to issue a Presidential Ordinance, as the FBR has no powers to change tax rates through Statutory Regulatory Orders (SROs).

The FBR has excluded harvest and post-harvest months when farmers are normally selling wheat. Within three months, growers sell the wheat and the grain then moves into the investors' hands — who sell it to the millers. Therefore, the investors must be subjected to a withholding tax, say FBR officials.

On the face of it, the FBR strategy has some gray areas which should be clarified at the earliest to run the industry as well as the tax regime smoothly. The entire purchase of the flour industry, without exception, goes through the middle man, or legally speaking, the commission agents. They act, at least on paper, as persons providing a service (connecting the sellers with the millers) for a certain amount of commission that is taxed at the rate of 10pc.

The commission agent is neither a farmer nor an investor; but can be used by all sides — even by investors to avoid taxes by going through him. The agent is a service provider: locates wheat and its owners, helps to decide rates between the millers and sellers and, finally, transports the commodity to where it is required for milling. The government needs to clarify or re-cast the role of the middle men before going any further.

Similarly, the FBR should also see who will bear the final shock of this turnover tax. It will inevitably be consumers since, if forced to deduct taxes without necessary steps and clarification, the millers will simply pass it on to the consumers.

The timing of this WHT will create additional layers of problems. During harvesting and post-harvesting, the price of wheat is normally on the lower side due to a glut in the market. During that period, this tax would also be dormant because farmers are the sellers.

With the market inching towards the drier side and wheat prices starting to go up, the WHT will become operational — adding to the cost, or at least providing the industry, with an excuse to hike flour price.

This also brings in the bigger question of wheat trade. The government exempted trade from WHT for twin purposes: exempting farmers and keeping the price of flour low. Once the WHT is weaved into the system, without knowing exactly their cost and benefit to the trade, both these purposes could be compromised.

That is why, the FBR needs to sit with the industry and hammer out the issue for running the taxation regime smoothly.

http://www.dawn.com/news/1283483/problematic-withholding-tax-on-wheat-trading

THE DECLINE IN MANGO EXPORTS
Dawn, Business & Finance weekly, September 12th, 2016

Ahmad Fraz Khan

With the mango season on its last legs, the official estimates of exports differ from those of exporters.

The Pakistan Horticulture and Export and Development Company (PHDEC) — the official agency looking after the process — thinks that some 75,000 to 85,000 tonnes might have gone out of the country in the last four months. With 20,000 to 30,000 tonnes still on the trees, the total export tally might go up to 90,000 tonnes, short of the target of 110,000 tonnes for this year.

Exporters, however, contest both figures. Their estimate ranges between 60,000 tonnes and 70,000 tonnes — all export orders are already in place since only two weeks of the season are left.

The current figures only need compilation. The country would thus be ending its season at almost half of (130,000 tonnes) what it actually exported only six years ago.

The PHDEC insists that its figures are based on 22 hot-water treatment plants, which treat the fruit for export. Putting their data together, one reaches the figure the agency is sharing. It, however, does agree that the country,

could achieve the export target, which it set for itself only five months ago.

Beyond this debate between government agencies and exporters, one must not forget that the issue is very important. One has to look deeper into the causes and possible solutions of the issue.

With expanding and deepening consumer sensitivities the world over, the business model is changing, adding to the cost of doing business.

In case of mangoes, some costly steps have become necessary. For example, the treatment of the fruits (hot-water or irradiation) needs to extend to the entire mango crop. In order to ensure the treatment and fruit quality, the pre-shipment inspection is now an added layer, which again has a cost of its own. The freight charges remain high.

Because of these factors, many exporters are now opting out and keeping volumes low. In 2007-08, the country exported 130,000 tonnes, which have now progressively fallen either to 70,000 tonnes as claimed by exporters or 90,000 tonnes as per official claim.

The overhauling process must begin with the synchronisation of production and export. After the 18th Amendment, the production process is a provincial subject, whereas exports fall under the federal government.

Given the huge operational gaps at both levels, exports are suffering hugely, which needs to be checked. This dichotomy should be dealt with.

Secondly, most of the mango orchards are 60 and above years old, losing vitality and yields — both in quantity and quality. There has been no effort to replace old orchards; nor resources at the local level, nor new, and better, varieties to work as incentives. Only some minor replacement effort is taking place in Sindh.

Finally, unless the government finds ways to lower the cost of doing business, mangoes will continue losing space in the world market. This year, even the opening up of the Iranian market has not been of help.

According to exporters, the government should contribute towards the freight cost, at least for the short term. For the long-term process, it should help to find new and more productive varieties, help orchards replacement and finally assist exporters to be competitive in high-end markets.

http://www.dawn.com/news/1283482/the-decline-in-mango-exports

BILATERAL TRADE WITH BRUNEI UNSATISFACTORY: FPCCI
Business Recorder, 12 September 2016

Lahore: The Federation of Pakistan Chambers of Commerce and Industry (FPCCI) on Sunday said relations between Pakistan and Brunei are cordial but the volume of trade is unsatisfactory which must be enhanced.

Business community will fully cooperate with the government to improve trade ties between the two brotherly nations, President FPCCI; Abdul Rauf Alam has said.

This he said while talking to Pakistan’s High Commissioner-designate to Brunei Lt. Gen Tariq Rasheed Khan (Retd). Secretary General UBG Zubair Tufail, VPs of FPCCI Zafar Bakhtwari and Riaz Khattak, Chairman Coordination Malik Sohail and others were also present on the occasion.

Abdul Rauf Alam said that per capita income of Brunei exceeds that of the USA and that their businessmen are investing around the world including China while we have to make efforts to lure them to Pakistan. He said both the countries have established a joint investment company while the last meeting of joint economic commission was held in 2008 which is discouraging.

The President FPCCI said that business-to-business (B2B) contacts were important to increase bilateral trade between Pakistan and Brunei. Rauf Alam assured that exchange of trade delegations between the two countries would definitely boost bilateral trade and we would arrange a visit to Brunei as early as possible.

On the occasion Secretary General UBG Zubair Tufail said that Pakistani textiles, mango and rice are very popular there but the cost of transportation is discouraging exports. He said Pakistan can easily fulfil demand of Labour in the brotherly country which will reduce unemployment and country will earn foreign exchange.

Pakistan's High Commissioner-designate to Brunei Tariq Rasheed Khan assured that he will ensure exchange of trade delegations while a Pakistan Week would be held soon in which FPCCI and all the business chambers would be invited. He said Pakistan and Brunei would have to make joint efforts to strengthen their economic ties, as despite having excellent relations, the volume of mutual trade is very small. Pakistani entrepreneurs could initiate joint venture with their Brunei counterparts in various sectors. It is high time for the joint business ventures, the High Commissioner-designate added.

Pakistan and Brunei are members of Organisation of Islamic Cooperation and maintain cordial diplomatic relations based on historical affiliation which are set to grow with time.

http://epaper.brecorder.com/2016/09/12/5-page/793171-news.html

PAKISTAN'S FREE TRADE AGREEMENT DRAFT WINS IRAN'S BACKING
The Express Tribune, September 13th, 2016

Peer Muhammad

Islamabad: In a sign of progress towards a free trade agreement (FTA), the Iranian authorities have agreed with the initial draft shared by Pakistan and returned it with their input, paving the way for kicking off formal negotiations on streamlining commerce between the two sides.

Pakistan had shared the draft on Iran President Hasan Rouhani's desire for free trade between the two countries during his visit to Islamabad in March this year.

Both the sides agreed to switch from the current preferential trade agreement to an FTA and push bilateral trade volume up to $5 billion over the next five years.

"We have recently got back the initial draft that we shared earlier with the Iranian authorities; they have given their input and agreed to push ahead with the plan," said a senior officer in the Ministry of Commerce.

"Now, we will soon start formal negotiations on tariff lines, duties and other matters to finalise the document as quickly as possible," said the officer. "A Pakistani delegation will leave for Iran most probably by next month to start talks on the FTA."

As soon as the international community lifted longstanding sanctions from Tehran earlier this year, Pakistan and Iran expressed interest in promoting and expanding bilateral trade and later they developed a five-year road map with the objective of boosting trade to $5 billion.

Under the road map, they also agreed last month to open special bank accounts in their currencies in Pakistani and Iranian central banks for streamlining the payment mechanism for trade transactions.

Earlier when international sanctions were in place, there was no proper payment mechanism for trade with Iran as there were restrictions on financial transactions with the Islamic republic. That was the reason for a significant decline in Pakistan's trade with Iran over the past many years.

As part of the road map, both the sides have highlighted scores of challenges that will be addressed to achieve the trade objectives.

They will establish a mechanism to do away with the hurdles to bilateral trade such as non-tariff barriers, absence of a mutual recognition agreement, lack of banking facilities, infrastructure bottlenecks and trade through informal channels.

They are eager to step up efforts to give a fresh impetus to bilateral trade and open up commerce and investment as well as provide market access under formal agreements.

In addition to the preferential trade agreement, which has been in force since September 2006 and is being reviewed for better performance in line with the changed scenario after the removal of sanctions, the two countries have agreed to enter into negotiations for free trade including trade in goods, services and investments.

They will move forward at a fast pace to conclude the FTA negotiations, effectively implement the preferential trade agreement, establish appropriate mechanisms for coordination in upcoming rounds of free trade talks and periodically monitor the progress.

A framework agreement in this regard will deal with trade in goods, trade facilitation, rules of origin and dispute settlement. The road map suggests that negotiations will come to an end in one and a half years from June 2016 to December 2017 unless the two sides agree on an extension.

http://tribune.com.pk/story/1181446/fta-free-trade-agreement-draft-wins-irans-backing/

PAKISTAN, UK LOOK TO RESHAPE TRADE TIES TO AVOID BREXIT IMPACT
The Express Tribune, September 17th, 2016.

Peer Muhammad

ISLAMABAD: Officials of the Ministry of Commerce, led by Secretary Commerce Azmat Ali Ranjha, will leave for the United Kingdom soon for charting a future course of action in relation to bilateral trade in the wake of Britain's vote to quit the European Union.

"The delegation will depart by the end of this month or early next month and kick off formal negotiations with the UK on the future shape of trade and investment ties in the backdrop of Britain's decision in a June 23 referendum to exit the 28-nation European bloc," an official in the commerce ministry told The Express Tribune.

As Britain is parting ways with the EU, Pakistan will not be able to enjoy the Generalised Scheme of Preferences (GSP) Plus status, which allows exports at zero or reduced duty to European markets, in coming years in the UK.

The delegation is going on the invitation of UK authorities in response to a letter written by Commerce Minister Khurram Dastgir to his British counterpart soon after his taking over as trade minister.

Dastgir suggested considering alternatives to the GSP Plus facility to promote and streamline trade between the two sides.

"The UK has responded very positively and the two sides will develop viable alternatives in an effort to keep going duty-free exports to the British markets," said the official.

The government of Pakistan is looking for a free trade agreement or a package similar to the GSP Plus, which will keep all the trade incentives in place.

Earlier, the Ministry of Commerce had written to the Foreign Office, expressing its desire to be made part of the strategic dialogue with the UK so that it could take up trade matters as well.

"Pakistan is a traditional trade partner of the UK and it wants to enhance exports by striking a comprehensive trade deal," another official said.

Trade between Pakistan and the UK stood at 2.06 billion euros in 2015. Of this, Pakistan's exports to the UK amounted to 1.355 billion euros while its imports stood at 0.704 billion euros, with balance of trade tilted in favour of Pakistan.

Pakistan's exporters have enjoyed duty-free access to the UK since January 2014 under the EU's GSP Plus scheme. Since then, exports to the UK have grown about 40%.

Now, the trade concessions are likely to remain available to Pakistan's exports to the UK for the next two years only.

http://tribune.com.pk/story/1182906/overhaul-pakistan-uk-look-reshape-trade-ties-avoid-brexit-impact/

HIGH VALUATION BY RUSSIA HURTING POTATO, KINNO EXPORTS
Dawn, September 18th, 2016

KARACHI: Exporters are worried about the higher valuation imposed by the Russian government on the import of kinno and potato from Pakistan.

They say the export of fruits and vegetables to Russia will increase immensely if the issue is resolved on an urgent basis.

In his letter to Finance Minister Ishaq Dar on Sept 10, All Pakistan Fruit and Vegetable Exporters, Importers and Merchants Association (PFVA) Chairman Waheed Ahmed said the import duty imposed by the Russian government on the Pakistani potato was 61 cents per kilogram during the last season while it was 48 cents per kilogram for the Egyptian potato.

The fair export cost-and-freight (C&F) value of the Pakistani potato was 36 cents per kilogram during the last season, he added.

Similarly, the fair export C&F value of the Pakistani kinno is 75 cents per kilogram whereas the Russian customs' valuation is higher than that. The kinno valuation by the Russian customs was 90 cents per kilogram from December to January and $1.05 per kilogram February onwards.

Mr Ahmed said exporters had to sell their products at cheaper rates due to the higher valuation. Besides a higher valuation, the duty is 8.75 per cent and value-added tax (VAT) is 18pc, he noted.

He informed the finance minister that the Russian customs values the Pakistani kinno against the Spanish and Moroccan kinno, which are highly priced. Kinno from Spain and Morocco is seedless and gives an impressive cosmetic look contrary to its Pakistani counterpart, which is neither seedless nor carries an impressive cosmetic look, he said.

Hence, its selling price in the Russian market is far lower: Moroccan and Spanish kinno is available in the range of $10-19 per 10kg whereas the Pakistani kinno sells for just $6.50-7.50 per 10kg.

Mr Ahmed said the kinno season is approaching and the government should take up the matter immediately to enhance the export of Pakistani fruits and vegetables to the Russian market.

http://www.dawn.com/news/1284440/high-valuation-by-russia-hurting-potato-kinno-exports

NEWS COVERAGE PERIOD FROM SEPTEMBER 5TH TO SEPTEMBER 10TH 2016
IMPORT FORM CONDITION AFFECTS TRADE WITH AFGHANISTAN, IRAN
Dawn September 6th, 2016

ISLAMABAD: Pakistan's trade with Afghanistan and Iran has come to a standstill as a large number of containers pile up at the border stations in Balochistan for want of import form (I-form).

Containers have begun to accumulate at the customs stations of Taftan (at Iran border) and Chaman (at Afghan border) after the implementation of the form from Sept 1.

The State Bank of Pakistan (SBP) has made it mandatory that no goods declaration will be allowed for import unless an I-form, duly approved by the commercial banks, is attached with it.

The decision mostly affected trade in fresh fruit, vegetables and other perishable products.

However, an official said the customs collectorate has allowed clearance of perishable products after guarantees from traders. "But this is not a permanent solution," he added.

Traders in Balochistan have urged the federal government to consider their genuine problems. The Chaman Chamber of Commerce and Industry has written a letter to Finance Minister Ishaq Dar asking him to review the decision, especially keeping in view the prevailing condition in the province.

Balochistan mostly lacked an industrial base and relied on imports from Afghanistan and Iran, the said.

"No SWIFT code has been allocated to commercial banks in Afghanistan. Hence, business with Afghanistan cannot take place through normal banking channel. Either it has to be in barter mode or it has to be routed from some third country," said the letter, a copy of which is available with Dawn.

In the wake of introduction of the I-form, the requirement of a SWIFT code of the commercial banks of exporting country Afghanistan is mandatory. As no such code has been allotted to banks in Afghanistan, imports from that country have come to a standstill.

The chamber demands exemption for the area until the establishment of banking channels.

Before this decision, the Chaman border remained closed for two weeks due to which traders of perishable products suffered heavy losses.

The problems faced by Balochistan traders after the I-form's introduction were also mentioned in a letter of Quetta's customs collectorate which was sent to Karachi customs house for taking up with the SBP.

Traders believed that the form has been introduced without considering the ground realities of the province.

Pakistan and Iran had no formal banking relations during the decades-old economic sanctions on Tehran. The mode of trade between the two countries remained barter trade or other informal channels. Even after lifting of international sanctions, banking channels with Iran have yet to be established.

Major imports from Afghanistan are fresh fruits and vegetables. Traditionally, the orchards of fruits in Afghanistan are bought many months in advance by the Pakistani importers, most of whom operate on a seasonal basis.

Pakistan has waived off the export form for export of perishable goods to Afghanistan.

According to the customs letter, the banks in Qandahar and Herat and some other Afghan cities have not been fully developed which hindered transfer of money through official channels.

Moreover, the traders and clearing agents in Chaman and Taftan are technically not on a par with the rest of the country. There are also issues of capacity like internet connectivity, infrastructure, training and education in these areas.

Pakistan's counsel general in Qandahar has also raised the issue with Pakistani customs authorities that the introduction of I-form has hit hard Afghani exporters of fresh fruit and hundreds of vehicles have been stranded on the other side of the border.

National Bank of Pakistan's branch in Chaman is also facing difficulty to process I-form due to lack of training.

The customs authorities feared that the decision, if not reviewed, might discourage legal trade and traders may resort to smuggling as border remains largely porous.

http://www.dawn.com/news/1282290

PAKISTAN'S TRADE BALANCE NEGATIVE WITH 84 NATIONS
The Express Tribune, September 6th, 2016.

Islamabad: Pakistan's trade balance is negative with as many as 84 countries and the highest trade deficit is with China, standing at $9.1 billion, according to official statistics tabled in the National Assembly on Monday.

According to the data, the second most negative trade balance is with United Arab Emirates at $4.8 billion while it is $2.6 billion with Saudi Arabia, $1.9 billion with Indonesia, $1.6 billion with Kuwait and $1.35 with neighbouring India.

Similarly, it is $724 million with Malaysia, $360 million with Australia and $228 million with Iran. The last three countries among the list of 84 for negative trade are British Virgin Islands with $12 million, Cocos (Keeling) Islands with $4 million and Greenland with $1 million.

The commerce ministry stated in its reply that in order to improve the balance of trade, the ministry is making efforts on three fronts: trade diplomacy, promotion and policymaking. The three steps include diplomacy through unilateral and reciprocal concession with partner countries, it explained.

The steps include promoting trade through holding business exhibitions and sending delegations along with improving export policy with competitive measures.

Besides, the ministry is currently negotiating trade agreements with Thailand and Turkey to secure enhanced market access in these countries. The ministry is also in the process of reviewing Free Trade Agreements and Preferential Trade Agreements with China, Malaysia and Indonesia, among other countries, to make trading more effective from Pakistan's perspective.

In reply to another question, trade and commerce minister Khurram Dastagir Khan informed the Lower House that Pakistan’s exports have decreased from $24.58 billion in 2012-13 to $20.8 billion in 2015-16.

International recession and decrease in demand were cited as several reasons for the decline in exports.

The minister also maintained that Pakistan’s exports are dominated by primary and intermediate goods rather than value-added finished products. For instance, 74% of food items and 40% textile exports are primary commodities. “There is minimal value enhancement and value creation through branding and design innovation,” he said in his reply.

Khan also stated that since November 2013, many currencies around the world significantly depreciated such as the Indian Rupee (7%), Chinese Yuan (8%), South Korean Won (10%), Thai Bhat (11%), Euro (20%) and Brazilian Real (51%). In contrast, the minister said, the Pakistani Rupee has appreciated by 3% during the same period which made Pakistani exports less competitive.

He also stated that the overall economic meltdown, shift in demand, change of taste and preferences for products and price hike are among the exogenous factors for the decrease in exports.

http://tribune.com.pk/story/1176867/trending-downward-pakistans-trade-balance-negative-84-nations/

October 2016

NEWS COVERAGE PERIOD FROM OCTOBER 24TH TO OCTOBER 30TH 2016

PAKISTAN SEEKS LEVEL PLAYING FIELD FOR COTTON GROWERS

Dawn October 25th, 2016

ISLAMABAD: Pakistan demanded a level playing field for its cotton farmers under the global trade system at a WTO trade ministers meeting in Oslo, Norway.

An official statement issued by the Ministry of Commerce said commerce minister Khurram Dastgir Khan raised the problems faced by Pakistani farmers and agriculture community at the meeting.

Mr Dastagir called for enhancing market access for developing countries and special facilitation for small and medium enterprises (SMEs) and e-commerce at WTO.

He also questioned developed countries’ agriculture subsidies and stipulated special facilitation for SMEs and e-commerce.

It was agreed that economic cooperation and trade will be reinvigorated with European Free Trade Association (EFTA) countries — Iceland, Liechtenstein, Norway and Switzerland.

The commerce minister also met with trade minister of Norway Steven Ciobo ahead of the WTO meeting and discussed ways and means to increase bilateral.

http://www.dawn.com/news/1292011/pakistan-seeks-level-playing-field-for-cotton-growers

PARTIES, TRADERS PROTEST AGAINST CIVIC AGENCY IN SUKKUR

Dawn October 27th, 2016

SUKKUR: Activists of various political, religious, nationalist and traders' organisations took out a rally under the banner of the Sukkur Development Alliance (SDA) here on Wednesday in protest against poor performance of the North Sindh Urban Services Corporation (NSUSC).

The rally led by SDA chairman Haji Mohammad Jawed Memon and others started its march from Paper Bazaar and converged at Clock Tower roundabout where the participants held a demonstration. The leaders complained in their speeches that despite drawing handsome salaries and availing themselves of various facilities, the NSUSC officials had done little to keep the city clean and supply safe drinking water to town residents.

They said that heaps of garbage littered the city which often led to chokes in sewerage system and eventually sewage overflowed on roads and streets, turning into breeding area for mosquitoes besides giving off unbearable stench.

They feared the garbage and swarms of mosquitoes might cause an outbreak of gastroenteritis, malaria, skin and eye diseases among the town residents. They said that the drinking water the NSUSC supplied had foul smell, which suggested it might have germs harmful for human health. They said that they complained the city administration and the NSUSC about the civic issues but the officials concerned turned a deaf ear to their pleas, forcing them to take to the streets.

They demanded the government should rescind the accord with the NSUSC over its failure to discharge its duties and warned the protest would continue till the problems were resolved.

http://www.dawn.com/news/1292464

TDAP ORGANISES SEMINAR ABOUT KINNOW EXPORT
Busines Recorder, 27, October 2016

SARGODHA: Trade Development Authority of Pakistan (TDAP) Faisalabad organised here a seminar about Kinnow export for growers and exporters to focus on modern techniques for enhancing per acre produce as well as its greater export.

The seminar was attended by president Sargodha Chamber of Commerce and Industry (SCCI) Qaisar Iqbal, Planning Officer Citrus Research Institute Abdul Rehman, Dr Waqar Ahmed and a number of Kinnow growers, traders, exporters and factory owners. Speaking on the occasion, Qaisar said that Pakistan was at number 13 in citrus production and Sargodha produces 80 percent of the country's citrus production.

He briefed that the country produces a total of 2.132 million tons kinnow of which Punjab produces 2.077 million tons whereas Sargodha produces 94 percent of the whole province's share.

He disclosed that last year $150.6 million worth kinnows were exported, adding that more attention by the government can enhance this export to $200 million. "By bringing more innovations including seedless and diseases-free kinnow the exports can be enhanced to $1,000 million", he claimed.

Other speakers briefed the growers and exporters about the opportunities in various markets where they can export the produce and highlighted disease prevention methods as well.

http://www.brecorder.com/pakistan/general-news/325206-tdap-organises-seminar-about-kinnow-export.html

OCT 13 TO 25: 1000 TONS OF RED CHILLIES TRADED AT PMEX PLATFORM
Business Recorder, 29, October 2016

KARACHI: Due to subsidy payment by Sindh Enterprise Development Fund (SEDF), farmers were able to sell about 1000 tons of red chillies in only 10 days at Pakistan Mercantile Exchange (PMEX) trading platform, it is learnt.

The trading of red chillies under this contract started from October 13 and about 1000 tons of red chillies had been traded at PMEX platform till October 25, 2016.

Under the pilot project of red chilli contract, 600 tons was traded at PMEX trading platform last year.

For the current year, there is a target to trade as many as 6000 tons of red chilli at this platform.

The SEDF has allocated Rs 15 million, out of which subsidy would be given to the farmers. The subsidy would be released in six installments and each installment would be given after trading of every 1000 tons of commodity. Red chilli is the first ever spice listed at the Pakistan Mercantile Exchange. Kunri is the main area of red chilli production and it is called the red chilli capital of Asia. The production of red chilli only in Kuneri area is around 100,000 tons per annum.

http://epaper.brecorder.com/2016/10/29/3-page/809089-news.html

NEWS COVERAGE PERIOD FROM OCTOBER 17TH TO OCTOBER 23RD 2016
PBIF CHIEF SEEKS INCENTIVE PACKAGE FOR EXPORT SECTOR
Business Recorder, 18 October 2016

KARACHI: President, Pakistan Businessmen and Intellectuals Forum (PBIF), Mian Zahid Hussain, has said it is high time for the government to came up with incentives for the export sector after bringing meaningful reforms and release export refunds worth hundreds of billions of rupees which has broken the back of many exporters.

Expressing concern over widening trade deficit on the back of falling exports, he said the government should take steps to contain fall in exports and reduce imports of non-essential items otherwise it will have to borrow or introduce mini budgets, he said.

Mian Zahid Hussain said that in the first three months of the current fiscal year the trade deficit widened 29.21 percent to $7.06 billion while exports fell 8.9 percent to $ 4.68 billion. The imports rose 10.7 percent to $ 10.61billion during the three months over the corresponding period which is disturbing.

The government should immediately take steps to boost exports and reduce imports otherwise it will have to borrow from international lenders or introduce mini budgets to keep deficit in the limit agreed with the IMF, he demanded.

He said that slashing Public Sector Development Programme is also an option but it will have very negative impact on the population which is already reeling under multiple problems.

Hussain said that under a three-year strategic trade policy and restructuring of TDAP, the government set an annual export target of $35bn by 2018. Despite that exports are falling in terms of value as well as volume while the ministry of commerce has yet to receive any funds from the ministry of finance to take steps that can stop the decline in exports.

http://epaper.brecorder.com/2016/10/18/9-page/804679-news.html

INDIANS STOP SELLING COTTON TO PAKISTAN
Dawn, Business & Finance weekly, October 17th, 2016

Ashfak Bokhari

THE textile industry is in a dilemma as cotton trade between Pakistan and India has been hit by a rise in border tension; and traders across the border, being uncertain of future developments, are not entering into new deals.

Pakistan’s Cotton Commissioner Khalid Abdullah says a low quantum of trade activity is still taking place. The government has not asked importers to stop buying cotton from India but many of them are not buying on their own as a gesture of national solidarity. However, Indian exporters are refusing to sell at their government’s behest although they would be the losers.

Pakistani spinners are the biggest buyers of Indian fibre. Fewer imports by Pakistan this year could hurt Indian exports, raise their prices and help rival cotton exporters like Brazil, the United States and some African countries. For Pakistan’s industry, buying the raw material from other sources may prove costly owing to long distance freight. In fact, the situation is in a wait-and see mode. Cotton trade between the two countries is worth $822m a year.

Another victim of high political temperature is vegetables. According to Times of India, traders from the Indian state of Gujarat have decided to stop supplying vegetables to Pakistan.

Gujarat used to send 50 trucks having 10 tonnes of vegetables, mainly tomatoes and chilli, to Pakistan via the Wagah border. This is the first time in almost two decades that Gujarat’s exporters have halted the supply of essential vegetables to Pakistan. The commission agents say they will not resume exports till the normalisation of relations.

The suspension in cotton trade comes at a time when Pakistan’s cotton crop has recorded an overall decrease of 15pc over the last year, adding to the industry’s woes. Pakistan, the world’s third-largest cotton consumer, starts importing from September, but this time there has been little activity so far.

In the 2015-16 fiscal year ending on March 31 in India, official trade between the two was $2.6bn with cotton being a major component. However, in the crop year that ended on September 30, Pakistan was India’s biggest cotton buyer after its own crop was hit by drought and whitefly pest. According to an estimate, Pakistan will need to import at least three million bales in 2016-17.

The Cotton Crop Assessment Committee (CCAC), on Oct 7, estimated that the output for 2016-17 stood at 11.039m bales.Participants were informed that the lower output was mainly due to effects of climate change on the crop, besides pests like pink bollworm and whitefly. The crop output in Punjab is estimated at 7.3m bales, with each bale weighing 170 kilograms.The crop size of Sindh is estimated at 3.7m bales.

The representative of growers from Punjab agreed to the assessment whereas the Pakistan Cotton Ginners Association chairman was of the opinion that the crop size in Punjab was about 7.5-8m bales. Cotton sowing has registered a decrease of 21pc in Punjab while it has risen by 2pc in Sindh. The crop size is assessed on the basis of data provided by provincial governments.

Meanwhile, Afghan President’s special envoy and Ambassador to Pakistan, Dr Omar Zakhilwal, has refuted reports that Kabul has shut down the land route for Pakistani trucks going to Central Asian states through its territory. Ashraf Ghani had threatened, last month, to shut Pakistan’s transit route to Central Asian countries if it did not allow Afghan traders to use the Wagah border for trade with India. Pakistani trucks, the envoy says, can deliver transit goods directly to Uzbekistan, Tajikistan and Turkmenistan via Afghanistan.

It is interesting to note that in a highly charged political atmosphere, trade in other commodity goods has not been affected. The inward flow of Indian goods into Karachi’s major commodity and grocery markets, in old city areas which form the hub of the country’s wholesale trade, continues uninterrupted without any increase in prices or shortage of goods.

Shopkeepers selling Indian cosmetics and jewellery are doing business as usual because of their smooth flow and easy availability. The war-like situation has not affected their business. Not only is the arrival of goods from India normal, even exports are taking place at the usual pace. Pulses, spices and dried fruits continue to land in Pakistan, with these items not having faced any shortage in the wholesale market so far.

Trade balance between the two countries is in favour of India. In 2015-2016, exports from Pakistan to India dropped to $400m from $415m in 2014-2015. India's exports to Pakistan surged 27pc to $1.8bn over the same period.

The All Pakistan Textile Mills Association (APTMA) Punjab Chairman Aamir Fayyaz says that since now the textile industry has become highly dependent on imported cotton, duties and taxes on import of cotton would make the entire value chain uncompetitive. The situation calls for the withdrawal of 4pc customs duty and 5pc sales tax on the import of cotton. He wants the government to resolve the textile industry's issues and enable it to undertake investment worth $1bn per annum.

http://www.dawn.com/news/1290370

PM MAY ANNOUNCE HUGE PACKAGE FOR EXPORTERS
Mushtaq Ghumman

ISLAMABAD: Prime Minister Nawaz Sharif is expected to announce Rs100-125 billion package for exporters with a major share for textile sector aimed at reversing the declining trend in exports as Commerce Ministry was not willing to accept sole responsibility for the current decline in exports, well informed sources told Business Recorder.

The government, sources said, has discussed the package for exporters threadbare during at least four high level meetings held in Islamabad, Karachi and Lahore.

Initially, Chairman BoI Dr. Miftah Ismail and Commerce Minister Engineer Khurram Dastgir Khan made specific recommendations to Prime Minister Nawaz Sharif before Eid. After that major exporters also made a presentation to the Prime Minister in Karachi. The Prime Minister then constituted a committee comprising, Dr Miftah Ismail, PM's Special Assistant on Revenue Haroon Akhtar Khan and a few top exporters to tailor suggestions and present them to the Finance Minister. Commerce Minister was not part of discussions held in Finance Ministry.

According to sources, another high level meeting in Governor House Lahore on October 8, 2016 was held which was attended by Chief Minister, Punjab Mian Shahbaz Sharif, Finance Minister, Ishaq Dar, Commerce Minister, and Khurram Dastgir Khan, Chairman BoI and PM's Special Assistant on Revenue and few prominent representatives from the private sector.

An official privy to the meeting told this scribe that all the participants presented their viewpoint on the proposed package. It was agreed that a package is necessary to encourage exporters who are struggling due to international slump in commodities prices and incentive packages given by neighbouring competing countries like India, Bangladesh and Vietnam to their exporters. Finance Minister, however, did not share the final package in the presence of private sector.

"We finalised the package in a meeting in Lahore and I am sure it will be announced within a week or so. This time Prime Minister is in the mood to give an attractive package to the exporters. The financial impact of the package would be around Rs 100-125 billion (more than a billion dollars) and Finance Minister Senator Ishaq Dar has been directed to generate this amount," said a close aide to the Prime Minister.

"It would be exporters plus package," he added.

Fawad Hasan, Secretary to Prime Minister also held one and one meeting with the Commerce Minister, Khurram Dastgir Khan in his office on October 14, 2016 when Prime Minister was on his trip to Azerbaijan and sought his narrative on the export package. He also met with Secretary Commerce, Azmat Ali Ranjha who is well regarded in the Prime Minister House.

There was gossip in the Commerce Ministry that Fawad Hasan Fawad's main purpose to visit the Commerce Minister was to remove some of his grievances. It is said that Minister was unhappy over the rejection of a couple of summaries on foreign visits including Cuba. This, has, however, not been verified officially.

According to the initial draft, which sources claim is almost the final version 50 per cent rebate would be granted to exporters to be paid by the State Bank of Pakistan (SBP) at the time the foreign currency is received. It has also been recommended that 50 percent rebate on vouchers should be given to exporters, valid only when Letter of Credit (LC) for machinery is opened.

It was also proposed that the government should honour its pledge date of October 15, 2016 and clear pending tax refunds of exporters, without any delay, even if it is as a bank-negotiable instrument. However, now it has also been decided to clear the tax refund of exporters before the end of current month.

Keeping in view the hardships of textile sector, the government is expected to announce 3 percent rebate to yarn/grey fabric, 4 percent to processed fabrics, 6 percent for home textile/knitwear and 8 percent for garments sector. The sources revealed that the proposed rebate for raw and semi-raw exports would be around 4 per cent and value added sectors at 8 percent, respectively.

"Removal of import duty and sales tax on industrial machinery is also on the cards,'' the sources said, adding that duty drawback, bond and export refinance schemes will be simplified to facilitate SME exporters. The sources said, government is also expected to remove moratorium on industrial gas connections on RLNG and increase gas load for the industry.

One of the participants of Lahore meeting told this scribe that Finance Minister, Commerce Minister, Chairman BoI and PM's Special Assistant on Revenue are agreed on the package which is essential to provide a shield to hundreds of exporters against their competitors in neighbouring countries.

When contacted, Chairman BoI, Dr Miftah Ismail who is one of the architects' of the package confirmed that the package for exporters would be announced within a week's time.

PRGMEA Chief Coordinator Ijaz Khokhar said that Prime Minister should take the ownership of exports and implement the package from the day of announcement then it will be useful and helpful. He was of the view that the exporters have to give entire year's base price to the buyers in January, adding in case the package is delayed buyer will slip.

"Incentives will not be affective until Prime Minister takes ownership of exports till the next general elections as policy implementation is not seen anywhere," he added.

Khokhar further stated that Prime Minister should appoint a full time Minister for Textile Industry as early as possible so that he could play proactive role.

Patron-in- Chief of Pakistan Leather Garments Manufacturers and Exporters Association, Fawad Ijaz Khan Khan maintained that the incentive package should be given on all exports and not only on those export items that witnessed a decline during 2015-16 or to only the textile sector.

http://epaper.brecorder.com/2016/10/17/3-page/804193-news.html

EXPORT SECTORS: RS 180 BILLION PACKAGE TO BE UNVEILED SHORTLY: DASTGIR
Business Recorder, 20 October 2016
Tahir Amin

ISLAMABAD: In a bid to reduce the cost of doing business and make the export-oriented sectors competitive with other regional countries, the government will shortly announce a package amounting to Rs 180 billion, said Commerce Minister Khurram Dastgir Khan. "The package has been discussed with the Prime Minister, who has given his consent and the matter is currently pending with the Finance Ministry and the Federal Board of Revenue," said the minister. According to him, the size of package is of Rs 120 billion to Rs 180 billion and the textile sector will get the largest share of pie.

The minister stated this while briefing the Senate Standing Committee on Textile Industry on challenges/crisis being faced by the industry and its consequences causing rapid shutdown of textile units in the country. The committee met with Mohsin Aziz in the chair here on Wednesday. The committee expressed its serious concerns over the decline in exports while saying that government is doing nothing in this regard to arrest the woeful export slide.

The minister admitted that our exports are no longer competitive while saying that “Pakistan has become expensive,” adding that India today has become highly competitive while five years back, it was far behind. In lieu of the cost of doing business including gas, power tariff, GDIC, sales tax, Pak rupee exchange rate, the government would offer drawback to the entire exports sectors, said the minister, adding that major issues were raised by textile associations in various representations including Federal Textile Board including electricity tariff; gas tariff; exchange rate; new gas and electricity connections; RLNG prices in case oil prices increases; sales to unregistered person attract 2% sales tax; sales tax refunds have not been fully paid off; Custom Duty on manmade fibers, Custom Duty and Sales Tax on cotton; sales tax on machinery; textiles policy 2009-14 pending liabilities; RD on manmade based yarn and RD on cotton yarn and fabric.

At various forums, these issues were raised for early address to reduce cost of doing business and facilitate manufacturing. However, textile is a long value chain and finished product of one sub sector is the raw material of the subsequent sub sector and the issue is very complex.

The committee was further informed that Prime Minister in principle has approved winding up of the Pakistan Textile City Ltd (PTCL) after due process, and directed that accordingly, Finance Division shall immediately take the lead for voluntary winding up of the Company, after meeting all necessary pre-requisites; Simultaneously, all assets of the Company shall be disposed off through an order of transfer to Port Qasim Authority, which originally leased the land to Pakistan Textile City Ltd, since the terms of lease do not allow its further sale or transfer to a third party; and Port Qasim Authority shall be responsible to settle all liabilities of the Company out of its own resources, since it will have beneficial use of the land from now onwards. The Ministry of Textile Industry has requested the Finance Division on 21 September 2016 to expedite action in the matter.

The committee was further informed that Pakistan Textile City Limited was initiated in 2004 however actual development work commenced in 2007. It is public sector Company which is registered with SECP under Companies Ordinance, 1984. Since inception company faced the challenges of non-availability of requisite infrastructure, especially water, Electricity & Gas. Levelling and grading on 1250 acres including land/Nullah protection work is 100 percent complete with the cost of Rs 100 million. Because of huge fund requirement the company followed a debt model; so far company has taken Rs 2.4 billion debt from NBP. The company did not have sufficient funds; a lot of activities have been deferred. Due to lack of infrastructure company is unable to sell even a single plot, even though it is a public sector company registered with SECP having its own BoD.

The company owes a debt of Rs 2.4 billion to National Bank of Pakistan out of which Rs 1.3 billion was spent on the purchase of land at Port Qasim and Rs 1 billion have so for been incurred as interest on loan. On the daily basis the markup payable is Rs 7 lac approximately. However, Finance Division conveyed the in principle approval of the Prime Minister for winding up of Pakistan Textile City Limited after due process.

The committee decided to hold a meeting with all stakeholders to come up with a final and viable plan in this regard. The committee expressed annoyance over the non-compliance and no response from the Federal Board of Revenue (FBR) and gave a deadline of ten days to reply to all the pending questions and recommendations. In case of failure the committee decided to raise the issue in the Senate of Pakistan.

The committee expressed concern over reduction in cotton areas as well as in production. Cotton Commissioner Dr Khalid Abdullah said that due to climate change, crops were negatively affected. Further due to low prices, growers were unable to get due return and thus failed to use maximum input fertilisers/pesticides. He further said that sugarcane and maize crops were preferred in the cotton growing areas and thus cotton area decreased. However, the committee was astonished to hear that yield as well as area of cotton crop increased in Sindh due to conducive weather. The committee also expressed anger over the dysfunction PCCC. The Commerce Minister said that government is ready to run on PPP model which is a viable solution.

http://www.brecorder.com/top-news/front-top/323862-export-sectors-rs-180-billion-package-to-be-unveiled-shortly-dastgir.html

NEWS COVERAGE PERIOD FROM OCTOBER 10TH TO OCTOBER 16TH 2016
EXPORTERS DEMAND INCENTIVE PACKAGE
Dawn October 11th, 2016

KARACHI: The government should give out an incentive package to all categories of exports and not just textiles, exporters from various industries opined.

Trade bodies representing exporters took up the issue with the government after rumours began circulating that an incentive package for the textile industry is in the offing.

According to exporters' representatives, the government is planning to give 8 per cent rebate on exports of textile garments and allow duty free imports of cotton by removing 4pc customs duty.

Calling the move discriminatory, exporters said if the government has set a criterion for giving incentive package, then it should be given to all sectors which are facing a fall in exports.

Fawad Ijaz Khan, patron-in-chief of Pakistan Leather Garments Manufacturers and Exporters Association, said leather garments exports during 2015-16 declined by 12.35pc from $366 million to Rs$320m. The declining trend is also continuing during this fiscal as exports were down by 8.5pc during July-August period.

He blamed declining exports on the high cost of production in Pakistan and overvaluation of the rupee against foreign currencies.

Mr Fawad said the incentive announced in the Trade Policy 2016-18 — giving 4pc rebate on 10pc incremental increase in exports of leather goods – is of no use as at present exports are down and exporters would not benefit from this scheme.

Talking to Dawn, Jawed Ali Ghouri, former chairman Federal B Area Association of Trade and Industry, said there has been a steep fall in rice exports last year and the same trend has been witnessed in first quarter of current fiscal.

The government should give an incentive package to all export goods which are recording a decline, he stressed. Such measures are no favour to exporters but rather will help arrest falling trend in exports of the country, he said.

https://www.dawn.com/news/1289364/exporters-demand-incentive-package

TRADE GAP SWELLS TO $7BN
Dawn, October 15th, 2016

Mubarak Zeb Khan

ISLAMABAD: The trade deficit rose nearly 30 per cent year-on-year to $7.06 billion in the first quarter of 2016-17 mainly because of falling exports coupled with a double-digit increase in imports.

The deficit stood at $2.31bn in September, up 33.4pc from $1.73bn recorded in the corresponding month of 2015, the Pakistan Bureau of Statistics (PBS) said on Friday.

An official source in the Ministry of Commerce attributed the widening deficit to the increase in imports of non-essential items.

However, a surge in imports was seen in machinery, metal group and essential food items, like pulses, during the period under review.

In July-September, the overall import bill rose 10.7pc year-on-year to $11.74bn. The import bill in September alone increased 11.47pc on an annual basis to clock up at $3.85bn.

Federation of Pakistan Chamber of Commerce and Industry (FPCCI) President Abdur Rauf Alam told Dawn it is high time the government came up with incentives for the export sector.

He said falling exports are now a global phenomenon and government support is urgently required in Pakistan in line with worldwide practices. The Indian government has given top priority to the export sector, he added.

Exports of merchandise dropped 8.98pc year-on-year to $4.68bn in the first three months of the fiscal year, which indicates low international demand. In September alone, exports dropped 10.60pc to $1.54bn on an annual basis.

The decline in exports is due to slow proceeds of the textile sector, which accounts for about 56pc of total exports, and other items, like petroleum, jewellery, leather products, engineering goods, furniture, cement and guar.

Under a three-year strategic trade policy unveiled earlier this year, the government set an annual export target of $35bn by 2018. Yet exports are falling in terms of value as well as volume.

The government announced the trade policy framework in April.

Still the support measures announced for boosting exports July 1 onwards have yet to be implemented.

The Ministry of Commerce has yet to receive any funds from the Ministry of Finance to stop the decline in exports. The Ministry of Finance has withheld more than Rs30bn under the Export Development Surcharge (EDS).

The EDS is being charged on export proceeds to be used for the facilitation of exporters. However, the finance minister has allegedly been using that amount for other purposes over the years.

Pakistani exporters are operating in a difficult environment: global trade has contracted, as most countries with a similar product-mix have suffered a decline in exports, the ministry said in a statement.

"Due to multiple exogenous and endogenous factors, we think an adjustment in the export targets will have to be made," the ministry said.

https://www.dawn.com/news/1290006/trade-gap-swells-to-7bn

NEWS COVERAGE PERIOD FROM OCTOBER 3RD TO OCTOBER 9TH 2016
THE ONION MARKET
Dawn, Business & Finance weekly, October 3rd, 2016

Mohammad Hussain Khan

Sindh is set to reap a bumper onion crop amidst growers' fears of market prices falling owing to abundant supplies; as witnessed in the initial stage of arrival of the commodity in the Karachi market.

A surplus onion crop is a serious issue, worsened by lack of proper storage and dehydration facilities. While the crop supply will be in full swing from next month, its growers are currently getting a low price. A 40kg gunny bag of onion is being sold for Rs400-500 in the wholesale market.

Growers fear that if this trend continues, prices may drop further. Currently, however, the supply of Balochistan's onion in the market will come to an end before the Sindh crops' peak supplies hit the market.

Sindh reportedly grows close to 40pc of the country's total onion production followed by 35pc by Balochistan. Sindh's Phulkara is the most famous variety of onion and has a good market in the Middle East; but the market potential has not been fully realised due to hassles in logistics.

Onion grower Syed Nadeem Shah complains of a low market price. He says growers are currently selling 120 bags (110kg each) for Rs90,000-100,000, down from Rs400,000-500,000. Farmers are hit by 30-40pc post-harvest losses. With proper handling, the losses could be reduced and harvesting of 1m tonnes could be reached quite easily.

Provincial agriculture department figures showed 666,764 metric tonnes of onion were produced in Sindh during 2014-15, on an area of 49,934ha, while 697,276 metric tonnes were harvested in 2013-14, when the commodity was grown on 52,908ha. Onion is cultivated throughout the year in the province but October-December is the peak season.

An exporter from Karachi, Haji Shahjehan, however, hopes the onion's price will improve later. He ascribes the current depressing marketing price to a poor quality crop that is now reaching Karachi. He says, somewhat better quality onion is still sold for Rs400/40kg, as against the inferior quality which is sold for Rs150-200/40kg. He says last year per 40kg price of onion was Rs800-1,000/40kg.

Market men believe that traders from Punjab and Karachi, who buy onions now will probably make a

windfall from exports, as future prices improve due to the expected increase in demand. Exporters have yet to strike deals with growers for buying the crop for foreign sales.

Mahmood Nawaz Shah says Sindh needs to improve its varieties and meet international standards to get an adequate price. Farmers lack finances and facilities to compete with other countries, particularly Sri Lanka and Malaysia. He says that last year's attractive price for Sindh's onion was due to quality issues in the Indian crop.

Onion growers in Sindh suffer when Punjab imports the commodity from India. Punjab's traders find it easier to buy Indian onions, as transportation from Sindh is often expensive when compared to trading with India through the Lahore border. Efforts are, however, underway to encourage farmers to export their onion crop themselves and make investments in quality enhancing technology.

A link is to be developed between farmers and their foreign buyers under the World Bank assisted Sindh Agriculture Growth Project for exporting onions, rice, dates, and chillies.

https://www.dawn.com/news/1287507

SHANDONG'S FOCUS ON AGRICULTURAL TRADE
Dawn, Business & Finance weekly, October 3rd, 2016

Hong Xiao

A delegation of about 80 professionals from more than 40 agricultural-products importing and exporting businesses, as well as retail firms and cross-border electric business enterprises in East China's Shandong province visited the US from Sept 24-28, to promote agricultural trade.

As one of China's most important agricultural producers, exporters and consumer provinces, Shandong is the first province to move forward with construction of agricultural product security demonstration sites.

A food-safety system has been considered a vital component to promoting the development of international agriculture trade, which has been the focus of the provincial government since 2007, according to Lyu Wei, deputy director general of the Department of Commerce.

"The number of exportation agricultural-product security-demonstration sites in Shandong has reached 92, almost over all counties, districts and cities in the province, and the products produced in the demonstration sites account for 99pc of total exported agricultural products," Lyu said at the America-Shandong Agricultural Trade Counterparts Conference at the Westin Hotel in New York last Tuesday.

"We hope that the US side can get to know the efforts of not only the Chinese government but also all walks of life for food safety," Zhou Shanqing, commercial counselor of the Chinese Consulate General in New York.

"We are confident about it," he added.

Located in the eastern coastal region and the lower reaches of the Yellow River, Shandong covers 157,900 square kilometres and has a population of more than 94m in 17 cities.

In 2015, the province's GDP reached 6.3tn RMB (about $1tn), ranking it third in China. Its gross imports and exports reached $241.75bn, of which $144.06bn come from exports and $87.69bn from imports.

Shandong has the largest trade volume of agricultural products in China. In 2015, its gross agricultural imports and exports reached $31.37bn accounting for 16.9pc of the national agricultural trade of which $15.31bn are from exports, accounting for 21.8pc. The province ranks first for 17 consecutive years.

For the first seven months of this year, the total volume of China's agriculture-product imports and exports reached $102.3bn, of which export was $39.8bn, and import was $62.4bn, according to Yu Lu, deputy director of China Chamber of Commerce of Foodstuffs and Native Produce in Beijing.

"Basically, China has a surplus in the overall trade between China and US, but has a deficit in agriculture product trade," she said.

Zhou said that according to the US Department of Agriculture, China is the third-largest agriculture product-trading nation with the US. Last year, the annual export of agricultural products from the US to China reached a high of $25.86bn, with imports hitting $4.53bn.

On September 21, Premier Li Keqiang said he would soon allow imports of US beef at the banquet held jointly by the Economic Club of New York and the National Committee on US-China Relations (NCUSCR) and the National Council for US-China Trade.

"That means American beef will be appearing on the dinner tables of Chinese families soon," Zhou said.

International Sales Manager of Roland Foods LLC in New York, Yuqin (Shirley) Xu attended the event, looking for food-product suppliers for five-star hotels with importing rights.

"I talked with some matching companies, and I'm interested in some of them. I hope there could be more events like this in the future," she said.

http://www.dawn.com/news/1287506

SNAGS IN TRADING WITH RUSSIA

Dawn, Business & Finance weekly, October 3rd, 2016

Ashfak Bokhari

PAKISTAN'S horticulture sector, it goes without saying, has a huge export potential and its fruits and vegetables are in great demand in several regional markets.

Russia is one such market currently interested in Pakistan's kinnows and potatos.

However, things are not going as smoothly as one expected. Over the years, trade relations between the two countries, though on the rise, have never been amiable, with a tendency of suddenly becoming sour. For instance, in 2012 a Russian quarantine team that visited Pakistan's horticulture growing areas showed its reservations on the quality of the crops and spelled out its pre-condition: that the exporters must get a certificate from a certain private laboratory in Lahore about the efficacy of the commodities being exported to Russia, in addition to routine phytosanitary certification from the Plant Protection Department (PPD).

The lab in question, the Russians said, possessed technical expertise that no other lab in Pakistan had in conducting molecular tests. Exporters were hardly impressed as this lab was neither registered with the PPD, nor did the PPD have any credentials for this lab. The fact remains, as also pointed out by the All Pakistan Fruit and Vegetable Exporters, Importers and Merchants Association (PFVA), that the lack of close understanding between Russia and Pakistan, on quarantine protocols, has often created problems for local exporters.

In 2007, Russian inspection authorities lodged a complaint with Pakistan about the presence of the pest 'Khapra beetle' in some rice shipments dispatched from the country. The chairman of the Rice Exporters Association, however, clarified that the pest was found in the wheat crop, not in the rice crop. Some 20,000 tonnes of Irri rice was exported to Russia in 2006.

The latest problem between the two countries relates to the valuation of import duty on Pakistani kinnow and potato by Russian Customs which, the PFVA claims, is unfair and biased. Exporters believe that if the valuation issue is quickly resolved, there can be an immense increase in exports.

In a letter to Finance Minister Ishaq Dar sent on Sept 10, PFVA Chairman Waheed Ahmed, while seeking his intervention in the matter, refers to what he says is the discriminatory attitude of Russians towards Pakistani horticultural goods. Citing an instance, he says that during the 2015 season the import duty imposed by Russian Customs on Pakistani potato was 61 cents/kg, while it was 48 cents on Egyptian potato. The fair cost-and-freight (C&F) value of Pakistani potato, he contended, was 36 cents/kg.

Similarly, a fair valuation of C&F of Pakistani kinnow comes to 75 cents/kg, but Russian Customs fixed it at 90 cents for December 2015-January 2016, and $1.05 from February onward. Under the circumstances, exporters have to sell their kinnow at cheaper rates. The PFVA considers it an 'unfair trade practice' by Russian Customs.

The problem arises from the fact that Pakistani kinnow is being compared with that of Spain and Morocco, which are highly priced for they are seedless and have an impressive look. Their kinnows are available at $10-19/10 kg while the Pakistani kinnow is sold at $6.5-7.5/10 kg. The issue of unfair valuation is a matter of great concern for Pakistani traders as the export potential of these two products to the Russian market cannot be fully exploited.

On Sept 09, PFVA chairman Waheed Ahmad along with other office-bearers met the Consul General of Russia in Karachi and raised, among other things, the issue of 'unfair valuation' of Pakistani goods by Russian Customs.

The Russian diplomat, however, assured the Pakistani delegation that he would look into the complaints brought to his attention and would extend all possible support to facilitate exporters to enable them to enhance exports, particularly of kinnow and potato, to Russia. Waheed wanted all the companies registered with the PFVA to be allowed to export potatoes. His major demand was of opening banking channels between the two countries that he believed could spur trade volume up to $1bn.

However, there is no denying the fact that what is woefully lacking is the application of the latest technology in the production and export of popular fruits and vegetables. According to the Federation of Pakistan Chambers of Commerce and Industry, the country has certain geographical advantages and is considered a backyard farm of the Central Asian States and the Middle East, with a remarkable potential for export of farm products.

Meanwhile, export of fresh fruits, according to the latest data of the Pakistan Bureau of Statistics, has registered an increase of 56.99pc during the first two months of the current financial year. As much as 74,297 metric tonnes of fresh fruits of different kinds were exported during July-August 2016.

A year ago in this period, 49,036m tonnes were exported. However, vegetable exports have nose-dived by 43.11pc during this period, recorded at 73,944 metric tonnes compared to last year's exports of 127,810 metric tonnes. In the first two months of the current financial year, no quantity of leguminous vegetables (pulses) was exported.

http://www.dawn.com/news/1287505/snags-in-trading-with-russia

EXPORT OF ADDITIONAL SUGAR QUANTITY MAY BE ALLOWED
Business Recorder, October 04, 2016

Mushtaq Ghumman

The government is likely to allow export of additional 0.35 million tons of sugar on the plea that sugar stocks would be surplus on arrival of new crop, sources close to Secretary Industries told Business Recorder. A delegation of Pakistan Sugar Mills Association (PSMA) recently met the Commerce Minister Engineer Khurram Dastgir Khan and sought his help in payment of inland freight subsidy withheld by the Trade Development of Authority of Pakistan (TDAP) on one pretext or the other due to an ongoing inquiry in NAB.

The Association did not take up the issue of exports during the meeting with Commerce Minister but used other channels to seek permission for further exports. The sources said, during discussion in the ECC meeting held on September 23, 2016, on the stock position of various commodities in the country, it was stated that the reported stock of wheat as on September 20, 2016 was 9.49 million tons, which was sufficient for daily releases to the mills by the Provincial Food Departments and PASSCO.

The ECC was further informed that the total reported stock of sugar in the country as on September 7, 2016, stood at 2.57 million tons. It was revealed that the sugar stocks would be surplus on arrival of the new crop therefore there was a great potential to export the sugar after maintaining the strategic stocks. The committee maintained that in case the sugar export is considered it should not be more than 0.25 million tons in a single phase and after the said export, the Ministry of Commerce should again approach the ECC of the Cabinet to seek fresh approval for the next export amount, the sources said, adding that the total proposed quantity was to be around 0.35 million tons.

The Special Assistant to the Prime Minister for Revenue, Haroon Akhtar Khan, who is also a mill owner, stated that the stock positions compiled by the Cane Commissioners were based on the data provided by the sugar mill owners, which did not depict the correct position of the stocks. Therefore, the existing mechanism for determination of sugar stock positions made through the office of the Cane Commissioner required to be reviewed.

Secretary, Industries and Production Division, Khyzer Hayat Gondal, stated that there had been some complaints regarding compilation of the data for sugar stocks; however, the office of the Cane Commissioner was overall effective. He further stated that he would meet with the Pakistan Sugar Mills Association (PSMA) to remove anomalies (if any) regarding data provided to the Cane Commissioners.

http://www.brecorder.com/market-data/stocks-a-bonds/0:/90619:export-of-additional-sugar-quantity-may-be-allowed/?date=2016-10-04

DASTGIR DEFENDS FTAS
Dawn October 5th, 2016

iSLAMABAD: Commerce Minister Khurram Dastgir Khan on Tuesday said that in order to make the country's trade growth sustainable, liberalised trade regime is inevitable.

The minister was speaking at a consultative meeting with representatives of the business community regarding Free Trade Agreements (FTAs) with Turkey and Thailand.

The minister assured the business community that interests of the local industry will be safeguarded, but trade liberalisation is in the larger interest of the national economy.

He said with signing FTAs with different countries, the newly enacted defensive laws shall also be implemented to protect local industry. Welcoming the process to solicit input to formulate trade related policies and bilateral agreements, business community representatives were of the view that government should also reform taxation regime to improve competitiveness to take advantage of FTAs.

Earlier, presenting the objectives of the meeting, Robina Athar, Member, National Tariff Commission (NTC) and former chief negotiator for FTAs and additional secretary, Ministry of Commerce, was of the view that the over-riding objective of the meeting was to get the pulse of our business community that will help the government formulate its strategy for the upcoming negotiations.

She said, since last two decades, the number of FTAs involving at least one Asian economy has increased by an average of 15 each year.

Within Asia, she said FTAs involving the dynamic ASEAN +6 economies increased 10-fold from 17 in 2000 to 200 as of July 2014 accounting for 72% of the total Asian FTAs.

https://www.dawn.com/news/1287992

UK ASSURES PAKISTAN GSP PLUS-LIKE TRADE PACKAGE
The Express Tribune, October 5th, 2016

Peer Muhammad

ISLAMABAD: The United Kingdom has assured Pakistan that it would extend a package similar to the Generalised Scheme of Preference (GSP) Plus in the backdrop of Britain's decision to exit the 28-nation European bloc in a referendum on June 23, 2016.

"Ministry of Commerce Secretary Azmat Ali Ranjha was in the UK last week to figure out the future course of action in relation to bilateral trade in the wake of Brexit," said a senior officer in the Ministry of Commerce.

After Germany, the United Kingdom is Pakistan's largest trading partner in the EU with an export volume of $1.7 billion annually.

"We are happy that the UK authorities have responded to us very positively; we have been assured that Pakistan would be given a handsome package for trade, in line with the GSP Plus as available for Pakistan in the EU markets," said the official.

Moreover, he said that Pakistan had two options: either to get a package similar to that of GSP Plus from UK to access its markets or sign a FTA; the latter though was not very favourable as Pakistan would also have to give concessions in return to the UK.

"The package will be finalised before the GSP Plus status with UK comes to an end ie within two years," he said.

Since Britain is parting ways with the EU, Pakistan would not be able to enjoy the GSP Plus status – which allows it to export its products at zero or reduced duty to the European markets – in the UK.

The visit of the Ministry of Commerce Secretary was on the desire of the UK authorities in response to a letter written by the Minister of Commerce Khurram Dastgir soon after he took over as trade minister.

Dastgir suggested considering alternatives to the GSP Plus facility to promote and streamline trade between the two sides.

Earlier, the Ministry of Commerce had written to the Foreign Office, expressing its desire to be made part of the strategic dialogue with the UK to take up trade matters as well. Trade between Pakistan and the UK stood at 2.06 billion euros in 2015. Of this, Pakistan's exports to the UK amounted to 1.355 billion euros while its imports stood at 0.704 billion euros, with balance of trade tilted in favour of Pakistan.

Pakistan's exporters have enjoyed duty-free access to the UK since January 2014 under the EU's GSP Plus scheme.

Since then, exports to the UK have grown about 40%.

http://tribune.com.pk/story/1193585/post-brexit-uk-assures-pakistan-gsp-plus-like-trade-package/

PAK-BELARUS TRADE VOLUME TO BE RAISED TO $1BN
Dawn, October 6th, 2016

Amin Ahmed

ISLAMABAD: Pakistan and Belarus have agreed to raise the volume of bilateral trade from $50 million to $1 billion over the next four years.

The agreement was made during a meeting between Prime Minister Nawaz Sharif and President of Belarus Alexander Lukashenko on Wednesday.

Mr Sharif emphasised that the two countries needed to work hard to increase bilateral trade. "We need to encourage joint ventures and business-to-business contacts in the areas of textiles, agricultural equipment and products, heavy machinery, pharmaceuticals and automotives," said Mr Sharif.

Mr Lukashenko said that Belarus was eager to enhance cooperation with Pakistan in diverse fields and sectors, stressing that both countries need to capitalise on the huge potential which would benefit the people on both sides.

During the formal bilateral talks, the prime minister claimed that Pakistan was one of the most investor-friendly countries, offering opportunities for foreign investors with a market of nearly 200 million people. The establishment of a joint trade committee was an important vehicle to identify bottlenecks and resolve issues in trade relations between the two countries, he added.

The Belarusian president suggested developing joint ventures and business-to-business contracts in building of heavy machinery, including automotive engineering, agricultural harvesting machinery, road construction machinery and dump trucks. He said the ventures should process surgical instruments, pharmaceuticals and other areas of mutual benefit as well.

The meeting noted that economic relations with Belarus could be an investment window to Europe for Pakistan.

According to informed sources, the Minister for National Food Security, Sikander Hayat Khan Bosan, will soon visit Belarus to explore the possibilities of setting up joint ventures in agro-based industries.

The fourth Belarus-Pakistan Business and Investment Forum concluded with the finalisation of documents to boost cooperation between the two countries, including memorandums, agreements and protocols. The protocol of exchange of instruments for ratification of the friendship treaty between Belarus and Pakistan was also signed.

Other agreements included mutual legal assistance in civil and economic affairs and assistance in customs matters. A memorandum of understanding was signed between the National Bank of Belarus and the State Bank of Pakistan.

https://www.dawn.com/news/1288357

CHAMBER WANTS KARACHI-LASBELA WATER SHARING FORMULA REVIEWED
Dawn October 6th, 2016

KARACHI: The Lasbela Chamber of Commerce and Industry (LCCI) on Wednesday urged the federal government to look into the water shortage in the district and revisit the Karachi-Lasbela water sharing formula.

If proper infrastructure and utilities – particularly water – are not ensured to Lasbela, the district might end up missing out on opportunities under the China-Pakistan Economic Corridor (CPEC), LCCI President Ismail Suttar said.

Industries in Balochistan’s Lasbela district are faced with acute water shortages and the federal government needs to look into the matter before industrial units start shutting down, Mr Suttar said.

He urged the Water and Power Ministry to recognise the growing water needs of Lasbela district and its industries.

He drew attention to the fact that Hub Dam reservoir on Hub River was an inter-provincial project as it provides water to two provinces, Sindh and Balochistan.

The dam was completed in June 1981 and since then Karachi and Lasbela districts are the beneficiaries of the Pakistan’s third largest dam, he maintained.

He further said that with a gross storage capacity of 857,000 acre feet, the dam was designed to supply 102 mgd of water to Karachi for municipal and industrial purposes and 59 mgd of water to Lasbela district making the water distribution ratio of 63.3:36.7 per cent.

“The water distribution formula was determined years ago when Lasbela was a very small town with a population of about 150,000 people. Over the years the population of the district has grown to almost one million which also raised the demand of water,” he noted

http://www.dawn.com/news/1288234

INDIAN COTTON EXPORTS TO PAKISTAN SLUMP AMID TENSIONS
Dawn October 8th, 2016

MUMBAI: Rising hostilities between India and Pakistan have brought their $822 million-a-year trade in cotton to a juddering halt, as traders who are worried about uncertainty over supplies and driven by patriotism hold off signing new deals.

The nuclear-armed rivals have seen tensions ratchet up in the past few months over the disputed territory of Kashmir, and cotton traders in both countries said they were watching developments along the de facto border with alarm.

Pakistan, the world's third-largest cotton consumer, usually starts importing from September, but three Indian exporters said the number of inquiries had slowed to a trickle in the last two weeks.

In the clearest sign yet of souring relations affecting commerce, Pakistan-based importers also said they were not buying.

"At the moment there is no cotton trade. It's at standstill. There is uncertainty that, God forbid, if war breaks out, what will happen?" said Ihsanul Haq, chairman of the Pakistan Cotton Dealers Association.

Pakistan Cotton Commissioner Khalid Abdullah said a "low quantum of trade activity is still taking place." He said the Pakistan government had not directed traders to stop buying Indian cotton and expected trade to normalize when tensions eased.

Indian government officials said they had not yet noticed trading had stopped.

But some Indian officials said last week that Prime Minister Narendra Modi's government was considering whether it should choke trade with Pakistan to put pressure on its neighbour, even though the trade balance is in India's favour.

Trade between India and Pakistan, which have fought three wars since their independence from British rule in 1947, is small.

In the 2015-16 fiscal year ending on March 31, official trade between the two was $2.6 billion. Cotton is the largest component of that total.

It is not clear whether other goods and commodities traded between the two, such as jewellery and dry fruits, have been hit by the escalation in hostilities as well, but the disruption to cotton shipments is potentially significant.

In the crop year ended Sept 30, Pakistan was India's biggest cotton buyer after its own crop was hit by drought and whitefly pest.

It imported 2.5m bales from India, and supported Indian cotton prices at a time when China was cutting imports, traders said.

Lower purchases by Pakistan this year could hurt exports from the world's biggest producer of the fibre and put pressure on Indian prices, but could also help rival cotton suppliers like Brazil, the United States and some African countries.

Chirag Patel, chief executive officer of Indian exporter Jaydeep Cotton Fibres, said the country could export 5m bales in the 2016-17 crop year, but exports could plunge to 3m bales without Pakistani imports.

An exporter based in Mumbai estimated that Pakistan will need to import at least 3m bales in 2016-17, and India will have a surplus of around 8m bales.

"As soon as the (political) situation improves, cotton trade will definitely resume between the two countries," said Haq of the Pakistan Cotton Dealers Association.

http://www.dawn.com/news/1288671/indian-cotton-exports-to-pakistan-slump-amid-tensions

PFVA ACHIEVES MANGO EXPORT TARGET: CHAIRMAN
Business Recorder, October 08, 2016

Pakistan Fruit and Vegetable Exporters Importers and Merchant Association (PFVA) has achieved a number of milestones during the last one year for promotion of horticulture exports aimed to earn more foreign exchange for the country. Addressing the annual general meeting former chairman Waheed Ahmed informed that for the first time, President Mamnoon Hussain and Prime Minister Nawaz Sharif, ministries and other institutions appreciated PFVA for its dedicated efforts in promoting exports and exploring new markets for the horticulture products.

During the annual general meeting of PFVA, members, acknowledging the restless efforts and dedication and historic services to the horticulture sector, appointed Waheed Ahmed as patron-in-chief of the association. The meeting also elected Abdul Malik as chairman of the association for the 2016-2017. While, Ansar Iqbal and Zulfiqar Ali were elected as senior vice chairman and vice chairman respectively during general body meeting at the association office in Karachi.

It was appreciated in the meeting that for the first time, with the efforts of the association Citrus Development Board made in Pakistan this year besides approving the Rs 140 million worth project of pack houses and common facility centers in Lahore, Islamabad, Peshawar and Karachi.

Presenting the annual report, Waheed Ahmed informed that PFVA has not only met its export target of 0.1 million tones mango but also made a historic export of 0.3 million tones potato this year. Displaying 10 varieties of mango along with 25 value-added products at President House, for the first time, the association introduced the valued fruit to foreign ambassadors and delegates and now the successful event will now be held every year at the President House, he added.

“Prime Minister Nawaz Sharif, while acknowledging the importance of horticulture sector to promote exports of agricultural products, also showed his willingness and keen inertest to facilitate the sector”, he mentioned. The encouragement on the part of Prime Minister was historic as he given more time and opportunity to the exporters of horticulture products during a presentation at PM House, Waheed said.

The meeting was informed that apart from the pack houses common facility centers, the government has also allocated Rs 9 million to implement the international standard of Global Gape in Pakistan. Besides, final meeting has also been held to install hot water treatment plant as common facility center in Karachi through EDF fund. Former chairmen PFVA said that eight members of the association had participated in annual fruit logistic function in Germany in February 2016 and half of the exhibitor’s participated first time in an international function.

Besides other important personalities, Pakistan ambassador also visited Pakistani mangoes stall and lauded the arrangements. Furthermore, special activities were carried out in different countries like Qatar, Belarus, Russia and others for promotion of Pakistani mangoes import and in this regard, Pakistani embassies played an important role, he added.

Waheed said that PFVA also ensure compliance of international standards and year, a Chinese team visited Hot Water Treatment Plants and Cold Treatment Facilities in Punjab and Sindh, giving approval to mangoes and oranges import to China. Meanwhile, a delegation of Korean Importers Association visited Karachi whereas it was given briefing about mangoes and other fruits by Pakistani authorities.

During the meeting Waheed Ahmed also thanked Ministries of Food Security and Research and Commerce and other institutions like TDAP, Plant Protection, Customs etc for their part in promoting and enhancing exports. Newly elected chairman Abdul Malik said that the association under leadership of Waheed Ahmed highlighted problems facing the horticulture trade and underline suggestions for their solution. The association also contacted authorities of different airlines, discussing with them complains about off-loading of shipment, he added.

http://www.brecorder.com/agriculture-a-allied/183/91937/

November 2016

NEWS COVERAGE PERIOD FROM NOVEMBER 28 TH TO DECEMBER 4TH 2016

COTTON IMPORTS FROM INDIA PUT ON HOLD

Dawn, December 1st, 2016

KARACHI: Pakistan has suspended cotton imports from its top supplier, India, saying shipments failed to fulfil phytosanitary certification, threatening the $822 million-a-year trade, government and industry officials told Reuters.

Traders say rising hostility between the neighbours might have prompted Pakistan to restrict imports. The decision will help other cotton suppliers such as Brazil and the United States to increase exports to Pakistan.

“We had received some complaints regarding insects, pests, in cotton consignments imported from India, so we have sent samples for tests,” Imran Shami, director general of Pakistan’s Plant Protection Department (DPP), told Reuters on Wednesday. “If results show non-compliance of phytosanitary requirements, we would have to stop the imports from India.”

Pakistan had put on hold cotton consignments from India, he said, adding that if tests confirmed the presence of pests, “these consignments will go back or would have to be destroyed”, he said.

In 2015-16, Pakistan surpassed Bangladesh to become India’s biggest cotton buyer, accounting for 40 per cent of exports.

“Officially there is nothing on the record, but on the ground, there is an unannounced ban on cotton imports from India,” said Ihsanul Haq, chairman of Pakistan Cotton Ginners Forum.

Indian exporters have signed contracts to export 350,000 bales to Pakistan since the start of the marketing year on Oct 1 and out of that nearly 300,000 bales for shipments in December and January could get stuck, three exporters said.

“Out of the contracted quantity, a very small amount has been dispatched so far as the season has just started,” Cotton Association of India President Dhiren Sheth told Reuters.

Supplies from the new season crop usually start rising from November in India. But this year, supplies are negligible after a government move to ban high-value currency notes prompted farmers to postpone sales.

“Buyers and sellers are not cancelling contracts. They are waiting for some positive response from the government,” said Chirag Patel, chief executive officer of Indian exporter Jaydeep Cotton Fibres.

The nuclear-armed rivals have seen tension increase in the past few months over the disputed region of Kashmir.

Last year, Pakistan bought 2.7m bales from India and supported Indian cotton prices at a time when China was cutting imports, traders said.

“It will be big problem for us if Pakistan stops buying. Other countries could not absorb the entire surplus,” said an exporter based in the western state of Gujarat.

Along with Pakistan, India mostly exports cotton to Bangladesh, China, Vietnam and Indonesia.

Pakistan, the world's third-largest cotton consumer, has not stopped imports from other countries, said Mr Shami of the DPP.

But importers say buying the fibre from other suppliers like the United States, Brazil and West Africa will prove costlier and time consuming.

"From India, imports come across within 10 days and sometimes within a week consignments used to cross the Wagha border," said Mr Haq, referring to the main border crossing near the Pakistani city of Lahore.

http://www.dawn.com/news/1299699

'PAKISTAN CAN TAP TRADE POTENTIAL OF CENTRAL ASIAN STATES'
The Express Tribune, December 1st, 2016.

Pakistan is now well positioned to further tap the trade potential of Afghanistan and Central Asian Republics (CARs), said Finance Minister Ishaq Dar.

Speaking at the launch ceremony of Pakistan-Afghanistan-Central Asian Republic States Trade Summit (PACTS) Tuesday, Dar said, "There is a huge trade potential in Afghanistan and five other Central Asian states, namely Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan and Uzbekistan, to offer a sizeable market for Pakistani goods, services and investment."

The ceremony was organised by the Rawalpindi Chamber of Commerce and Industry (RCCI).

He said that a Joint Business Council, comprising leading businessmen from both the countries, had also been established to increase business to business interaction.

Talking about Pak-Afghan bilateral trade value, the minister revealed that it had increased from $1.11 billion in 2005-06 to $1.84 billion in 2015-16, which meant greater potential to enhance trade.

He said that Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) had been established to monitor effective implementation of the Pak-Afghan Transit Trade Agreement 2010 and so far, six APTTCA meetings had been held.

Dar said that now the target was for higher, sustainable, and inclusive growth, adding that the International Monetary Fund raised GDP growth forecast for Pakistan for FY17 from 4.7% to 5% and projected GDP growth of 5.5% in FY2021.

The Asian Development Bank raised the GDP forecast for Pakistan for 2017 from 4.8% to 5.2%, said Dar, adding that the Harvard University study had projected 5.07% annual GDP growth of the country till 2024.

World Bank projected 5% GDP growth for Pakistan in FY17 and 5.4% in FY18, he added.

The finance minister assured that it was the firm resolve of the government to achieve higher and more sustainable growth.

The minister also said that initiatives like CAREC, China-Pakistan Economic Corridor (CPEC), and Pakistan's commitment to join in the Ashgabat Agreement and Lapis Lazuli Corridor would further support the CARs trade plans.

"Our region is very rich in economic, human and natural resources and connectivity of this region will usher in new vistas of prosperity. CPEC is a game changer and we would like other neighbouring countries to take advantage of this project."

Dar assured the RCCI that the government would seriously consider the charter of demands presented by the RCCI president.

http://tribune.com.pk/story/1249739/trade-summit-pakistan-can-tap-trade-potential-central-asian-states/

INDIAN TOMATO IMPORTS STOPPED
Dawn, December 2nd, 2016

LAHORE: Pakistan has stopped importing tomato from India as there is enough local production to meet domestic demand, Federal Secretary National Food Security and Research Muhammad Abid Javed said on Thursday.

Speaking to office-bearers of the Lahore Chamber of Commerce and Industry, he said special attention was being given to the halal food sector as it has the ability to give a quantum jump to national exports.

He said the Rice Research Institute has recently introduced two new varieties that would help enhance rice exports. He said there was a high demand for Pakistani basmati rice in the global market.

In his address, LCCI President Abdul Basit said it was a matter of concern that the performance of the agriculture sector as a whole remained dismal during the previous fiscal year.

He said that unlike other sectors of economy, the agriculture sector witnessed a negative growth of 0.19 per cent against 2.53pc growth during the same period last year. Other sub-components of the agriculture sector like livestock, forestry and fishing posted a positive growth of 3.63pc, 8.84pc and 3.25pc, respectively.

“This is high time that our farmers and local entrepreneurs related to food and its associated sectors must be motivated to modernise their processes,” Mr Basit said. “The Ministry of National Food Security and Research can play a pivotal role in this regard.”

http://www.dawn.com/news/1299965

FOOD MINISTRY SEES MASSIVE POTENTIAL IN HALAL FOOD SECTOR
The Express Tribune, December 2nd, 2016.

LAHORE: Recognising the huge potential of Halal food industry, Ministry of National Food Security and Research Secretary Muhammad Abid Javed has said special attention is being paid to bringing an improvement in this sector since it has the capacity to significantly boost national exports.

Speaking at the Lahore Chamber of Commerce and Industry (LCCI) on Thursday, Javed said the Rice Research Institute was continuously working to introduce new varieties and recently two new types of the food commodity had been unveiled that would help enhance exports. LCCI President Abdul Basit, however, cautioned that it was alarming that despite being an agrarian economy Pakistan had not been able to reap potential benefits of rice trade.

“It is a matter of concern that during fiscal year 2015-16, the performance of agricultural sector, as a whole, remained dismal,” he said.

Basit said unlike other sectors of the economy, the agricultural sector recorded a negative growth of 0.19% compared to 2.53% expansion a year earlier.

The growth in crop production fell 6.25%, while other sub-components of the agricultural sector such as livestock, forestry and fishing posted a positive growth of 3.63%, 8.84% and 3.25%, respectively.

"It is really unfortunate that we lag terribly behind in producing the desired results. It is high time that our farmers and local entrepreneurs related to food and associated sectors are motivated to modernise their processes," said Basit.

He added since there were a number of research institutions working under the control of food security ministry, they should use the platform to highlight benefits of adopting new ways and technologies to increase the existing low level of agricultural yield.

Former LCCI president Shahzad Ali Malik said the total size of Halal market in global trade was around $3 trillion and Pakistan had an insignificant share in it. "We have a natural base for producing Halal products and this unique characteristic should be aggressively marketed to earn an appropriate share."

He said in addition to five export-oriented sectors, which had been declared zero-rated, the food sector should also be awarded the same status.

http://tribune.com.pk/story/1250878/prospects-food-ministry-sees-massive-potential-halal-food-sector/

WHEAT FLOUR WORTH $198 M EXPORTED TO 27 COUNTRIES
Business Recorder, 2 December 2016

ISLAMABAD: Pakistan exported 626,289 metric ton wheat flour worth $198 million, to 27 different countries and 450 metric ton of wheat, worth $158,000, to Afghanistan and Malaysia in financial year 2015-16.

A total of 229 metric ton of wheat has been exported from Pakistan, worth $77,000, in the first 2 months of current financial year 2016-17, according to official documents.

The documents say Pakistan exported 50 metric ton wheat to Afghanistan and 400 metric ton to Malaysia in financial year 2015-16.

In financial year 2015-16, Pakistan exported largest quantity of wheat flour, 623,190 metric ton, to Afghanistan and the lowest, 2 metric ton, to Congo.

Pakistan exported 618 metric ton wheat flour to Tanzania, 554 metric ton to Kenya, 478 metric ton to Saudi Arabia, 277 metric ton to United Arab Emirates, 180 metric ton to Sri Lanka, 120 metric ton to India, 113 metric ton to Yemen, 95 metric ton to Qatar, 94 metric ton to Hong Kong, 82 metric ton to Australia, and 65 metric ton to South Africa.

Pakistan also exported 64 metric ton wheat flour to Norway, 51 metric ton to Malaysia, 39 metric ton to South Korea, 36 metric ton to Denmark, 36 metric ton to Mozambique, 35 metric ton to Oman, 34 metric ton to Sweden, 29 metric ton to France, 29 metric ton to Japan, 29 metric ton to Lebanon, 15 metric ton to United States of America, 10 metric ton to New Zealand, 8 metric ton to Netherlands and 6 metric ton to United Kingdom.

Pakistan is Asia's 3rd largest wheat producer and has already allowed export of the grain on government-to-government basis to other countries.

In January, Pakistan approved export of 1.2 million tons of wheat from the surplus stocks through private exporters. Of the total, 800,000 tons were to be exported from the central Punjab province and 400,000 tons from Sindh. The government had also announced transport rebate of $45 and $55 per ton for Sindh and Punjab exporters respectively.

A meeting of the Economic Coordination Committee which held in Islamabad on April 23, decided to also allow export on government-to-government basis on same terms and conditions.

http://epaper.brecorder.com/2016/12/02/5-page/824534-news.html

NEWS COVERAGE PERIOD FROM NOVEMBER 21ST TO NOVEMBER 27TH 2016

PAKISTAN, THAILAND AGREE ON MARKET ACCESS STRATEGY

Dawn November 22nd, 2016

Mubarak Zeb Khan

ISLAMABAD: Pakistan and Thailand have agreed on a market access strategy under the proposed free trade agreement to increase the volume of bilateral trade.

The understanding was reached between the technical teams of both countries during the fifth round of negotiations that was held last week in Bangkok, Thailand.

The sixth round of the meeting will be held in Islamabad on Dec 22-23, 2016. The first round of treaty was held in Oct 2015.

Dawn that both sides have exchanged lists of items for duty concession under the treaty. Bangkok handed over a list of 1,700 items seeking duty reduction on it.

On the other hand, Pakistan has sought market access on 1,200 items. “These are requests lists which will be further consulted with relevant stakeholders,” the official said.

The official said Pakistan has specially requested for market access on 650 items. He said Bangkok has agreed to offer for almost all these products. However, Thailand is reluctant to give any preferential market access for Pakistani rice and leather products.

Pakistani textile products, sports goods, carpets, etc will get preferential market access under the proposed FTA.

Both sides also agreed to cover the non-tariff barriers under the treaty.

On the request of Bangkok, both sides agreed to arrange meetings of automobile sectors to work out details on any engagement. The official said Pakistan has offered Thai investors to invest in the Pakistani auto sector.

No market access will be offered in the areas of papers and some chemicals due to resistance from local manufacturers, the official said.

It was agreed during the meeting that Pakistan will phase out regulatory duties on importable items after five years of the implementation of the treaty.

Trade volume between Pakistan and Thailand was $952 million at the end of 2015-16, in which Pakistan exports were $107m and imports were $845m.

Exportable items to Thailand currently include fish and fish preparations, cotton fabrics for women, paper and paper board, raw cotton, cotton yarn, leather, medical and pharmaceutical products, the material of animal origin, medical and surgical instruments, chemical element and compounds.

http://www.dawn.com/news/1297760/pakistan-thailand-agree-on-market-access-strategy

UAE MAY TAKE US TO WTO OVER STEEL PIPES DUMPING CHARGES

Dawn November 22nd, 2016

DUBAI: The United Arab Emirates could refer the United States to the World Trade Organisation over anti-dumping charges levied on steel pipes, a senior official said on Monday.

The US International Trade Commission announced on Friday it was taking measures against UAE, Oman and Pakistan in relation to circular welded carbon-quality steel pipes, after a Department of Commerce investigation found them to be sold in the United States for less than fair value.

The pipes are used in sprinklers, fences and plumbing systems.

“We are trying to solve it in consultation, bilaterally, with the US administration and we’ll try to solve it in

consultation,” Abdulla al-Saleh, undersecretary for foreign trade and industry at the UAE ministry of economy, told reporters on the sidelines of a construction event.

“If that doesn’t work, we may — and we haven’t decided yet — have another option to go through the WTO channel. It depends on the case and the evidence that we have. But we believe we don’t practice any measure that (results in) dumping in the US market or harming the US market.”

Saleh said the industry doesn’t receive any subsidies from the government, which supported its claim that it didn’t pursue any unfair international trade practices.

There are already similar tensions between US airlines and Gulf carriers including Emirates of Dubai and Abu Dhabi’s Etihad Airways.

The US investigation began in October 2015 and follows a complaint from four American firms — two in Missouri, and one each in Illinois and California.

Saleh added the six Gulf Cooperation Council countries were continuing to study whether to raise import duty on steel.

Global steel prices have slumped as Chinese producers, which account for about half of worldwide steel supply, have flooded export markets, sparking protests and anti-dumping complaints by the United States and the European Union among others.

The GCC Secretariat was studying raising the level of duty imposed by Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE to help protect local steel producers from cheap imports, according to local media reports earlier this year.

“There is a proposal on the table and GCC members are studying it. Hopefully, they will reach the agreement which is not about protecting the market but it’s protecting the fair competition in the market,” Saleh said.

He declined to give details, but said some Gulf countries have a band which allows duty to rise to 15 per cent and the UAE was open to raising it to that level from its current 5pc.

He added “soon”, when asked when a decision was expected.

Gulf nations have traditionally kept steel tariffs low to facilitate local building booms, although the construction sector — in particular in Saudi Arabia — has struggled since oil prices began to fall in mid-2014, which crimped state budgets for large infrastructure projects.

http://www.dawn.com/news/1297770

DUTCH ENVOY UNDERLINES NEED TO ENHANCE TRADE COOPERATION
The Express Tribune, November 22nd, 2016.

KARACHI: Stressing on Pakistan's trade advantage due to the Generalised System of Preferences (GSP) plus scheme granted by the European Union (EU), Ambassador of the Netherlands Jeannette Seppen has said that this is a chance the two countries (Pakistan and Netherlands) should not miss out on.

"We can only encourage Pakistani traders to work closely with the government and all other stakeholders in the field of trade to ensure that all 27 conventions attached to GSP Plus are really implemented," said Seppen.

"It is Pakistan, itself, that has signed up to it which shows the country's determination and we are also here to help," she added while exchanging views during her visit to the Karachi Chamber of Commerce and Industry (KCCI).

The Dutch Ambassador said some reputable international and Dutch NGOs are also here to support Pakistan when it comes to women's rights, freedom of expression and a number of other issues, particularly labour rights and labour conditions.

She underscored the need to make collective efforts to improve Pakistan's image and make this country an even more attractive market to buy from.

Highlighting Dutch interest in different sectors, she pointed out that there was tremendous potential to enhance trade and investment cooperation and work together in the agriculture, dairy, livestock, horticulture, shipping, ports, maritime infrastructure, water management and the energy sectors.

"There are a few fields where Pakistan and Netherlands can grow together, a lot is already going on and a lot more can be done, which is our firm conviction," she added.

She said that Netherlands was very serious about enhancing trade ties with the business and industrial community of Karachi. Many Dutch multinationals including shipping companies were successfully operating from Karachi who have been fantastic ambassadors of Netherlands whereas Dutch dredgers were also engaged in carrying out dredging at Port Qasim.

"Our ties go way back and there is a bright future ahead of us as we find ourselves in a very favourable environment," she added.

Seppen said that despite some pessimism, trade balance between Pakistan and the Netherlands remains 'very positive' which, in the current economic circumstances, is really 'remarkable'.

KCCI President Shamim Ahmed Firpo said that Pakistan and Netherlands have been enjoying good trade relations as Pakistan's export to Netherlands, during fiscal year 2015-16, was recorded at $555 million while its imports from Netherlands stood at $619 million.

"I believe there is a need to make more efforts for furthering the existing trade volume between the two countries," he opined.

http://tribune.com.pk/story/1238807/dutch-envoy-underlines-need-enhance-trade-cooperation/

TRUMP'S THREAT TO VOID TPP DEAL MAY OPEN WAY FOR CHINA
Dawn, November 23rd, 2016

TOKYO: An Asia-Pacific trade deal stands almost no chance of working now that US President-elect Donald Trump has pulled the plug on it, proponents of the pact said on Tuesday, opening the way for China to assume the leadership mantle on trade.

Japan and Australia expressed their commitment to the pact on Tuesday, hours after Trump vowed to withdraw from the 12-nation Trans-Pacific Partnership on his first day in office, calling the deal "a potential disaster for our country."

Trump's declaration appeared to snuff out any hopes for the deal, a signature trade initiative of President Barack Obama, five years in the making and meant to cover 40 per cent of the world economy. The TPP, which aims to cut trade barriers in some of Asia's fastest-growing economies and stretch from Canada to Vietnam, can't take effect without the United States. It requires the ratification of at least six countries accounting for 85pc of the combined gross domestic product of the member nations.

Japanese Prime Minister Shinzo Abe said "the TPP would be meaningless without the United States," even as parliament continued debating ratification and his government vowed to lobby other members to approve it.

Yet even without US ratification, the TPP won't just die, a senior Japanese official said.

"It just continues in a state of not being in effect," said Shinpei Sasaki of the Cabinet Office's TPP headquarters. "In the future if the United States takes the procedures and it passes Congress, that would satisfy the provisions and the TPP would go into effect."

Amending Agreement: Other members of the 12-nation grouping could conceivably work around a US withdrawal.

Australian Trade Minister Steven Ciobo told reporters in Canberra countries could push ahead with the TPP without the United States by amending the agreement and possibly adding new members. "We could look at, for example, if China or Indonesia or another country wanted to join, saying, 'Yes, we open the door for them signing up to the agreement as well.'"

But Singapore's Prime Minister Lee Hsien Loong said reopening negotiations wouldn't be easy. "If you sign a fresh agreement, you have to go through it again. We haven't crossed that bridge yet. We'll cross it if and when we come to that."

CHINA'S RIVAL PACT: China has pushed its own version of an Asia-Pacific trade pact, called the Regional Comprehensive Economic Partnership (RCEP), which notably excludes the United States. It is a more traditional trade agreement, involving cutting tariffs rather than opening up economies and setting labour and environmental standards as TPP would.

The RCEP was a focus of attention at the Asia Pacific Economic Cooperation summit in Peru over the weekend.

Tan Jian, a senior member of China's delegation at the summit, said more countries are now seeking to join its 16-member bloc, including Peru and Chile, and current members want to reach a deal as soon as possible to counter rising protectionism.

China's foreign ministry said on Tuesday Beijing has an "open attitude" toward any arrangements that promote free trade in the region as long they don't become "fragmented and politicized".

Foreign ministry spokesman Geng Shuang said the RCEP was an initiative led by the 10-member Association of Southeast Asian Nations, which China has been promoting. "We are willing to keep pushing the (RCEP) talks process with all sides to achieve positive progress at an early date," he said.

Vietnam last week shelved its own ratification of TPP, after Obama abandoned efforts to push it through a lame-duck Congress, while Malaysia has shifted its attention to the RCEP.

http://www.dawn.com/news/1297960

UKRAINIAN ENVOY SHARES PRIORITY TO ENHANCE TRADE
The Express Tribune, November 23rd, 2016.

KARACHI: Ukraine's Ambassador to Pakistan Volodymyr Lakomov has said that Ukrainian Embassy considers enhancing business-to-business (B2B) interaction between the entities as one of the most promising and priority directions in bilateral relations.

Speaking at a meeting during his visit to Karachi Chamber of Commerce and Industry (KCCI), the Ukrainian Ambassador said that bilateral trade and economic cooperation between the two countries demonstrates positive tendency to its intensification, having reached its historical maximum to half-a-billion dollars in the year 2014.

"Both countries take interest in each other's market and stress their readiness to exploit huge unused trade potential," he added.

The ambassador said that the diplomatic relations between Pakistan and Ukraine were established on March 16, 1992 and it was heartening to note that Ukrainian-Pakistan relations have gone through 24 fruitful years marked by mutually beneficial cooperation and reliable and trustworthy dialogue between Ukraine and Pakistan.

"The bilateral dialogue between the two countries has always been brotherly, special and sincere," he added.

Lakomov was accompanied by Chief of the Economic Section of Embassy of Ukraine Taras Mykytenko and diplomat official at Embassy of Ukraine Maksym Kosiak.

KCCI President Shamim Ahmed Firpo, in his remarks, stated that Ukraine was one of those countries that has strong and close ties with Pakistan as both countries have been cooperating with each other in the education sector and cultural exchanges.

Firpo informed that the trade volume between Pakistan and Ukraine during fiscal year 2015-16 stood at $110 million, of which commodities of worth $39.45 million were exported to Ukraine and Pakistan's import stood $70.34 million.

He said Ukraine, being one of the biggest grain producers, can also transfer its agro-science knowledge to Pakistan for increasing crop yields, besides participating in Public-Private Partnership projects particularly in Sindh for construction of grain silos.

http://tribune.com.pk/story/1239897/ukrainian-envoy-shares-priority-enhance-trade/

PAKISTAN-UKRAINE TRADE NEEDS TO BE ENHANCED WITH FOCUS ON DIVERSIFICATION'
Business Recorder, November 23, 2016
Ukrainian ambassador Volodymyr Lakomov strongly believes that there is a need to enhance trade between Ukraine and Pakistan by focusing on diversification. "Ukrainian Embassy considers enhancing Business-to-Business interaction between the entities in Ukraine and Pakistan. It will be one of the most promising directions in the bilateral relations," the ambassador said speaking at a meeting of Karachi Chamber of Commerce and Industry (KCCI) adding that both sides should prefer it.

He said that bilateral trade and economic cooperation between the two countries demonstrated positive tendency that need to be intensified as already reached its historical maximum of half a billion US dollars in the year 2014. He said that both countries took interest in each other's market and had stressed their readiness to exploit huge unused trade potential.

He said that diplomatic relations between Pakistan and Ukraine were established on 16th March 1992 and it was heartening to note that Ukrainian-Pakistan relations had gone through fruitful 24 years which had been marked by mutually beneficial cooperation and reliable and trustworthy dialogue between Ukraine and Pakistan.

"The bilateral dialogue between the two countries has always been brotherly, special and sincere", Volodymyr Lakomov said congratulating Shamim Ahmed Firpo on having been elected as President KCCI. He expressed hope that during his tenure as President KCCI, the trade turnover between Pakistan and Ukraine would reach the heights as big as the Himalaya Mountains for the wealth and prosperity of the two nations.

Shamim Firpo said that Ukraine was one of those countries that had strong and close ties with Pakistan as both countries had been co-operating with each other in the education sector alongside cultural exchanges whereas aerospace engineering, aerospace technology, bio-medical sciences were some other fields where mutual cooperation was taking place.

"Trade volume between Pakistan and Ukraine during Fiscal Year 2015-16 stood at $110 million, of which commodities worth $39.45 million were exported to Ukraine and Pakistan's import was $70.34 million," he said adding that in his opinion, trade potential existed as Ukraine, with its mining expertise, power generation, avionics and aerodynamics, could be a negotiating hub for transfer of technology to Pakistan.

He further suggested that Ukraine, being one of the biggest grain producers, could also transfer its agro-science knowledge to Pakistan for increasing crop yields, besides participating in Public-Private Partnership projects particularly in Sindh for construction of grain silos.

KCCI president was of the view that Pakistan could also seek Ukraine's technical expertise in rehabilitating its old power stations to overcome the power crisis and Ukraine could also help in developing coal-based power generation units. Keeping in view the massive production of steel and mining expertise, Ukraine could assist the development of iron ore mines in Balochistan.

Chief of the Economic Section Taras Mykytenko and Diplomat official Maksym Kosiak at the Embassy of Ukraine, Senior Vice President KCCI Asif Nisar, Vice President KCCI Muhammad Younus Soomro, former President KCCI Younus Muhammad Bashir, Chairman of Special Committee for My Karachi Exhibition Muhammad Idrees, Chairman Pakistan Romania Business Council Sohail Shamim Firpo, Honorary Consul General of Ukraine M.A. Jabbar and KCCI Managing Committee members were also present at the meeting.

http://www.brecorder.com/business-and-economy/189:pakistan/105555:pakistan-ukraine-trade-needs-to-be-enhanced-with-focus-on-diversification/?date=2016-11-23

TRADE WITH PAKISTAN NEEDS SPECIAL FOCUS: BELGIUM ENVOY
Business Recorder, November 23, 2016

Ambassador of Belgium, Frederic Verheyden has said the trade between Belgium and Pakistan needs special focus although the exports and imports figures are on the rise. He was talking to the President of Lahore Chamber of Commerce and Industry (LCCI), Abdul Basit and Vice President Muhammad Nasir Hameed Khan on the occasion of Belgian companies' catalogues exhibition held at LCCI on Tuesday.

Trade Commissioner of Belgian Embassy, Abid M Hussain was also present on the occasion. While underlining the importance of trade and economic ties between the two countries, the ambassador said that both countries should identify more areas for cooperation and should also introduce more tradable items to enhance mutual trade volume. He said that visa policy for the businessmen of both the countries should be liberalised so that they could plan their business travels with quite ease.

Belgian companies have shown keen interest in Pakistani market, he said and urged the Pakistani businessmen to start joint ventures with their Belgian counterparts. Pakistan should take full advantage of best geographical position of Belgium in the European Union, he added.

Speaking on the occasion, Trade Commissioner of Belgian Embassy, Abid M Hussain said that Belgian productivity is amongst the highest in the world and it also accounts almost four percent of the world exports. He said that last year's visit of a 12-member Belgian trade delegation to Karachi and Lahore is an ample proof that the Belgian businessmen's interest in Pakistan is growing.

Belgium is fifth largest trading partner of Pakistan in European Union that is itself a significant achievement for both countries, he maintained. LCCI chief said that Belgian companies' catalogue exhibition was focused to familiarise the domestic business community with the technological potentials and technical expertise available in various sectors of the Belgian companies.

"To name a few areas for which Belgium is well known around the globe include engineering, automobile sector, chemicals industry, crystal & glass products, electrical and electronic sector. This initiative is taken to provide the local businesses with the opportunity to look for potential Belgian business partners in such promising sectors", he added.

He said that Pakistan and Belgium have been steady investment and trading partners for the last many years. Among the top exporting and importing countries for Pakistan in EU after the Brexit, Belgium is ranked at 5th and 6th places respectively. Abdul Basit said that traditionally, the bilateral trade has been in favour of Pakistan.

In 2014, the level of bilateral trade went up as high as US 882 million dollars but in 2015, it went down to $817 million owing to 7 percent decrease in our exports to Belgium. To be more specific, the exports of Pakistan to Belgium contracted from $658 million to $592 million in that period. However, the imports inched up from $224 million to $225 million, he said.

Major items of exports to Belgium are bed linens, articles of apparel, rice, woven fabric of cotton, hosiery items, and sport goods etc. The items that are imported from Belgium include pharmaceutical products, weaving machines, waste of iron & steel, agricultural machinery, electrical and electronic equipment, he added.

http://www.brecorder.com/business-and-economy/189:pakistan/105579:trade-with-pakistan-needs-special-focus-belgium-envoy/?date=2016-11-23

PAKISTAN, TAJIKISTAN DISCUSS RAIL LINK
Dawn November 24th, 2016

Amin Ahmed

ISLAMABAD: Pakistan and Tajikistan have agreed to establish railway connectivity via Afghanistan with a view to boosting trade and economic relations between the two countries.

Tajikistan's Ambassador Sherali S. Jononov held a meeting with Railways Minister Saad Rafiq on Wednesday to discuss matters relating to Pak-Tajik rail cooperation.

The ambassador said Pakistan was like a bridge for the Central Asian countries to establish trade links with the rest of the world.

All Central Asian countries were interested to be connected through the Gwadar port, he said.

He said connectivity was the basis of regional cooperation for Pakistan and other countries, including Afghanistan, Tajikistan, Uzbekistan and Turkmenistan, particularly in the context of economic growth.

Mr Rafiq said he believed that a railway track between Torkham and Kabul, which would be later extended to Tajikistan and other Central Asian countries, would be able to usher in a new era of development for Pakistan and Afghanistan.

Railway connectivity through Afghanistan was vital for cooperation with Central Asia, he said.

The minister informed the envoy that Pakistan would soon complete the feasibility study on the Peshawar-Jalalabad railway track.

The government is also taking an initiative to complete the 11km track between Chaman and Spin Boldak. It will be funded under the prime minister's package for the reconstruction of Afghanistan.

It is learnt that land has been acquired from Wesh border near Chaman up to Spin Boldak in Afghanistan to lay the track.

The feasibility study for the extension of the existing railway line to Chaman across the border to Spin Boldak has been completed.

The railways minister said the Central Asia Regional Economic Cooperation (Carec) programme was playing an important role in expanding trade and economic relations among the countries in the region.

A 'Railway strategy for Carec' (2017-30) serves as a guiding document for the long-term development of railways. The strategy was jointly developed by Carec countries' representatives in cooperation with development partners, railway operators, stakeholders and experts.

The strategy equips the region's railways to better capture evolving trade flows and contribute to regional economic development.

http://www.dawn.com/news/1298258/pakistan-tajikistan-discuss-rail-link

ADB CHIEF URGES TRUMP TO REMAIN ENGAGED WITH ASIA
Dawn, November 25th, 2016

MANILA: The head of the Asian Development Bank (ADB) on Thursday urged Washington to remain engaged with Asia, days after US President-elect Donald Trump vowed to scrap a trans-pacific trade pact.

Takehiko Nakao told reporters the incoming US leader had previously talked about the importance of the "trade relationship".

He added that "it's important for the United States to continue to engage in Asia and that is good for the Asian region as a whole".

The US-led Trans-Pacific Trade Partnership (TPP), promoted by outgoing US President Barack Obama as part of his Asia pivot, liberalises inter-regional trade among 12 countries but Trump has charged it will cost the US jobs and hurt American businesses.

http://www.dawn.com/news/1298428/adb-chief-urges-trump-to-remain-engaged-with-asia

ENHANCING TIES: RUSSIA, PAKISTAN COOPERATE IN AGRICULTURE, ENERGY
The Express Tribune, November 27th, 2016.

Kashif Zafar

Bahawalpur: The Russian government is cooperating with Pakistan in the agriculture and energy sectors as extensive opportunities of bilateral trade exist between the two countries, said Russian Ambassador to Pakistan Alexey Yurievich Dedov.

Speaking during a visit to the Bahawalpur Chamber of Commerce and Industry, Dedov said around 50 Russian companies were eager to invest in Pakistan.

He pointed out that Pak-Russia business forum meetings were being held on an annual basis for the promotion of trade activities so that Pakistani and Russian businessmen could step up business activities on both sides.

The ambassador insisted that stable defence and political relations between the two countries were important factors for the betterment of the two economies.

Talking about business visas, he said the Russian embassy was issuing visas to Pakistani businessmen on a priority basis.

He highlighted that Russian understanding in the fields of research, energy and production was the biggest reason behind its stability and it would extend cooperation to Pakistan in such sectors.

Mentioning the mega China-Pakistan Economic Corridor project, Dedov said it would prove to be a milestone in strengthening Pakistan's economy, adding with Russian cooperation, Pakistan would soon get membership of the regional grouping Shanghai Cooperation Organisation.

http://tribune.com.pk/story/1245416/enhancing-ties-russia-pakistan-cooperate-agriculture-energy/

NEWS COVERAGE PERIOD FROM NOVEMBER 14TH TO NOVEMBER 20TH 2016
SEEDLESS KINNOWS SNATCH PAKISTAN'S MARKET
The Express Tribune, November 15th, 2016.

Karachi: The Federation of Pakistan Chambers of Commerce and Industry (FPCCI) has said that the demand for Pakistani oranges (kinnows) has dropped in overseas markets as India, Turkey and Egypt have started producing seedless kinnows.

"The demand for seedless kinnows remains high, especially in the West, but unfortunately Pakistan does not produce such varieties," said Ahmad Jawad, head of the FPCCI Standing Committee on Horticulture Exports.

Pakistani farmers must start seedless kinnow production, so that exporters could be able to penetrate European Union markets and "we are in a position to introduce new varieties, which will fetch good prices in the existing markets," a press release quoted Jawad as saying.

He said the worth of citrus varieties and value-added products in the international market stood at about $15 billion. By introducing other varieties, Pakistan could generate over $1 billion through exports every year.

As the Pakistan Agriculture Research Council (Parc) has already introduced two new varieties, he suggested that they should be planted in the production hubs on a priority basis.

In this regard, the government may activate the Pakistan Horticulture Development and Export Company (PHDEC) so that necessary collaboration may take place with Parc and the Punjab government, he added.

The export season for Pakistani kinnows is about to commence. There is lower production, but due to improved weather conditions, the quality is better than last year.

The export season will start around November 25, which is a week earlier than usual. This allows for more exports, particularly to the Russian market.

“The beginning of season a week earlier will make a big difference in logistics arrangements and the fruit will arrive right in time for holidays in these markets; we can also start earlier due to the weather that allows for better colour,” said Jawad.

Usually, the season lasts until April, but it is too early to predict now. There are several factors that influence the length of the season including weather condition and the demand in neighbouring countries such as China, Afghanistan and Central Asian states, especially on their local holidays like Chinese New Year and the Persian New Year.

The production of kinnows in Pakistan this season is estimated to be around 1.4 million tons.

http://tribune.com.pk/story/1231161/exports-seedless-kinnows-snatch-pakistans-market/

SENATORS FEAR CHINA MAY USE CPEC TO ENHANCE TRADE WITH INDIA
Dawn November 17th, 2016

Syed Irfan Raza

ISLAMABAD: Some lawmakers expressed concern on Wednesday over the possible use of the China-Pakistan Economic Corridor (CPEC) by China to enhance trade with India.

During a meeting of the Senate Standing Committee on Planning and Development, some lawmakers were of the view that China was investing in the CPEC project to explore new vistas of trade with different countries right from neighbouring India to Central Asian states and Europe.

Chairman of the committee Syed Tahir Hussain Mashhadi endorsed a point of view of a senator that with improved rail and road links with India through Munabao and Amritsar under the CPEC, China would expand its trade not only with Central Asian states and European countries but also with India to economically strengthen its eight underdeveloped provinces.

“China will definitely use the CPEC to expand trade with India because one who invests always watches one’s interests first,” Mr Mashhadi said.

He said China’s trade relations with India were far bigger than with Pakistan as China had inked $100 billion trade agreements with India last year.

“Irrespective of sour Pakistan-India relations, China will do trade with Indian through the CPEC,” Mr Mashhadi said.

Members of the committee asked railway authorities to lay rail tracks called ML-2 and ML-3 that link Pakistan with Iran and Afghanistan and Central Asian states.

“These projects must be on the priority of China to reach these destinations,” Senator Saud Majeed said.

However, railway officials informed the committee that they were focusing on improving the existing rail tracks called ML-1 from Karachi to upcountry as a majority of the people lived in the areas falling in alignment of ML-1.

Senator Sirajul Haq said that the government should give priority first to those projects which were beneficial to the people of Pakistan and then it should safeguard interests of China.

He was of the view that if the people of less developed areas in Sindh, Balochistan, Khyber Pakhtunkhwa and Federally Administered Tribal Areas (Fata) did not benefit from the CPEC, they would have no other option but to take up arms to earn their livelihood.

“If economic conditions of ignored areas are not improved, people living in those areas will be compelled to fight against anybody for only Rs2,000,” the Jamaat-i-Islami chief said.

The officials of Pakistan Railways informed the committee that all rail projects being executed under the CPEC were planned by both Pakistan and China and the former alone could not go for any project on its own.

“Both countries have joint working groups which plan and finalise projects,” they said.

At this, Senator Haq said that recently some of his colleagues had visited China for discussions on the CPEC where they were informed by Chinese authorities that Pakistan had the sole right of planning and decision-making about CPEC projects and China had nothing to do with it.

Senator Mohammad Usman Khan Kakar said that Pakistan Railways had not taken even a single step forward.

“We have not gone beyond what we inherited from the British rulers,” he regretted.

He suggested that plans for new railway tracks in Sindh and Balochistan (ML-2 and ML-3) must be implemented immediately because these were the routes which would make Pakistan economically strong.

“We have abundance of natural resources like gold, copper, silver, marble and granite in these areas which can be marketed to Iran, Afghanistan and Central Asian states through rail routes,” he said.

The committee was informed that a majority of electricity generation projects started by the government would be completed between 2018 and 2020.

http://www.dawn.com/news/1296886/senators-fear-china-may-use-cpec-to-enhance-trade-with-india

GOVT WANTS TO PROMOTE LOCAL PRODUCTS OF SWAT: MINISTER
Dawn November 17th, 2016

Fazal Khaliq

MINGORA: Federal Minister for Commerce Khurram Dastgir Khan said that government wanted to promote local products and culture heritage in Swat for its economic growth and stability.

He was addressing inaugural ceremony of the trade exhibition titled “Rediscovering Swat” here on Wednesday. The exhibition was organised by ministry of commerce and Trade Development Authority of Pakistan.

The inaugural ceremony was attended by MNA Siraj Mohammad Khan, MNA Mussarat Ahmadzeb, Malakand GOC Maj-Gen Asif Ghafoor, Trade Development Authority chief executive SM Munir, businessmen from across the country and diplomats of more than 20 countries.

The main objective of the event, according to the organisers, was to bring all the traders and foreign diplomats to Swat, provide an opportunity to local entrepreneurs to promote their products people and rediscover the scenic valley as a home of peace.

Swati woodwork, kadiwork, woven leather handicraft, woolen shawls, embroidery, minerals and gems, jewellery, marble, wild herbs, fresh and dry fruit, morale mushroom and seafood like the rare Rainbow trout fish were displayed at stalls

Mr Dastgir said that holding the exhibition in Swat was a message of peace and prosperity of the country. “The presence of so many dignitaries, diplomats and businessmen gives a message that Pakistan is peaceful and has come out of the dark period of insurgency,” he added.

The minister said that Swat was rich in culture, art, history, literature, music, architecture and natural beauty. “This beautiful valley has offered, for hundreds of years, matchless hospitality to its visitors and this hospitality is embedded in the local culture and tradition,” he added.

He said that the exhibition would be held every year in Swat. He also promised to allocate funds for setting up an office for business community.

Speaking on the occasion, S.M. Munir said that the event was organised to celebrate the revival of one of the country’s most beautiful and treasured region.

MNA Mussarat Ahmadzeb said that TDAP should allocate funds for strengthening business community. “I also request the minister for commerce to allocate funds to acquire land and construct building for the office of business community in Swat,” she said.

Maj-Gen Asif Ghafoor said in his address that Swat was the valley of peace and a heaven on earth that was engulfed by terrorism and militancy. He said that the valley was cleared of militants in a record time of three months through a military operation with the backing of political leadership and local population.

Foreign dignitaries and diplomats visited various stalls and appreciated the quality and uniqueness of the local products.

“For us Swat means a lot. I am very excited to be here. I love the wonderful handicrafts here. Here I can see a large variety of hand made products including wonderful shawls, Swati caps, jewellery, embroidery and woodcarving,” Austrian Ambassador Brigitta Blaha told Dawn.

http://www.dawn.com/news/1296869/govt-wants-to-promote-local-products-of-swat-minister

SEAFOOD EXPORT VOLUME GROWS BY 1.41PC
Business Recorder, 17 November 2016
Karachi: The country’s seafood export volume grew up by 1.41 percent in July-Sept 2016 with a comparatively higher fisheries landing this fiscal year, industry said on Wednesday.

Seafood export volume growth is attributed to a higher fisheries landing almost by 50 percent this fiscal year, industry said, adding that nearly all fish and shrimp species were arriving at the harbor in a bulk.

The seafood export scaled up to 26271 metric tons in July-Sept 2016 from 25906 metric tons in July-Sept 2015 with an increase of 365 metric ton. However, low global fisheries prices pulled down the country’s seafood export by two percent of $1.076 million to $64.050 million in July-Sept 2016 from $65.126 million in July-Sept 2015, Pakistan Bureau of Statistics shows.

“Better fisheries landing almost to 90 percent this year pushed the country’s seafood export volume forward by 1.41 percent”, President Sindh Trawlers Owners and Fishermen Association (STOFA), Habibullah Khan Niazi told Business Recorder, saying that “the exporters and boat owners are regaining from last the last year loss”.

He said that the weak exporters and boat owners had faced huge financial losses from the low fisheries landing. However, he said that the current fiscal year had been better for all the stakeholders to regain. “Exporters had to cut their output for low fisheries catch despite huge cost of business. Similarly, boat owners were spending more on deep sea operations against from low catch”, he said.

Ribbon fish that is locally known as Chind along with Squid (Sheeshi Mayya) were arriving in bigger volume this year, President STOFA said, adding that King Fish (Surmai), Red Snapper (Heera) and Croaker fish (Dothar) were also landing in a better quantity at the harbor. “Huge landing of all kind of shrimps is also reaching”, he added.

In Sept 2016, the country's seafood export went up by 6.16 percent or $2 million to $34.456 million from $32.456 million in Sept 2015. Seafood export volume surged by 13 percent or 1616 metric tons to 14,193 metric tons in Sept 2016 from 12,577 metric tons in Sept 2015.

http://epaper.brecorder.com/2016/11/17/21-page/817720-news.html

ERDOGAN MEETS MAMNOON: PAKISTAN, TURKEY AGREE TO STRENGTHEN TRADE, DEFENCE TIES
Business Recorder, November 17, 2016
President Mamnoon Hussain and Turkish President Recep Tayyip Erdogan have agreed on joint cooperation between the two countries for further deepening trade and defence relations, resolution of Kashmir dispute in accordance with the resolutions of the United Nations and peace in the region, joint efforts for durable peace in Afghanistan and elimination of terrorism.

The President thanked Turkey for its strong support for Pakistan's Nuclear Suppliers' Group (NSG) membership. This was agreed upon between the two leaders at a meeting at the Aiwan-e-Sadr, Islamabad on Wednesday. The two Presidents had one-on-one meeting which was followed by a delegation-level meeting.

On the occasion, Turkish Foreign Minister Mevlut Cavusoglu, Deputy Secretary General & Spokesperson Ibrahim Kaln, Ambassador of Turkey to Pakistan Sadik Babur Girgin, Foreign Secretary Aizaz Ahmad Chaudhry and other senior officials were also present.

On the occasion, President Mamnoon Hussain proposed to conclude a comprehensive and long-term "Framework Agreement for Defence Cooperation" between Pakistan and Turkey which was agreed by the visiting dignitary.

The President expressed satisfaction at Turkey's cooperation for its Submarine upgrade and acquiring of Super Mushak trainer aircraft from Pakistan by Turkey. President Recep Tayyip Erdogan said that bilateral defence cooperation between the two countries will grow further in the coming days adding that in this regard all necessary measures will be taken.

The two leaders agreed that Kashmir dispute should be resolved in accordance with the resolutions of the United Nations. Expressing concern over human rights violations in Indian Occupied Kashmir, President Mamnoon Hussain called for an inquiry of these atrocities under the UN auspices.

President Mamnoon Hussain noted that bilateral trade between Pakistan and Turkey has declined during the last few years and emphasised the need to enhance it. Agreeing to this suggestion, Turkish President stressed the need for joint ventures for enhancing bilateral trade and said that soon there will be an improvement in this regard.

President Mamnoon Hussain hoped that Turkish investors will invest in Pakistan's energy and infrastructure sectors. He expressed satisfaction at growing Turkish investment in Pakistan.

The two leaders condemned terrorism in all its manifestation and reiterated the resolve that Pakistan and Turkey will continue to cooperate with each other for elimination of terrorism. President Recep Tayyip Erdogan said that Turkish people would resolutely defeat terrorists belonging to PKK and Daesh. President Recep Tayyip Erdogan commended the resolve of Pakistani nation and Armed Forces in the fight against terrorism and hoped that peace will soon be completely restored in Pakistan.

On the occasion, President Mamnoon Hussain proposed to celebrate the 70th year of Pakistan-Turkey Diplomatic Relations in a befitting manner through exchange of high-level visits, issuance of joint commemorative stamps and cultural exchanges to which Turkish President agreed.

President Mamnoon Hussain apprised his Turkish counterpart about developments related to China-Pakistan Economic Corridor (CPEC) and said that this mega project will be a source of progress and stability in South Asia, Central Asia and Middle East. President Erdogan expressed pleasure at fast paced development in regard to CPEC and said Turkey believes that this project will become a source of international peace and stability.

President Mamnoon appreciated Turkey's strong support for Pakistan's Nuclear Suppliers' Group (NSG) membership and expressed satisfaction that most countries have adopted a constructive and balanced approach for peace in the region but expressed his concern at the biased and discriminatory attitude of few countries over the regional issues which is creating problems.

http://www.brecorder.com/business-and-economy/189:pakistan/103866:erdogan-meets-mamnoon-pakistan-turkey-agree-to-strengthen-trade-defence-ties/?date=2016-11-17

ASIA-PACIFIC LEADERS TALK TRADE IN A TRUMP WORLD
Business Recorder, 18 November 2016

LIMA: Top world leaders meet from Thursday to try to save their cherished free trade accords from feared extinction under US President-elect Donald Trump.

Here are three big factors looming over the Asia-Pacific Economic Cooperation (APEC) summit from Thursday to Sunday in Lima, Peru.

Trump has cast uncertainty on the postwar world order with his vows to tear up or renegotiate international free trade agreements in order to protect US jobs.

This particularly concerns the 21 members of APEC, which account for nearly 60 percent of the global economy and 40 percent of the world's population.

The world will look to the summit for "a strong statement" to counter Trump's anti-trade arguments, said Eduardo Pedrosa, secretary general of the Pacific Economic Cooperation Council.

Economists expect Trump to make protectionist moves that they say may strengthen his country's economy in the near term but could threaten global growth.

He may impose punitive tariffs on powerful trade partners such as China and revise key free trade deals with countries such as Mexico that rely on the US market, the Institute of International Finance said.

"If such measures materialize, trade tensions would certainly increase, with trade war a possible worst case scenario," it said in a report.

Outgoing US President Barack Obama sought to "rebalance" trade towards deals with Asia and the Pacific.

But Trump has rejected Obama's signature trade initiative in the Asia-Pacific region, the Trans-Pacific Partnership (TPP), as a "terrible deal."

As well as taking aim at free trade, Trump has questioned the US role as the "policeman of the world."

Allies such as Japan and South Korea are worried Trump will cut back the US military, economic and diplomatic presence in the region.

They fear that could leave them exposed to a dominant China and belligerent North Korea.

Trump has caused concern in the region by suggesting Japan and South Korea get nuclear weapons to defend themselves.

He has embraced Russian President Vladimir Putin, widely mistrusted by Obama and his allies.

The summit officially opens Thursday evening. Obama, Putin and China's President Xi Jinping are each scheduled to give addresses on Saturday. The leaders hold their key meeting on Sunday.

The Latin American leaders in the room, including Mexican President Enrique Pena Nieto, will also be looking nervously to the new US administration.

On the campaign trail, Trump insulted Mexican immigrants as "criminals" and "rapists." He vowed to build a border wall with Mexico to keep out illegal migrants and threatened mass deportations.

China will meanwhile be pushing its own proposed trade deals to gain an edge over the United States in the battle for regional influence.

"The economic landscape in the Asia Pacific is changing rapidly, with China increasingly taking a regional leadership role," wrote Rajiv Biswas, Asia-Pacific chief economist at research group IHS Global Insight. China was pointedly excluded from the 12-member TPP. But due to Trump's refusal to endorse the deal, Biswas said, "the TPP agreement has shifted from being a lame duck to a dead duck."—AFP

http://epaper.brecorder.com/2016/11/18/11-page/817866-news.html

ARGENTINA SEEKS PARTNERSHIP IN AGRICULTURE, LIVESTOCK
The Express Tribune, November 19th, 2016.

LAHORE: Embassy of Argentina's Head of Consular Section Maria Carmela Mirabelli and Deputy Head of Commercial Section Guido Maiulini have expressed interest in boosting trade and economic ties with Pakistan.

During a recent visit to the Lahore Chamber of Commerce and Industry (LCCI), the Argentinean envoys said Pakistani businessmen should establish partnerships in the field of agriculture and livestock of Argentina where huge opportunities were available.

They threw light on a number of issues hampering bilateral trade between the two countries and forwarded various proposals to give a boost to two-way trade. They said Argentina could extend technical assistance to Pakistan in the field of agriculture.

LCCI President Abdul Basit said the agriculture sector of Pakistan continued to be the single largest driving force for economic growth as well as the main source of livelihood for 66% of the population.

"It has a lot of potential to grow but due to lack of required resources, knowledge, experience and technology, it is battling hard to survive."

He said the concept of corporate farming was picking up in Pakistan but its proportion was too small to make any impact on the performance of the sector. Similarly, the per-acre production is on the lower side compared to other countries.

"Around 40% of our agri-produce is wasted in post-harvest losses due to lack of preservation and transportation facilities," said Basit.

"We know that with the help of required technology and knowledge, this sector can be transformed into a high-yielding industry. The economy of Argentina is twice the size of Pakistan's and it is ranked among world's major agricultural producers."

He said Argentina and Pakistan had many things in common as both countries were known for cash and food crops all over the globe.

http://tribune.com.pk/story/1235944/lcci-visit-argentina-seeks-partnership-agriculture-livestock/

HALAL PRODUCT EXPORT MARKET STILL TO BE TAPPED
The Express Tribune, November 19th, 2016.

ISLAMABAD: Pakistan can become one of the top Halal product exporting countries, Chairman of Punjab Halal Development Agency (PHDA) Justice Khalilur Rehman Khan said, but businessmen and the government need to join hands to make that happen.

Pakistan's Halal product exports were dismally low – a fact that could be corrected through collective efforts as the quality of Pakistan's meat was better than the meat provided by world leaders in the sector like Australia and New Zealand, he said.

Khan said this while speaking to the business community at the FPCCI Capital House. Federation of Pakistan Chambers of Commerce and Industry (FPCCI) President Abdul Rauf Alam and others were also present.

Some countries including Malaysia wanted to establish Halal industries in Pakistan and such initiatives were being facilitated, he informed.

He added that Malaysia wanted to increase the volume of Halal business with Pakistan – an opportunity that ought to be exploited by the local business community.

He informed the audience that Halal products covered a wide range of items such as food, pharmaceuticals, health products, food supplements, drinks and toiletries and Pakistan – being a Muslim country – was not fully exploiting the huge export potential.

Furthermore, he said all the countries that were exporting Halal products had established regulating bodies several years ago but in Pakistan it was a neglected area for a long time. He expressed hope that the government would complete the remaining legal formalities soon.

FPCCI President Abdul Rauf Alam said Muslim consumerism was valued at an astounding $2.1 trillion and by 2050 the global population of Muslims was projected to increase from the current 1.8 billion to 2.8 billion.

Apart from Muslims, non-Muslims were also interested in Halal products but not many countries had initiated efforts to tap the potential, he added.

Apart from the existing huge Halal market, the China-Pakistan Economic Corridor project has provided motivation to the planners for the development of a big regional market.

Alam said the global Halal economy was worth over $3.66 trillion including food, finance and lifestyle.

http://tribune.com.pk/story/1235988/huge-demand-halal-product-export-market-still-tapped/

TRANS-PACIFIC PARTNERSHIP: US TRADE TSAR WARNS TPP SCRAPPING CARRIES COSTS
The Express Tribune, November 20th, 2016.

LIMA: US Trade Representative Michael Froman warned of 'serious' strategic and economic costs from scrapping a major trans-Pacific trade deal on Friday, as proponents lobbied hard to overcome president-elect Donald Trump's opposition.

Acknowledging that the fate of the 12-nation Trans-Pacific Partnership agreement, or TPP, is now largely out of the Obama administration's hands, Froman indicated he would continue to make the case that the deal is good for America.

"We are obviously at a point in time where this is a legislative process to get TPP through and it's really up to the congressional leadership to determine if, when and how it's going to move forward," he said. "It's a political decision for them to make."

"Our argument is that inaction poses serious costs," he added, citing a recent study suggesting failure would cost the US economy around $94 billion in the first year alone.

Trade deals such as TPP and the 1993 North American Free Trade Agreement featured heavily in the US election campaign and many see Trump's victory as a repudiation of ever-deeper commercial ties.

Neither Trump nor his Democratic rival Hillary Clinton supported TPP during the campaign.

Free-trade supporters say the deals were made a scapegoat for the social and economic disruptions caused by automation and other far more potent trends.

"Globalisation is a factor in our life, it's not going away," Froman said.

Some are still holding out a flicker of hope that pragmatism will trump the mogul's tough anti-trade rhetoric when he gets to the Oval Office.

Allies of the president-elect, including some in Congress and Vice President-elect Mike Pence, have voiced support for the deal.

Some envisage the reopening of negotiations that would allow Trump to play dealmaker and claim to improve the pact.

Leaders of TPP countries were scheduled to meet in Lima, Peru on Saturday on the margins of an Asia-Pacific summit.

http://tribune.com.pk/story/1236846/trans-pacific-partnership-us-trade-tsar-warns-tpp-scrapping-carries-costs/

NEWS COVERAGE PERIOD FROM NOVEMBER 7TH TO NOVEMBER 13TH 2016
PAKISTAN TO FOCUS ON 'NON-TRADITIONAL' TRADE MARKETS
The Express Tribune, November 10th, 2016.

ISLAMABAD: Pakistan is going to access non-traditional trade markets of the world and liberalise its trade environment, which will ensure sustained economic growth, said Commerce Minister Khurram Dastgir.

He said this while chairing a briefing on the status of the Free Trade Agreement (FTA) negotiations under way with Thailand, stated a press release.

The fifth round of negotiations will be held from November 15-18, 2016 in Bangkok, Thailand. The trade volume between Pakistan and Thailand stood at $952 million at the end of 2015-16. Pakistan's exports constituted a component of $107 million while imports amounted to $845 million.

The exportable items to Thailand are fish and fish preparations, cotton fabrics for women, paper and paper board, raw cotton, cotton yarn, leather, medical and pharmaceutical products, material of animal origin, medical and surgical instruments, chemical element and compounds.

Speaking to the negotiating team, Dastgir was of the view that while negotiating FTA with Thailand Pakistan is also looking to access a huge untapped market in the East Asian Region.

From the same region, the minister added, Pakistan had already concluded successful FTAs with Malaysia and Indonesia.

He also directed the negotiating team to remove concerns of the local industry and to team up with the Federal Board of Revenue to take a joint position during the next round of the FTA negotiations.

Earlier, Taimur Tajammal, Joint Secretary (FT-1) and also the chief negotiator on the FTA, briefed the meeting on the state of negotiations with Thailand.

He said that Pakistan-Thailand Trade Negotiating Committees (PATHTNC) have held four rounds of negotiations since September 2015.

"The committees have discussed matters related to trade in goods, rules of origin, technical barriers to trade, trade remedies, customs procedures, legal and institutional issues and trade facilitation during the first phase of the deliberations," he added.

The second phase of discussion would include discussions on Investment, Intellectual Property Rights, Trade in Services and Competition related matters, he added.

Earlier, Cyprus High Commissioner to Pakistan Dr Andreas P Kouzoupis called on Dastgir and discussed matters related to bilateral interest in the areas of trade and investment.

http://tribune.com.pk/story/1226128/sustained-economic-growth-pakistan-focus-non-traditional-trade-markets/

BRAZIL ENVOY SAYS PAKISTAN INVESTMENT-FRIENDLY
The Express Tribune, November 10th, 2016.

KARACHI: The Federative Republic Of Brazil Ambassador To Pakistan Claudio Lins Has Said That 'Misinformation And False Information' About The Safety And Security Situation Discourages Brazilian Investors From Visiting Or Investing In Pakistan, Which Can Be Addressed By Exchanging More Trade Missions.

Speaking during his visit to the Karachi Chamber of Commerce and Industry (KCCI), he said, "If Brazilian investors can invest in India and China then why not Pakistan."

Lins said negative news about Pakistan forces investors to stay away, keeping them unaware of the fact that many foreign companies were successfully doing business in Pakistan.

"We have to cope with it by exchanging trade delegations and enhancing face-to-face interactions," he added.

The Brazilian ambassador said that the Pakistani economy was stabilising and with the completion of the China-Pakistan Economic Corridor (CPEC), many opportunities will emerge for foreign investors from all around the world, including Brazil.

Touching upon the renewable energy sector of Brazil, Lins said that Pakistan can benefit from Brazil's expertise and the technology being used in the renewable energy sector. "Brazilian embassy is available at your disposal if any Pakistani company is looking forward for a right partner in the renewable energy sector," said the envoy.

KCCI President Shamim Ahmed Firpo said that the bilateral trade relations between Pakistan and Brazil were based on trade of various commodities. During 2015-16, Pakistan's exports to Brazil stood at $46 million and its imports increased drastically to $206 million, indicating a trade balance in favour of Brazil.

He was of the opinion that there was huge potential to enhance bilateral trade relations between Brazil and Pakistan as possibilities of joint ventures in various feasible sectors including Halal food, information technology and poultry exist in abundance for both the countries.

Firpo said the KCCI wants to promote business, mutual understanding and friendly relations between the business communities of the two countries.

"We also want to promote Brazilian investment in Pakistan and do everything for the development of Pakistan-Brazilian business cooperation," he added.

http://tribune.com.pk/story/1226105/brazil-envoy-says-pakistan-investment-friendly/

COTTON COUNTRY RUNNING AGROUND

Business Recorder, November 10, 2016

The Indus valley is credited with being the home of many ancient civilisations stretching back thousands of years that gave mankind a rich heritage of fascinating ancient cities, organized agriculture, art, culture, philosophy and governance. The Indus valley with its huge water resources, alluvial lands and conducive weather conditions, suitable for easy wealth production was a magnet for migration and conquest since recorded history. From Mohenjo Daro to Mehr Garh, from Harappa to Gandhara, Roti, Kapra aur Makaan was easily available with 'Kapra' forming the lynchpin of the economy.

Lying between latitude 27 degree north to 36 degree north it represented an ideal location with ideal conditions for cotton production. The earliest signs of production of cotton and clothing were discovered at Mehr Garh, the 7000-year-old archaeological site. The first spinners with their spindles, the first ginners with their saws and vibrators, and the first weavers with their khadis were amongst our ancestors.

In his fascinating book, 'Empire of Cotton, A New History of Global Capitalism', Sven Beckert of Harvard University describes cotton as the cradle of industrialisation. The British Empire's industrial revolution centered around the textile industry. Its manufacturing capital was headquartered in Manchester.

Fed by global cotton production from India to the West Indies and customers all over the world, British Cotton and textile business was truly a globalise business. Following Britain, Europe, the United States and then Japan all ascended the ladder of industrialisation through the clothing and textile business.

As the textile technology proliferated and earlier textile countries graduated to higher value added industries, textile production shifted from high labour cost countries of the west to lower cost countries in the east. Subsequently Korea, China, India,

Pakistan and others became host to the emerging textile business, while the West imposed quotas to protect their non competitive textile industry. In 2005 when the textile quotas were phased out Pakistan was amongst the largest quota-holder in the United States market and Pakistan cotton economy was the dominant segment of Pakistan's agriculture, industry and manufacturing.

Textile exports constituted the largest share of exports and the largest share of Jobs, every Pakistani was involved with the cotton economy as a consumer, farmer, manufacturer, distributor, exporter, wholesaler or retailer. The linkages of the cotton economy went from every rural hamlet to every urban settlement spanning Pakistan.

Post-2005 things started to go wrong. The expected textile boom in Pakistan did not materialise and it dawned on us that the textiles and clothing are the most competitive business in the world and only the most competitive nations can survive in this global value chain.

To our chagrin while we sit on the sidelines in 2016 licking our wounds and nursing a sick textile industry, we are helplessly witnessing the export of textile jobs from the Chinese juggernaut to countries like Vietnam, India, Bangladesh and Cambodia which are emerging as the new competitive countries. Pakistan, which was the original cotton country, seemed to have run out of steam; it seems to be increasingly becoming non-competitive in global markets.

In spite of several textile policies and half-hearted initiatives we have stagnating and declining cotton production, declining textile exports, declining investment in textiles and loss of employment through the closing down of factories dotted all over the country particularly in Faisalabad; the Manchester of Pakistan.

This decline is a direct result of our neglect, incompetence, power shortages, cost of doing business, mismanagement and terrorism. Yet within this dismal situation also lies the kernel of Christine Lagarde's 'moment of opportunity for Pakistan'.

The Cotton-Textile-Clothing value chain has two distinct components. The cotton production part is a major activity of the agriculture sector while the Textile and Clothing (T&C) is the major part of the manufacturing sector. Our great friend to the north has totally mastered both parts of this value chain and is center of the contemporary global cotton economy.

From the scientific genetically modified cotton plantations to global export houses China has achieved excellence in every segment of the cotton-textile-clothing chain. We can seize the moment of opportunity if we can position ourselves for being the major beneficiary and partner with China in the inevitable relocation of the Chinese textile colossus to a lower labor cost country.

The Indus valley is still the most conducive natural location for irrigated cotton production in the world yet its yields are half of Chinese yields and forty percent of Australian yields. This clearly indicates total neglect of a great natural advantage. Cotton production is now dependent on world class research, development of superior seeds, scientific land preparation, planting technology, post planting care, fertilization systems, pest control, harvesting and water management technologies.

This requires a co-ordinated strategic effort of government institutions, farmer skills, transfer of technology providers and business networks to achieve a breakthrough in boosting national yields to Chinese standards with close Chinese collaboration.

For this purpose, Pakistan needs to develop a strategic plan with Chinese know-how and experience to achieve a doubling of our current output capability and achieve efficient production of say 25 million bales of competitively priced quality cotton by 2020. This would require a Pakistan Inc approach to the textile sector.

First the government entities involved in the cotton supply chain need to be revamped and cleared of deadwood. These entities would have to be put under a strict monitoring system to ensure that the sector targets for 2020 are met. From the minister down to the extension worker and researcher each have to be subject to stringent performance auditing and monitoring.

The plan should involve our agricultural departments, universities and cotton research outfits to dovetail and tap into Chinese expertise in seed technology, modern farm level practices, technology and water management. The Pakistani private sector fertiliser and pest control companies along with their extension services would have to provide a complete package backed by scientific research at the farmers' doorstep to achieve the needed breakthrough.

Doubling our cotton output would give a huge supply side boost to the textile and clothing sector and will forever change its dynamics. The spinning sector would need to double its capacity and feed into the value-added segments of weaving, processing, dyeing, finishing and clothing which will have to respond to the supply side push with demand-enhancing strategies in line with the vagaries of global demand.

The Pakistani exports of textile and clothing into the US and European markets have traditionally been at the lower end of product quality and prices. Product and country branding and technology upgradation constitute an important component for achieving higher value exports and profitability.

To make a major breakthrough in the textile exports of the country to say $25 billion by 2020 would require a bold and aggressive multi-pronged strategic plan to boost our competitiveness encompassing: (1) Enhancing the country brand image and creating organisational marketing capabilities that can perform at a very large scale; (2) Ensuring availability of raw materials, accessories and energy at competitive prices for the production process; (3) ensuring availability of finances for working capital and technology upgradation; (4) programs for boosting labour productivity up to Chinese standards through skill development and corporate organisational development; (5) ensuring competitive tax and regulatory environment; and (6) ensuring security in at least the textile enclaves of the country.

Some of the Pakistani manufacturers and exporters have done well in global markets. But unlike India and China, Pakistan has not been able to spawn sufficient number of large export houses that can buy or build brands and source the production to numerous production units in the country under strict quality control standards. The Chinese on the other hand, have been a very effective player in the global textile T&C business. They have mastered the ability to penetrate global markets with outstanding quality, branding, pricing, volumes and just in time delivery pipelines that work.

With The Chinese seeking to relocate their T&C industry to more cost effective regional bases Pakistan-China collaboration would be a win-win for both countries if a substantial number of Chinese businesses relocated to Pakistan. For this purpose, the Pakistan Textile Ministry, Ministry of Commerce, Trade Development Authority of Pakistan and the Board of Investment have to work in tandem to create the necessary environment and frameworks under which Pakistan can become a base of Chinese T&C production.

Chinese FDI and joint ventures with Pakistani T&C partners in Faisalabad, Karachi and Lahore or in the CPEC Special Economic Zones would be a major step towards transforming Pakistan into a 'Cotton Country' once again. This is critical as it is the cotton economy that will ultimately service the horrendous external debt we are accumulating. (The writer is a former Finance Minister)

http://www.brecorder.com/articles-a-letters/187/101322/

TRADE DEFICIT WIDENS 22PC TO $9.3BN
Dawn, November 11th, 2016

Mubarak Zeb Khan

ISLAMABAD: Pakistan's trade deficit rose nearly 22 per cent year-on-year to $9.3019 billion in the first four months of this fiscal year, mainly because of falling exports coupled with a single-digit increase in imports.

The deficit stood at $2.27bn in October, a rise of 4.5pc from $2.172bn recorded in the same month of the last year, the Pakistan Bureau of Statistics said on Thursday.

The widening of trade deficit along with fall in remittances has contributed to the rising current account deficit in the first three months of the current fiscal year.

Imports of machinery group are on the rise because of increase in the investment in infrastructure, especially construction of roads.

In July-October, the overall import bill rose 8.6pc year-on-year to $15.751bn from $14.504bn. The import bill in October alone increased 3.39pc to $4.026bn.

To boost exports, the Ministry of Commerce has already worked out an incentive package of $170bn, which was awaiting approval of the prime minister.

Falling exports are now a global phenomenon and government support is urgently required in Pakistan in line with worldwide practices. The Indian government has already given top priority to the export sector.

Exports of merchandise dropped 6.31pc year-on-year to $6.432bn in the first four months of the fiscal year, which indicates low international demand. In September, exports grew 2pc year-on-year to $1.756bn.

The marginal revival in overall all exports proceeds in the month under review shows that garments sector along with other value-added sector exports has started picking up to Europe under the GSP+ preferential tariff scheme.

No explanation was issued from the ministry about the slight increase in the export proceeds in October.

Under a three-year strategic trade policy unveiled earlier this year, the government set an annual export target of $35bn by 2018.

Yet, exports are falling in terms of value as well as volume. The government announced the trade policy framework in April.

Still the support measures announced for boosting exports July 1 onwards have yet to be implemented.

The Ministry of Commerce has yet to receive any funds from the Ministry of Finance to stop the decline in exports. The finance ministry has withheld more than Rs30bn under the Export Development Surcharge (EDS).

The EDS is being charged on export proceeds to be used for the facilitation of exporters. However, the finance minister has allegedly been using that amount for other purposes over the years.

http://www.dawn.com/news/1295502

CHINESE SHIP, TRADE CONVOY REACH GWADAR PORT
Dawn November 12th, 2016

GWADAR: The first trade convoy carrying Chinese goods for export through the western route of the China-Pakistan Economic Corridor (CPEC) and a Chinese ship arrived at the port here on Friday.

Official sources confirmed the anchoring of the ship at the port and said another vessel was expected to arrive within 24 hours.

The second trade convoy was scheduled to reach here on Saturday (today).

The goods will be exported to countries in the Middle East and Africa.

A ceremony marking the opening of trade activities through the corridor will be held on Sunday, which will attended by Prime Minister Nawaz Sharif, Chief of the Army Staff General Raheel Sharif, Balochistan Governor Muhammad Khan Achakzai, Chief Minister Nawab Sanaullah Zehri and ambassadors of 15 countries.

Meanwhile, the Gwadar Yakjehti Council took out a procession in support of the CPEC.

Speaking at the Gwadar Press Club, the organisers of the procession termed the CPEC a game-changer for the region, especially Balochistan, as it would bring about progress and prosperity.

They said the elements opposing the CPEC were not well-wishers of the people of Gwadar.

“We are happy that Gwadar is at the centre of the CPEC because this will remove poverty and create jobs for the local people,” one of the speakers said.

The speakers praised the role of the Pakistan Army and said the corridor could not have been completed without the support of the armed forces.

They added that the council would always try to protect the rights of people of Gwadar.

http://www.dawn.com/news/1295895/chinese-ship-trade-convoy-reach-gwadar-port

TRUMP PROMISED TO RIP UP TRADE DEALS: TPP IS THE FIRST CASUALTY
Dawn November 13th, 2016

Ylan Q. Mui | David Nakamura

WASHINGTON: President-elect Donald Trump’s pledge to upend US trade policy is claiming its first casualty, as Republican leaders in Congress have closed the door on the Obama administration’s hopes for last-minute ratification of an expansive Pacific Rim trade accord before the president leaves office.

GOP lawmakers had publicly expressed scepticism about the future of the 12-nation Trans-Pacific Partnership (TPP) ahead of a presidential election in which both major candidates opposed the deal. But staff level conversations between the White House and Congress had continued behind the scenes to prepare for a potential vote during the lame duck congressional session that could begin next week.

Those conversations have halted since Trump’s upset victory over Democrat Hillary Clinton, according to officials involved in the process. The prospect of House Speaker Paul Ryan, R-Wis., and Senate Majority Leader Mitch McConnell, R-Ky., moving forward over Trump’s objections to the largest regional trade and regulatory deal in history is viewed as a non-starter among free trade proponents.

The TPP’s collapse denies President Barack Obama the economic cornerstone of his administration’s attempt to rebalance the nation’s foreign policy attention toward Asia as a hedge to China’s growing economic and military clout. The accord was viewed as a test of US leadership in the region, and Obama will face disappointed leaders of other TPP countries next week at the Asia Pacific Economic Cooperation summit in Peru.

Administration officials said they are not abandoning the deal and emphasized that Obama will continue to talk about the economic and strategic benefit. But Chinese officials are expected to use the Peru forum to tout their own Asian trade deal that does not include the United States.

“We have worked closely with Congress to resolve outstanding issues and are ready to move forward, but this is a legislative process and it’s up to Congressional leaders as to whether and when this moves forward,” said Matthew McAlvanah, spokesman for US Trade Representative Michael Froman.

White House press secretary Josh Earnest said Obama and McConnell spoke after the election about the priorities for the lame duck session. He did not say whether TPP remained on the table, adding only that Obama “does continue to believe that this is the best opportunity that the Congress has to take advantage of the benefits of a Trans-Pacific Partnership.”

The bigger question is whether the demise of TPP marks the beginning of a radical reinvention of the United States’ positioning in the global economy under Trump. During his campaign, Trump tapped into voters’ economic anxiety and blamed free trade deals for harming American manufacturing workers. He vowed to rip up long-standing accords, including the North American Free Trade Agreement signed in 1994, and impose double-digits tariffs on major US trading partners China and Mexico.

“The electorate that President-elect Trump was able to successfully tap into is one that feels a tremendous amount of economic uncertainty. And much of that they’re blaming on the forces of globalization, fairly or not,” said Chad Bown, senior fellow at the Peterson Institute for International Economic. “TPP got caught up in that.”

In addition, Trump has said he would label China a currency manipulator on his first day in office — a move that some experts have cautioned could be the first step in igniting a trade war with damaging ramifications for the US economy.

Even a modest increase in duties on Chinese and Mexican imports could have significant consequences. A report issued by Barclays this week estimated that instituting 15 and 7 percent tariffs on China and Mexico, respectively, would shave about half a percentage point from growth next year.

In an interview, Trump economic adviser Judy Shelton, co-director of the Sound Money Project, argued that addressing currency manipulation could actually help facilitate international trade by forcing countries to adhere to the same standards.

“It doesn’t mean you’re a protectionist,” she said. “Currency depreciation is not competing. It’s cheating.”

In the weeks leading up to the election, senior Obama administration officials had fanned across the country to tout the benefits of the TPP deal — and to warn of consequences if it failed to pass. A White House analysis found that if Japan were to enter into a free-trade agreement with China instead, more than $5 billion in US exports and millions of jobs could be threatened.

It is uncertain whether Trump’s administration would continue US involvement in a multilateral trans-Atlantic trade deal with European nations that the Obama White House has been pursuing. Protectionist sentiments among European voters has delayed progress on that agreement, which has not yet been completed.

http://www.dawn.com/news/amp/1295990

GWADAR PORT TO BEGIN TRADE ACTIVITIES TODAY
The Express Tribune, November 13th, 2016.

Islamabad: Prime Minister Nawaz Sharif will kick off the shipment of trade goods from Gwadar Port to international markets today (Sunday), marking the historic launch of trade activity through the China-Pakistan Economic Corridor (CPEC).

During his day-long visit to Gwadar, the prime minister will also address a ceremony of launching the first mega pilot trade cargo.

“This is the onset of the progress that has been awaited for years. But now this journey will continue till the times to come,” the Prime Minister House said in a statement on Saturday. It said Gwadar is nature’s gift to Pakistan and China’s friendship and cooperation had made it more valuable. “We are crossing a new milestone into a new era of international relations,” it added.

Starting its journey from Kashghar, the Chinese trade cargo reached Gwadar safely from Gilgit-Baltistan after travelling throughout the country. The trade caravan, which reached Gwadar from China under the strict security provided by the Pakistan Army and other security agencies, will now be shipped to its next export destination.

The government has already allocated land for Gwadar Free Trade Zone and the government has also announced concessions for Gwadar Port and Free Trade Zone in Balochistan. Moreover, the projects of Exclusive Industrial Park Processing Zone and Mineral Economic Zone are also being executed on priority basis.

A project worth Rs 25 billion is being executed for the development of Gwadar city keeping in view its importance. The federal government gave a free hand to the provincial government in that regard that designed the project considering Gwadar's basic needs.

The federal government provided all resources for the installation of a plant to make the sea water drinkable, besides launching an additional Rs11.5 billion project for clean drinking water to Gwadar during 2015-16. The quality of underground water is also being improved and the existing 50-bed hospital is being upgraded to 300-bed facility.

A university and a technical and vocational training institute are also being set up in Gwadar to produce required manpower. The locals will be preferred for enrollment in these institutes.

Under CPEC, the government has prioritized energy and road infrastructure. To meet the electricity needs, a 300-megawatt power plant is being installed in Gwadar that will also be linked to national grid.

A Special Security Force has been raised to provide a security cover to the Chinese investors. Gwadar is also being made a safe city too boost investors' confidence.

The construction of a new international airport is also under way in Gwadar to facilitate the movement of investors. Moreover, Gwadar city is also being connected with rest of the country through road and rail networks.

http://tribune.com.pk/story/1229387/new-era-gwadar-port-begin-trade-activities-today/

NEWS COVERAGE PERIOD FROM OCTOBER 31ST TO NOVEMBER 6TH 2016
DEMAND FOR DUTY-FREE COTTON IMPORTS REJECTED
Dawn November 1st, 2016

ISLAMABAD: The federal government has turned down a request by the All Pakistan Textile Mills Association (Aptma) to abolish the four per cent duty on raw-cotton imports.

Duty-free imports of the commodity would only be allowed after locally produced cotton is completely sold out, Minister for National Food Security and Research Sikandar Hayat Khan Bosan told a news conference on Monday. “We are expecting much better output this year,” he said.

However, he added that it was government's priority to safeguard the interests of cotton growers and farmers. Besides seeking duty-free imports, Aptma and has also asked the government to take measures to overcome declining cotton output. Responding to a question, Mr Bosan said the country had surplus stock of wheat, rice and pulses.

http://www.dawn.com/news/1293487

MINISTRY EARNS NA BODY'S IRE FOR STEEP FALL IN RICE EXPORTS TO IRAN
Business Recorder, November 01, 2016
The Ministry of Commerce on Monday earned the ire of a parliamentary panel over decline of rice export to Iran during last five years, saying the ministry failed to handle the issue properly as the export came down to, $3.479 million in 2015 from $124.768 million in 2010.

The National Assembly Standing Committee on Government Assurances, which met here with Muhammad Afzal Khokhar in the chair, discussed a heavy agenda relating to various issues of Capital Development Authority (CDA), Ministry of Commerce, Interior Ministry, and others.

The committee directed the Ministry of Commerce to come up with solid suggestions to solve the issue with Ministry of Finance to develop banking linkages with Iran forthwith so that the exporters could be facilitated properly.

The Ministry informed the Committee that the government would give incentives to the exporters to establish warehouses both in Saudia and Iran.

The Committee expressed concern over the poor performance of Commerce Ministry officials, saying that they failed to handle the issue properly which led the export to fall to $3.479 million in 2015.

The Committee was informed that Pakistan and Iran would establish trade cities on border areas.

The Committee also regretted that despite lapse of 31 years, Capital Development Authority (CDA) failed to handover plots to its allottees, adding neither plots, payment nor or compensations have been given to land owners and affectees of E-12.

However, the Committee appreciated the efforts made by the elected Mayor of Islamabad Sheikh Ansar Aziz, who is also Chairman CDA, and hoped that he would solve the issue of development of Sector E-12.

The Committee directed the Chairman CDA Ansar to submit a road map with clear cut targets and planning to address the issue.

The Committee directed Chairman CDA to develop the road between Sector F-11 and F-12. The CDA Chairman informed the Committee that tender to repair the road had already been started and repair of the road would be completed shortly.

The Committee considered the issue of registration of Afghanis. The Committee directed Secretary Interior to attend the next meeting and explain as to why Ministry of Interior has failed to register the unregistered Afghanis.

Moreover, the Committee showed grave concern over issue of no registration of around 50 million citizens. The NADRA authorities explained that during last 15 years, the authority has issued about 107 million CNICs and more than 35 million children have also been registered; however, rest of the public is yet to be registered.

Nadra informed the Committee that a special campaign has been launched to register the unregistered ladies.

The Committee directed Nadra not to create problems for genuine Pakistanis. The Committee appreciated National re-verification program ordered by Minister of Interior under which more than 100,000 fake CNICs have been identified and are being cancelled.

The DG Passports while briefing the Committee said that 18 employees had been dismissed as they were helping the mafias. The DG passport informed that in all districts of Pakistan new passport offices are being established. Recently 55 new offices have been established and 20 more offices would be established by February 2017.

It was informed that in future the government is going to launch online application system for renewal of passports where the money could be deposited through credit card and by this way renewal of passport would become very easy.

The Committee directed that some other alternate modes of payment should also be made available because every citizen, especially the villagers, does not have credit card facility.

The meeting was attended by MNAs Malik Ibrar Ahmed, Rjab Ali Khan Baloch, Abdul Majeed Khan Khanan Khail, Nighat Parveen Mir, Sher Akber Khan, and Sheikh Salahuddin and senior government officials including Secretaries.

http://www.brecorder.com/agriculture-a-allied/183/98709/

KENYA ACCEPTS ACTUAL PRICE OF PAKISTANI RICE
Business Recorder, 02 November 2016

RIZWAN BHATTI

KARACHI: Kenya Revenue Authority (KRA) has agreed to the valuation of Pakistani long grained white rice at actual price of $300-350 per metric ton instead of $580 per metric ton previously. Exporters told Business Recorder on Tuesday that the KRA has suddenly revised the valuation of several commodities including Pakistani rice upward side without consultation of stakeholders. The KRA decision resulted in stuck of hundreds of Pakistan's rice containers at Kenyan seaport.

They informed that the valuation of Pakistani rice, being calculated by the KRA, was much higher than the actual market price, of which the importers were unable to get their imported rice consignments. The KRA was imposing a valuation of $580 per metric ton on Pakistan long grained white rice as against its actual valuation of $300 to $350 per metric tons. Kenya rice importers are even ready to pay the taxes on the actual price, however the KRA was insisting for higher valuation, they mentioned.

"A trade X messaging system of the KRA is calculating higher valuation on all imports from Pakistan, that created panic among the exporters and imports", said Rafique Suleman, Chairman Rice Export Committee (FPCCI) and Convenor East Africa Committee of Rice Exporters Association of Pakistan (REAP).

Hundreds of Pakistani rice containers have been held at Mombasa Port due to valuation issue and importers are worry of increasing the cost of the commodity due to demurrages, he added. He said that now the price valuation issues have almost finalised with the KRA and release of Pakistani rice consignments are likely to start soon.

"On request of REAP, Pakistani Commercial Counsellor Zahid Qadeer in Nerobi Keyna held a meeting with the KRA authorities and finally they have been agreed for actual valuation of Pakistani rice," he informed.

Pakistani Commercial Counsellor met the Commissioner Customs of the KRA and discussed the matter of overvaluation by customs authorities on Pakistani rice and Commissioner Customs (Kenya) have been agreed to resolve the matter by valuating Pakistani rice on current market price.

"As per assurance by the Commissioner Customs (KRA) the long grained white Pakistani rice will now be valued at a range of $300-350 per metric ton as against the previous demanded value of $580 per metric ton by the KRA," Suleman said. He said that during the meeting it has also decided that the price will be reviewed quarterly and chances of this problem rising again cannot be ruled out.

Customs authorities were also assured that the verified prices of rice (different verities) will be provided to them after devising a mechanism in consultation with Ministry of Commerce (Pakistan) and REAP.

"It was also decided that both Ministry of Commerce and REAP will inform the KRA regarding alleged practices of under invoicing to curb it," he informed. Suleman said that in the light of these meeting, Pakistani Commercial Counsellor, has also requested REAP to co-ordinate with concerned section of ministry of commerce to work out a strategy for addressing the price issue.

He said that as per REAP estimates some 600 containers carrying 15,000 metric ton rice cargo have been stuck at Kenyan port from the last one week due to valuation issue. He said that importers are facing huge storage and demurrage bills, which is harmful to Pakistan's potential business to Kenya.

http://www.brecorder.com/pakistan/business-a-economy/326047-kenya-accepts-actual-price-of-pakistani-rice.html

PAKISTAN, CHINA TO TRADE IN LOCAL CURRENCIES
The Express Tribune, November 4th, 2016.

KARACHI: Standard Chartered has taken the lead in conducting a roadshow in Pakistan to inform businessmen that hurdles to trade with China in local currencies – Pakistani rupee and Chinese renminbi – have been razed.

Until now, the two countries were trading in dollars, which caused hurdles in the way of banking transactions for traders. The two nations signed a currency swap agreement a couple of years ago.

Standard Chartered Pakistan Chief Executive Officer Shazad Dada said they had a very fruitful meeting with the State Bank of Pakistan on Thursday morning. The central bankers pledged to facilitate trade in the two currencies.

The roadshow is held at a time when most banks in the two nations have yet to set up their branches in each other's countries. However, Standard Chartered has branches in both the countries.

The roadshow is part of an international series, as the Greater China Region's Standard Chartered has conducted similar shows in the Middle East and Africa in recent days.

China is now in agreement with eight countries to conduct trade in their local currencies. These include Pakistan, Hong Kong, the UAE and Qatar.

China has been conducting roadshows since its official currency renminbi was included in the IMF's Special Drawing Rights (SDR) list of global currencies, effective from October 1, 2016. The IMF lends in SDR denomination to nations across the world.

This coincided with China's on-going investment worth $46 billion in Pakistan under the China-Pakistan Economic Corridor (CPEC).

Carmen Ling, the bank's delegation lead to Pakistan and Managing Director, said the infrastructure had been laid to begin trade in local currencies. "Now, it all depends on how fast the requisite information is disseminated to businessmen."

More than 60% of Standard Chartered's market across Africa, Asia and the Middle East stand to benefit from the initiative. Twenty-five of the group's 72 markets are in Africa and the Middle East.

The initiative could facilitate financing for Pakistan's key infrastructure projects, while encouraging cross-border economic and trade partnerships, not only with China, but also with those markets positioned along the initiative, she added.

http://tribune.com.pk/story/1220159/bilateral-commerce-pakistan-china-trade-local-currencies/

IRAN INVITES PAKISTAN FOR FREE TRADE TALKS
The Express Tribune, November 6th, 2016.

ISLAMABAD: In a significant leap towards a free trade agreement (FTA), the Iranian authorities have asked Pakistan to send a delegation to Tehran for kicking off formal negotiations for liberalising commerce between the two neighbours.

"Iran has finally invited Pakistan to bring a delegation by the end of this month or early next month in order to start the first round of talks on the much-awaited FTA," said a senior officer in the Ministry of Commerce while talking to The Express Tribune.

The development came after Pakistan sent several requests to the Iranian authorities for negotiations on tariff lines, customs duties and other related issues for inclusion in the FTA document.

"Our delegation, led by an additional secretary, will leave in the next three to four weeks; officials of the Economic Affairs Division and the Federal Board of Revenue will be part of the negotiating team," the officer said. "They will try to finalise the document as quickly as possible."

The next round of talks would be held in Islamabad in early 2017 to further streamline the matters, the officer said, adding Pakistan had targeted 2017 for striking agreements on free trade with Turkey, Thailand and Iran.

Earlier, the Iranian authorities had given their input for the draft FTA shared by Pakistan,

The two countries had agreed on signing the FTA during the visit of Iranian President Hasan Rouhani to Islamabad in March this year. They agreed to switch from the current preferential trade agreement to free trade and push bilateral commerce up to $5 billion per annum over the next five years.

The two Muslim countries expressed interest in promoting and expanding bilateral trade as soon as the international community removed longstanding sanctions from Tehran earlier this year. Later, they developed a five-year roadmap with the objective of giving a significant boost to trade.

Under the roadmap, they will open special bank accounts in their respective currencies in each other's central banks to streamline the payment mechanism for trade transactions.

At the time when international embargo was in place, no proper payment mechanism had existed for trade with Iran because of strict curbs on financial transactions. That was the reason for a marked decline in Pakistan's exports to Iran over the past many years.

As part of the roadmap, both the sides have outlined scores of challenges that will be addressed to achieve the trade objectives.

They will make arrangements to tackle the impediments in the way of bilateral trade such as non-tariff barriers, absence of a mutual recognition agreement, lack of banking facilities, infrastructure bottlenecks and trade through informal channels.

They are eager to step up efforts to give a fresh fillip to trade and open up commerce and investment as well as provide market access under formal agreements.

http://tribune.com.pk/story/1221851/opening-commerce-iran-invites-pakistan-free-trade-talks/

December 2016

NEWS COVERAGE PERIOD FROM DECEMBER 26 TH TO JANUARY 1ST 2016

CABINET COMMITTEE ALLOWS EXPORT OF 225,000 TONNES OF SUGAR

Dawn December 29th, 2016

Amin Ahmed

ISLAMABAD: The Economic Coordination Committee (ECC) of the Cabinet on Wednesday allowed export of 225,000 tonnes of sugar, based on estimates that there would be a surplus of 1.23 million tonnes.

However, only those mills will be allowed exports which have cleared all outstanding dues of farmers from the last season, and which have started crushing at full capacity.

According to final estimates of provincial agricultural departments, the countrywide sugarcane production in 2015-16 stood at 65.5m tonnes, 3.9 per cent less than the production target fixed by the Federal Committee for Agriculture. The decline was due to a 0.7pc fall in the size of area under cultivation and a 2.9pc drop in yield.

Sugarcane provides raw material to the sugar industry, which is the second-largest agro-based industry having 88 mills across the country.

It was also decided in the ECC meeting, chaired by Finance Minister Ishaq Dar, that the Ministry of Commerce would ensure there are adequate checks and balances to maintain price stability in the domestic market.

In case the domestic price stability is disturbed, the commerce ministry would submit a summary to the ECC to consider suspending sugar exports.

Unlike previous years, it was decided that there will be no freight or export rebate payable by the government to sugar exporters on such exports.

The ECC approved a proposal of the Ministry of Petroleum and Natural Resources regarding the allocation of an additional 50 million cubic feet per day (mmcfd) of available gas to the Guddu Thermal Power Plant from Habib Rahi Limestone reservoir. However, the approval is subject to installation of compression plant by the power plant.

Allocation of an additional 26mmcfd of available gas from the reservoir to Engro Fertilisers' old plant was also approved for the continuation of the plant.

Moreover, the existing reduced withholding tax rate of 0.4pc on bank transactions for non-filers of income tax returns has also been extended for three months (to March 31) by the ECC on the recommendation of the Federal Board of Revenue. The extension period was due to expire on Jan 1 (Sunday).

The finance division informed the ECC that State Bank's principal debt amounting to Rs54.46 billion outstanding against the Zarai Taraqiati Bank, as of Dec 31, 2015, was being converted into redeemable preference shares carrying a profit of 7.5pc a year. The shares are redeemable in 10 years in one bullet payment on Dec 31, 2025.

In this regard, the ECC approved the issuance of a guarantee of Rs54.460 billion by the government of Pakistan in favour of the State Bank for principal debt of the preference shares and returns thereon.

http://www.dawn.com/news/1305033

NEWS COVERAGE PERIOD FROM DECEMBER 19 TH TO DECEMBER 25TH 2016
HORTICULTURE INDUSTRY: FPCCI STRESSES R&D TO PUSH EXPORTS TO $7B
The Express Tribune, December 20th, 2016.

KARACHI: The Federation of Pakistan Chambers of Commerce and Industry (FPCCI) on Monday challenged claims of the Ministry of Commerce which said that the Trade Development Authority of Pakistan (TDAP) had recently been restructured.

"TDAP has become an event management company and a source of foreign trips for bureaucrats of the commerce ministry. It has lost its relevance because of the country's changing export base," the FPCCI said in a statement.

FPCCI's Horticulture Exports Head Ahmad Jawad said, "Practically, we don't see any improvement."

He added horticulture exports could grow to iconic proportions and touch $7 billion in the next decade if research and development (R&D) was vigorously pursued and required infrastructure was built. Pakistan's share in global horticulture exports is just 0.3%, which he said was highly unfortunate due to low priority attached by the TDAP and Pakistan Horticulture Development and Export Company.

“Pakistan’s fruits and vegetables have great export potential that needs to be harnessed to capture world markets where our mangoes, dates and kinnows, in particular, are in great demand,” he said.

Similarly, in rice trade, exports originating from Sindh and Punjab were also neglected.

He suggested that the only way to capture the global market was to process, add value and improve the shelf life of perishable commodities, which would also benefit small farmers.

“I urge that the FPCCI and other departments play a prominent role in enhancing exports of the fresh produce to increase export volumes,” he said.

According to Jawad, apart from the few unexpected challenges like floods, the main cause of import of fruits and vegetables is the lack of attention to infrastructure and R&D coupled with the tradition of resolving problems only when they get out of proportion.

He asked the Ministry of Commerce and Planning Commission to draft and implement the horticulture export policy for 2015-20 on priority and make allocation for the industry in the Public Sector Development Programme (PSDP).

http://tribune.com.pk/story/1268369/horticulture-industry-fpcci-stresses-rd-push-exports-7b/

GOVT WILL NOT ALLOW COTTON IMPORT DUTY-FREE: BOSAN
The Express Tribune, December 20th, 2016.

Owais Qarni

MULTAN: Cotton research institutes and the cotton crop should be under supervision of the Ministry of National Food Security and Research to achieve the annual production target of 20 million bales, said National Food Security and Research Minister Sikandar Hayat Khan Bosan.

Speaking at a meeting of the Multan Chamber of Commerce and Industry (MCCI), chaired by its president Khawaja Jalaluddin Roomi, Bosan said, “We are trying to cut the cost of agricultural production to bring prices of grain and other commodities to the level of international market.”

Referring to the Plant Breeders Rights Bill, he said the document could not be approved for the past 13 years.

Bosan said the mango export target of 100,000 tons had already been achieved and now more than 300,000 tons of kinnow would be exported this year. He revealed plans to cultivate soya bean in Bahawalpur, Potohar, K-P and other areas.

“No duty-free cotton import will be permitted until all locally-produced cotton is sold completely,” he declared.

He said they were aware of the problems faced by the farmers growing cotton on a small area and safeguarding their interests was among key priorities of the government.

He said he was an advocate of farmer rights, but not an enemy of textile millers, adding once local stock was disposed of cotton imports could be made. “Farmers have suffered huge losses since last year; this year they brought 21% less area under cotton crop and production fell 40%.”

The minister expressed optimism that the cotton area would be increased next year because farmers had earned profit in the current season due to better production and favourable weather.

Talking about advances made in agricultural research, the minister expressed hope that research institutes would be developed over time.

Former MCCI president Farid Mughis Sheikh said there was no justification for free trade between India and Pakistan when India was plotting to dismember Pakistan. He suggested imposing a complete ban on Indian products like auto spare parts, cotton yarn, etc.

MCCI President Khawaja Jalaluddin Roomi, in his welcome address, urged the minister to get a special development package approved for Multan.

He demanded lifting the ban on cotton import immediately because there was a gap of four million bales in demand and supply.

http://tribune.com.pk/story/1268374/govt-will-not-allow-cotton-import-duty-free-bosan/

PAKISTAN, BOSNIA AGREE TO STRENGTHEN TRADE, DEFENSE TIES
Dawn December 22nd, 2016

SARAJEVO (Bosnia): Prime Minister Nawaz Sharif and the Chairman of Council of Bosnia and Herzegovina (prime minister) Dr Denis Zvizdic agreed on Wednesday to strengthen ties in the field of trade, defence, agriculture and textiles.

Addressing a joint press conference following their meeting here at the Institutions Building (Parliament), the two leaders expressed commitment to establishment of a Joint Commission to strengthen their countries' mutual relations.

Prime Minister Nawaz Sharif said he had a detailed exchange of views on regional and international matters with the chairman, and added that Pakistan stood committed to its support for the progress and prosperity of people of Bosnia and Herzegovina.

Mr Sharif said that cooperation in the power sector and the energy crisis that Pakistan was facing at present came under discussion.

He expressed satisfaction that the two countries had agreed to sign visa abolition for holders of diplomatic and official passports.

He invited the Bosnian businessmen to take opportunities offered by Pakistan's business-friendly environment.

Dr Zvizdic welcomed Prime Minister Nawaz Sharif on visiting Bosnia and Herzegovina and termed Pakistan a sincere friend of his country.

He said the meeting with Prime Minister Nawaz Sharif focused on matters of common interest, with areas identified for cooperation particularly in agriculture, textile and defence.

"We would focus on developing relations in these three sectors, which would lead to the overall strengthening of our economic relations," he said.

Dr Zvizdic said his government was looking forward to receiving a Pakistani businessmen's delegation to explore the sectors having potential of cooperation in agriculture.

The Bosnian prime minister said that the two countries had agreed on setting up a joint commission that would help identify the potential in various sectors and find ways to explore these further.

He expressed satisfaction that a delegation of Pakistani businessmen and entrepreneurs would be visiting Bosnia and Herzegovina soon. He also invited Pakistani agriculturists to an exhibition in April.

Prime Minister Sharif visited the old city of Sarajevo along with his Bosnian counterpart.

Both leaders walked down the streets of Bascarsija — an ancient city which is a reminder of the Ottoman and Austro-Hungarian times. They also visited the 16th century Gazi Khusrav Beg Mosque.

https://www.dawn.com/news/1303812/pakistan-bosnia-agree-to-strengthen-trade-defence-ties

MOU ON TRADE DISPUTES INKED
Dawn December 22nd, 2016

PESHAWAR: The Sarhad Chamber of Commerce and Industry and Saarc Arbitration Council have signed an agreement for resolution of trade disputes and bringing the business community of the regional countries closer to boost investment.

According to a statement issued here on Wednesday, the memorandum of understanding was signed at the chamber by SCCI President Haji Mohammad Afzal and Saarc Arbitration Council Director Malik Imran Ahmed.

Describing the agreement as significant for strengthening investment in the Saar member states, the SCCI president expressed the hope that the MoU would help resolve trade disputes with different countries, especially with Afghanistan, and help improve bilateral trade.

He urged the business community to keep in view the significance of the agreement during business deals with various countries, particularly with Afghanistan, so they would not face any kind of business complications.

Earlier, Imran Ahmed briefed the participants about the importance and objectives of the council.

https://www.dawn.com/news/1303797/mou-on-trade-disputes-inked

PAKISTAN ENVOY INVITES UK BUSINESSMEN TO EXPLORE TRADE POTENTIAL
The Express Tribune, December 22nd, 2016.

Islamabad: Pakistan High Commissioner to the UK, Syed Ibne Abbas had a luncheon meeting with a group of British business leaders, City Council representatives, government officials and academics in Bradford.

The purpose of the meeting was to develop business and economic ties with the British business community and reach out to public sector organisations of the UK.

In his remarks, the high commissioner gave an overview of the trade and business friendly regime of Pakistan and informed the attendees about the economic turnaround in the country as a result of the economic reform agenda of the government.

The high commissioner said, "China-Pakistan Economic Corridor (CPEC) envisages an investment of $54 billion in infrastructure development and the energy sector of Pakistan. Out of this portfolio, $35 billion would be spent on power generation which would directly increase our economic growth up to 2%, which currently stands at 4.8%."

British companies have enormous opportunities for investment and consultancy in Pakistan with the advent of CPEC project, said Abbas.

The high commissioner said that Pakistan hopes to develop even stronger business and trade ties with UK in the wake of Brexit; when Britain would be seeking new markets outside the EU. Abbas invited British businesses to take advantage of the trade and economic opportunities available in the country. The attendees evinced keen interest in doing business with Pakistan and showed confidence in the economic future of the country.

They also commended the entrepreneurial acumen of the Pakistani community living in various parts of the UK and said the British Pakistanis were playing an important role in the UK's economy.

http://tribune.com.pk/story/1271017/pakistan-envoy-invites-uk-businessmen-explore-trade-potential/

NEWS COVERAGE PERIOD FROM DECEMBER 12 TH TO DECEMBER 18TH 2016
PRODUCTION AND EXPORTS OF FRESH AND DRY FRUITS
Dawn, Business & Finance weekly, December 12th, 2016

Mohiuddin Aazim

Exports of fresh fruits are growing as improved farming practices boost output and as opportunities of penetrating deeper into conventional markets and exploring new ones increase.

The average annual output of citrus fruits and apples, two main forex earners, has shown an increasing trend in the last ten years (FY06-FY15). The average annual production of mangoes, another major export item, witnessed a big jump during FY06-10 though it has faltered in the last five years, official stats reveal.

However, the lower production of mangoes did not make a big dent in the fruit's export earnings, thanks largely to joint efforts of the public and the private sector.

Forex earnings through export of citrus fruits have been on a constant rise.

Although Pakistan produces many dry fruits such as almonds, walnuts, raisins, pine nuts and pistachios, output stats of only almonds are compiled by the federal authorities and, as such, facts on the production status of the others remain either unavailable or too scattered.

But according to the officials of KP's provincial agriculture department where most dry fruits are grown, the army-led action in militant-infested areas has partly helped in the recovery of dry fruit cultivation.

They say that the output of walnuts and pine nuts seems to have increased, given the brisk activity in local markets where dry fruits are traded.

In Balochistan and in parts of upper Punjab where figs are cultivated, farmers also say that they are producing more than before.

Contrary to production, exports of dry fruits are recorded systematically and going by trade statistics of the last five years, one can see a mixed trend in the export of certain dry fruits, officials of TDAP say.

"But, on balance, overall forex earnings of dry fruits have definitely shown a rising trend in the past few years," says one TDAP official linking it to the recovery of dry fruits production in KP. In FY15, the latest year for which official stats are available, export earnings of dry fruits and nuts (as well as dried fresh fruits) rose to \$48m from less than \$32m in FY14.

Experts, however, point out that the bulk of the dry fruits exported from the country are nothing but re-exports, adding that every year tonnes of Afghan dry fruits find their way into KP markets unofficially and are exported to the world markets from Pakistan.

They say that before the lifting of the sanctions on Iran, the same was true for some dry fruits coming into Balochistan from Iran.

These exporters guesstimate actual export earnings of Pakistani dry fruits and nuts as far lesser than $48m. They explain that this amount includes not only exports of dry fruits and nuts of Afghan origin but dry fruit preparations as well.

Meanwhile, exports of fresh fruits, which are far larger than that of dry fruits and nuts, increased from $292m in FY11 to $438.5m in FY15 before taking a dip to $427m in FY16. In four months of this fiscal year, the country earned $122m through exports of fresh fruits.

Exporters say if the kinnow export target of $200m is met then total fruit exports in FY17 may reach $450m.

For the past few years, the federal and provincial governments have prioritised enhancing the output of fruit production and managing their quality. In the current fiscal year, for example, the government of Punjab has launched a three-year, Rs227m fruit fly management project for mangoes and guava orchards.

In the Ziarat and Kalat districts of Balochistan, apple gardening and packaging facilities are being set up at a cost of Rs50m. Similarly, a date processing and packaging unit is being set up in the Mekran region to help boost exports of fresh dates grown there. Besides, the Pakistan Agricultural Research Council has recently trained 1,000 farmers of the province in best fruit farming practices.

Fruit exporters say over the years the value chain of fruits has improved but a lot still needs to be done particularly in terms of setting up inland transportation. They also lament that the promised funding for setting up fruit and forest plant nurseries (launched last year under the prime minister's scheme for youth loans) is not coming.

Exporters say new export markets for Pakistani fruits are opening up in China and in the Far Eastern countries. And access to European markets has improved after stricter compliance of their fruit import standards.

But the government support in marketing is amiss. "Our foreign trade missions usually don't help us tap export opportunities the way the Indian and the Chinese do. We often hear of new opportunities opening up in certain markets long after our competitors have already tapped them," says an official of the Pakistan Vegetable and Fruit Exporters Association.

"Besides, online export marketing facilities are almost non-existent. One reason for this is that web portal managing companies or individuals don't get bank funding."

In addition to this, structural issues like lack of cold chain facilities and high post-harvest losses in fruits (as well as dry fruits) continue to mar export potential. The provincial governments of Punjab and KP claim to have made progress in these two areas. In Punjab the participation of the private sector is more visible.

Two separate programmes, one each for kinnow and mangoes, have reduced post-harvest losses of citrus fruits and mangoes with the help of the private sector, officials claim.

http://www.dawn.com/news/1301835/production-and-exports-of-fresh-and-dry-fruits

'CPEC WILL REDUCE TRADE COST FOR CENTRAL ASIA, ASIA-PACIFIC REGION'
Business Recorder, 14 December 2016

Abdul Rasheed Azad

ISLAMABAD: The completion of the China-Pakistan Economic Corridor (CPEC) will reduce the trade cost for central Asian countries by 11.5 per cent and for Asian Pacific region by 25.3 per cent, by 2020.

This was stated by Professor Mark Goh of the National University of Singapore during his address at the 32nd Annual General Meeting and Conference of the Pakistan Society of Development Economists (PSDE) here on Tuesday.

Delivering the ‘Allama Iqbal Lecture’ on ‘Role of Productivity, Quality, and Innovations in Making China-Pakistan Economic Corridor (CPEC) Work for Pakistan,’ he said that to make CPEC successful, every province must have an industrial park for manufacturing and exporting products. He said the CPEC would ensure that there is no congestion from Shanghai to Gwadar and the vehicles move at a minimum speed of 60 kilometres per hour. This would mean completing the distance in 41 hours, which is a reduction by 82 per cent in the total time consumed.

Prof Goh emphasised that by 2020, the CPEC will reduce the trade cost to Central Asia by 11.5 per cent and to Indonesia by 25.3 per cent. A one-day loss in transportation decreases the value of exports by one per cent. Similarly, trade-improving transparency can result in 7.5 per cent increase in trade. Instead of doing politics on the project, there is need to focus on wellbeing of the people, he added.

Discussing the role of connectivity, Prof Goh said that connectivity is of two kinds, including hard connectivity and soft connectivity. Hard connectivity is infrastructure development, including roads, ports and ICT structures, whereas soft connectivity is knowledge sharing and institution building.

He highlighted that the CPEC aims to improve infrastructure as billion of dollars have been dedicated to build 2,442 kilometres long road to link Kashgar to Gwadar. Goh stressed the need to keep five factors in consideration while selecting the corridors. These factors are current traffic volume of people and cargo; prospects of economic and traffic growth; capacity to increase connectivity between countries and people; potential to mitigate delays and other hindrances besides economic and financial sustainability.

He stressed upon the need for creating new processes that are cost and time effective and for that Pakistan needs to create business houses that can deal directly with the already established Chinese business houses as this would reduce both cost and time. Thus, there is a need to develop business-to-business trade instead of business-to-consumer trade.

Addressing the seminar Vincent Palmade, World Bank leading economist South Asian region, in his presentation from book titled “South Asia’s Turn: Policies to Boost Competitiveness and Create the Next Export Powerhouse,” said the South Asia could become the fastest growing exporting region of the world. He explained if the regional authorities implement a set of policy actions aimed at improving the business environment, connecting to global value chains (GVC), leveraging clusters and strengthening firm capabilities.

Vincent Palmade who is co-author of the book presenting the salient features of the book said that it discusses what the South Asian region needs to gain competitiveness. He said that South Asia has the potential to change and Pakistan can play a pivotal role in boosting growth as it has a large market and has immense potential. However, he said the productivity of Pakistani firms is quite low, especially of the small medium enterprises (SMEs).

The skill intensity of Pakistani exports is low and although the ICT and tourism sectors are doing well, much more needs to be done. Similarly, productivity of the Chinese firms is quite high as compared to that of the Pakistani firms. He stressed that there is a great potential in Pakistan and the conditions are favourable as in present scenario Pakistan has excellence in the production of Basmati rice, but market regulations are restrictive.

Similarly, Pakistan’s sporting goods, surgical instruments, and leather apparel industries have the potential but the business environment is not conducive. He said there are four policy levers, adding those should be taken into account. These are improvement in business environment, connecting global value chain, leveraging agglomeration economies and strengthening firm capabilities.

Palmade said that the services sector is expected to grow and boost productivity. He said the World Bank is also trying to help Pakistan in boosting trade and regional integration.

Dr Asad Zaman, President PSDE and Vice-Chancellor Pakistan Institute of Development Economics (PIDE) in his address said the next hegemony of the world would be Asia, led by China. In transitional times, he said, the power is up for grabs. The transition also creates opportunities to redefine the world and it is the scholars who carry the day by redefining the world.

Dr Zaman said when the leadership changes hands it is the leader who sets the terms and the followers do not have much choice but to look at the world the way the leaders want them to see it. The VC PIDE said that there also existed an ancient Silk Road which is being revived through CPEC.

Secretary PSDE, Dr Ejaz Ghani in his address highlighted the growing interest in the annual general meeting and Conference of the PSDE, and said that this year 140 papers were received, of which 32 were selected after a careful screening process. He apprised the audience that just like the past, this year scholars from many countries including Canada, UK, USA, China, Singapore, Germany, and Tajikistan have come to participate in the AGM.

http://epaper.brecorder.com/2016/12/14/5-page/827598-news.html

AMBASSADOR ASKS PAKISTAN TO ACCESS LEBANON MARKET
The Express Tribune, December 17th, 2016.

KARACHI: Federation of Pakistan Chambers of Commerce and Industry (FPCCI) President Abdul Rauf Alam has asked the business community to explore the untapped trade potential of the Lebanese market.

He also urged the government to take steps for promoting greater economic cooperation, which would bring people of the two countries closer.

He made the remarks during a meeting with Lebanon Ambassador Mona El Tannir. Leading businessmen were present in the meeting and they discussed ways and means to deepen trade relations between the two countries.

Alam briefed the ambassador about functions of trade bodies in Pakistan and invited Lebanese businessmen to visit and hold a single-country exhibition in Pakistan.

He emphasised the enormous potential for bilateral trade which both the countries could not explore so far.

Ambassador Tannir pointed out that Lebanon was famous for the production of olives and olive oil. Pakistan was importing olives, generators and some other products from Lebanon but bilateral trade could still be improved, she said.

She revealed that Pakistan's textiles, rice, handicrafts and carpets were very popular in Lebanon while on the other hand Lebanon offered various opportunities in the tourism sector.

"Pakistan's businessmen can benefit from the opportunity to have access to the Lebanese market as the embassy grants visas to Pakistanis for attending lectures, seminars and workshops in the field of medicine, pharmaceutical, information technology and software."

In words of praise, the ambassador stressed that Pakistan had always assisted Lebanon in every form and during times of crisis for which the Middle Eastern country was grateful to Islamabad.

http://tribune.com.pk/story/1265746/ambassador-asks-pakistan-access-lebanon-market/

IS TDAP LOSING ITS RELEVANCE?
Dawn December 18th, 2016

Mubarak Zeb Khan

ISLAMABAD: The Trade Development Authority of Pakistan (TDAP) has lost its relevance because of the country's changing export base, officials and exporters told Dawn on Saturday.

The objective of the establishment of TDAP in 2006 was to facilitate exports. Over the years, the organisation has turned from being an export promotion department into an event management company.

Sources in TDAP told Dawn that the authority has failed to deliver on its mandate mainly because of alleged corruption, wrong priorities and changing export patterns over the years.

Official data shows the government allocated Rs1.1 billion for TDAP in 2015-16. About Rs750 million, or 68 per cent of the total budget, was spent on salaries and managing the offices of TDAP. The operational budget for the export promotion was just Rs350m, or 32pc of the total budget, in the last fiscal year.

The breakup of the development budget reveals that Rs315m, which is 90pc of the development expenditure, was spent on holding more than 115 exhibitions abroad in the last fiscal year. Only Rs35m, or 10pc of the total development budget, was spent on export promotion functions in the domestic market.

The uneven allocation of the development budget for external and internal markets has created a vested interest for employees, an official of TDAP said.

TDAP has more than 1,000 employees. Only 50 of them are directly involved in holding exhibitions abroad. This means 90pc of the development budget is spent through only 5pc of employees.

"This is why most employees in TDAP try to become part of the exhibition department," a TDAP officer said.

Additionally, the authority spent Rs650m from the Export Development Fund (EDF) on three exhibitions – Aalishan Pakistan (Rs250m), visits of Caravans to Central Asian States (Rs150m) and Expo-Pakistan (Rs250m).

TDAP CEO S.M. Muneer told Dawn the body held 118 exhibitions in the last fiscal year. He said 146 exhibitions will be held in the current fiscal year.

Mr Muneer admitted that a big chunk of the budget is being spent on non-development activities, like salaries and medical allowances. As part of an austerity drive, the government has reduced the overall budget of TDAP, he added.

According to the TDAP executive, the 'systemic corruption element' is the reason for spending huge money on holding exhibitions. The incidence of corruption is at multiple stages – right from the selection of a fair to the construction of a pavilion. The extent of corruption varies. Local agents of international exhibitors in Pakistan offer shares from their commission to TDAP officials in order to influence the selection of fairs.

Commercial councillors are also known for trying to make money in the selection of three bidders for the pavilion construction.

Regarding corruption in TDAP, Mr Muneer claimed he has eliminated it from the organisation. "Before I assumed office, TDAP faced charges of Rs1.2bn corruption. I can assure you that there is no corruption in TDAP now," he said.

Garments Exporters Association Chairman Jawed Bilwani said TDAP has lost its importance as exports have been falling for the last three years. He said the authority was established to promote exports — something it has failed to do.

"I think the government should reform TDAP," he suggested, adding that spending millions of rupees on foreign visits will not promote exports. The focus should be on the domestic market and its supply chain, he stated.

TDAP did not pay attention to the supply side and domestic commerce, he said. Top officials of TDAP and the Ministry of Commerce are the major beneficiaries of TDAP's foreign trips, Mr Bilwani said.

The authority is the implementing arm of the Ministry of Commerce for export-related initiatives. It is located in the south of the country, although most of its officers are from the north and do not want to be posted elsewhere. Meanwhile, the pattern of the country's exports has also witnessed drastic changes over time.

Commercial exporters based in the port city have been replaced by manufacturers who now sell their products directly into foreign markets, thus minimising the role of the middleman. This transformation has drastically changed TDAP's role in dealing with exporters who are now based in the upper parts of the country.

Textile and clothing have a 55pc share in total exports. Much of the cotton-based industries are located in Multan. Yarn and fabric companies are mostly in Faisalabad. The home textile industry, which produces bed sheets and quilts, is mostly located in cities like Karachi, Faisalabad and Multan. The towel industry is predominantly based in Lahore, Faisalabad and Karachi. Associations of towel and bed-sheet manufacturers are based in Multan, Karachi and Lahore.

Similarly, the garment industry is spread over Faisalabad, Lahore, Sialkot and Karachi. The three garment trade associations are headquartered in Lahore.

In the agriculture sector, the $2bn in rice exports originates from Punjab. Similarly, the production of Irri-6 is in Sindh and Punjab. The association of rice exporters is headquartered in Lahore. Most of the kinno, rice and other agriculture products are exported from Punjab.

Meanwhile, sports, surgical and glove industries are located in Sialkot while the marble industry is based in Khyber Pakhtunkhwa. Yet the agro-food division of TDAP is in Karachi.

Also, the presence of the Engineering Development Board in Islamabad and TDAP's engineering division in Karachi makes their coordination difficult. Similarly, most minerals and metals are in KP, but the relevant TDAP division operates from Karachi.

Trade analysts say TDAP officers should be posted to different regions on the basis of the products that are manufactured there. For instance, officers posted in Sialkot should look after industries like sports goods and surgical goods. Some of the offices in Karachi need to be relocated to other provinces, especially Balochistan and KP.

But the TDAP CEO said there are 13 sub-offices of the authority across Pakistan. He did not agree with the proposal to re-locate the headquarters to Islamabad. TDAP officials will continue making foreign trips, he said, adding that it is necessary to send them to international exhibitions.

https://www.dawn.com/news/1302974/is-tdap-losing-its-relevance

OPPORTUNITIES: VIETNAMESE ENVOY KEEN ON PROMOTING BILATERAL TRADE
The Express Tribune, December 18th, 2016.

ISLAMABAD:

Vietnam's Ambassador to Pakistan Nguyen Xuan Luu has said that many Vietnamese companies were interested in trade and investment in various sectors particularly in Karachi.

He said that the provincial capital is a very important city and has huge economic potential which has attracted many businessmen.

Nguyen Xuan Luu said this while talking to Federation of Pakistan Chamber of Commerce and Industry (FPCCI) President Abdul Rauf Alam during his visit to the FPCCI Capital House.

He said that both countries enjoy excellent relations but bilateral trade and investment was much lower than the actual potential for which the government and private sector must play its role.

He acknowledged the role of FPCCI in promoting trade and industry and said that Pakistan is a huge consumer market and Vietnam's business community can benefit from this opportunity.

Many Vietnamese companies had shown interest to invest and provide their expertise in various economic sectors of Pakistan especially in agriculture and seafood, he added.

The ambassador said that Vietnam can also import different items mainly textile, leather and other products for which liberal visa policy, exchange of information, interaction and exchange of delegations is imperative.

At the occasion, Alam said that Pakistan and Vietnam have signed a trade promotion agreement in the third meeting of Joint Trade Commission (JTC) held in August 2015 but it has not helped a lot.

The next session of the Joint Trade Commission scheduled in Islamabad shortly should come up with meaningful ways and means to boost trade after reviewing scope of trade, he added.

Alam added that the Vietnam Trade Promotion Agency (Vietrade) and Trade Development Authority of Pakistan (TDAP) should improve their efforts.

He said that many Vietnamese products find their way to Pakistan through Dubai, which indicates presence of some barriers that must be tackled.

The president of the Apex chamber said that both countries can cooperate in the fields of engineering, information technology, food processing, textile products, garments, pharmaceuticals, security and military equipment.

http://tribune.com.pk/story/1266570/opportunities-vietnamese-envoy-keen-promoting-bilateral-trade/

NEWS COVERAGE PERIOD FROM DECEMBER 5 TH TO DECEMBER 11TH 2016
QUALITY KINNOW OUTPUT LIKELY TO BOOST EXPORT EARNINGS
Dawn, Business & Finance weekly, December 5th, 2016

Ahmad Fraz Khan

Pakistan started its kinnow export season last Thursday, with a mix of positive and negative factors. Exporters and officials believe that exports might cross the figure of 0.3m tonnes. The government has, however, fixed a target of 0.6m tonnes.

The field reports suggest a huge leap in the fruit quality. Three crucial months — September, October and November — went almost dry, saving the fruit from many pests that normally come with moisture in the air. Officials have quantified a 20pc quality improvement in the standing crop.

The absence of pests has reversed the ratio of A-Grade and B-Grade fruits in orchards.

This year, 60pc of the produce is A-Grade (exportable) quality at the start of the season, but the ratio is expected to improve as the entire crop races towards maturity. With fixed cost of labour and improved crop quality remaining the same, the farmers and exporters might see a rise in profits.

The quantity of fruit, however, is a matter of debate. The farmers and exporters linking the situation to dry weather feel that Pakistan may have to be content with 2m tonnes against the normal 2.2m or an occasional 2.3m tonnes of output. They have also cited a marginal increase in the market price, a sign of low supply.

Last year, the exporters were offering Rs700/40Kg. This year, it has already gone up to Rs750, and the rate may rise further in days to come.

But officials of the Pakistan Horticulture Development and Export Company (PHDEC) think that the quantity is not less, and maturity is taking time due to weather which has delayed colouring and harvesting of the fruit. Even

if this less quantity argument is accepted, it could not, in any way, impact the export figures the exports range between 12-13pc of the total production.

In export, the price matters more than the quantity, and the value is certainly set to increase correspondingly with an enhanced quality. Based on PHDEC's assessment and some farmers agree, the final figure might be close to 0.4m tonnes.

The Afghan buyers, who normally swarm the Punjab's kinnow market by this time, are missing so far. Farmers feel that new trade and visa processes have caused a delay and the government should rethink its policy priorities for the Afghan market which is almost a natural extension of the domestic market. Officials, however, do not agree and say it is due to the supply issues.

Pakistan does not have as much low-quality (smaller fruit) as the Afghans purchase. Pakistan itself has a huge market for that kind of fruit. So, the farmers are avoiding the Afghan buyers.as they can sell this fruit on cash in the domestic market. This may hurt export to Afghanistan.

The new trade process only demands registration of each vehicle crossing the Pakistani border against the earlier requisite of quantity-based permits, regardless of the transportation mode.

This issue of short supply of small-sized fruit may also hurt the Russian sale prospects for the Pakistani Kinnow. The Russians, along with some Central Asian states, absorb almost 25pc of our kinnow exports — all in small size. How exporters meet their orders from Russia would largely decide the final export figure.

Exports to Iran remains a grey area. Owing to banking problems and hindering cash transfers between both the countries, Dubai serves as conduit for most of the exports — doubling the duty charges and rendering the export process commercially unattractive.

Moreover, Iran insists on barter of apple for kinnow. On top of it all, the Iranian domestic kinnow lasts till January, leaving only a small period of February for Pakistan as the season runs out by the end of that month. Iran, together with Afghanistan, used to consume over 0.2m tonnes or over 60pc of the export.

Keeping in these factors in mind, Pakistani policymakers should advise their relevant institutions to explore new markets.

http://www.dawn.com/news/1300443/quality-kinnow-output-likely-to-boost-export-earnings

FRANCE EXPRESSES INTEREST IN IMPROVING TRADE TIES
The Express Tribune, December 6th, 2016.

Owais Qarni

Multan: A no-objection certificate from 26 other member states of the European Union is required before issuing visa to businessmen, traders, exporters and other persons because this visa is valid for all 27 EU states. This was said by

Ambassador of France in Pakistan Martine Dorance on Monday, after inaugurating an exhibition of local artisans organised by the Multan chamber.

Speaking to the business community at the Multan Chamber of Commerce and Industry (MCCI), she said that the economic, political and diplomatic relations between the two countries are strengthening each day.
Pakistan has great potential to expand business relations with France as it was an important economy of the EU, said Dorance, adding that the Pakistani private sector should adopt a proactive approach to explore new avenues of promoting trade and exports with French counterparts.
"France is keen on boosting mutual trade ties with Pakistan," said the ambassador.

Assuring of all-out efforts to increase mutual trade volume in favour of Pakistan, she said that the Pakistani business community should ensure maximum exports to France and other EU countries through France by taking full advantage of the GSP Plus status.

Dorance invited Multan exporters to divert their business activities to France and encouraged manufacturers, industrialists and exporters of south Punjab to participate in the international trade fairs and exhibition in France.

She witnessed the craftsmanship of the artisans and appreciated the skill of local artisans particularly women.

Also speaking on the occasion, MCCI President Khawaja Jalaluddin Roomi said that France was showing great interest in China-Pakistan Economic Corridor projects and his embassy would play an active role in bringing French investment to Pakistan.

Roomi said that bilateral trade worth $1.5 billion between France and Pakistan was not reflecting the true potential of the two countries and trade diversification was the way forward to further strengthen ties.

He said that many sectors of Pakistan's economy including energy, agriculture, transport, construction, pharmaceutical, health, water and sanitisation and utilities offered great potential to foreign investors.

http://tribune.com.pk/story/1254501/france-expresses-interest-improving-trade-ties/

GOVT LIFTS 'UNDECLARED' BAN ON INDIAN COTTON IMPORTS
Dawn, December 8th, 2016
Nasir Jamal
LAHORE: Pakistan on Wednesday lifted an 'undeclared' ban on imports of ginned cotton from India, pledging to strictly implementing all phytosanitary and other conditions governing the fibre's imports on future incoming shipments via surface or sea.

Earlier, the Department of Plant Protection (DPP) of the Ministry of National Food Security and Research put cotton imports from India on hold through Wahga and Karachi port from Nov 23, saying the shipments did not fulfil phytosanitary conditions.

However, traders at that time claimed that rising border tensions between the two neighbours had prompted Islamabad to impose the ban on Indian cotton.

A trader told Dawn that the DPP had started issuing permits for importing cotton from India via Wahga.

But the DPP has also made it clear to importers that only the consignments free from cotton seeds will be accepted and allowed into the country, he added.

He said the department required production of phytosanitary certificate issued by authorities in the country of origin declaring that the consignments are free from pests and disease and were fumigated for 48 hours before loading.

"Besides, the importers are required to obtain import permit 14 days prior to the arrival of the cotton consignments," he said.
Traders said none of these conditions is new. "But the fact remains that the department has never implemented or threatened to implement them to the letter ever like now," a textile factory manager said.

"If implemented strictly, we will not be able to import cotton from any country in the world, let alone India, because no consignment is completely free from cotton seeds."

Last year, Pakistan imported ginned cotton worth more than $800 million from India which accounted for two-thirds of India's cotton exports.
Traders are expecting cotton imports from India and elsewhere to surge this year in view of the anticipated shortfall in the domestic crop.

The government expects cotton output to remain close to 10.5m bales of 170kg each against a reduced industry demand of 14m bales owing to widespread factory closures in Punjab because of higher energy prices.

A trader blamed Sikandar Bosan, the minister of National Food Security and Research, for creating hurdles in the way of import of Indian cotton. "He doesn't realise that hurdles in imports from India will hurt textile exports and slow down economic growth."

Last year, a drop of 27pc in domestic cotton output shaved 0.5pc off gross domestic product growth rate, according to the budget for the ongoing year. "Any delay in execution of the contracts with Indian cotton exporters will allow them an opportunity to raise their prices or cancel the deals," the trader said. "That will not be beneficial for our industry or exports at a time when our crop output is falling far short of our requirement."

http://www.dawn.com/news/1301105

JAPAN RATIFIES TPP DESPITE TRUMP'S OPPOSITION
Dawn December 10th, 2016
TOKYO: Japan's parliament ratified the Trans-Pacific Partnership (TPP) free-trade deal on Friday, but it was largely viewed as an empty gesture owing to opposition by US President-elect Donald Trump.

A majority of upper house lawmakers, led by Prime Minister Shinzo Abe's ruling coalition, approved the bill, while the opposition voted against it, following last month's passage through the powerful lower house. Japan's top government spokesman called the deal's passage "a message to the world about Japan's strong determination to promote free trade".

"We will continue to urge signatory countries to swiftly" pass the bill, Chief Cabinet Secretary Yoshihide Suga told reporters in Tokyo.
US President Barack Obama championed the 12-nation deal saying it would enable the United States to set the global trade agenda in the face of China's increasing economic clout.

But Trump has strongly opposed the agreement, saying it would be bad for America and cost jobs, casting a huge shadow over its future. Last month, Japan's leader said the TPP would be "meaningless" without the US.

The US and Japan are the biggest members of the massive deal, which encompasses some 40 per cent of the global economy. It also includes Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

The deal, which has been years in the making, cannot be implemented in its current form without US ratification.

The TPP is seen as a counterweight to China, as Beijing expands its sphere of influence and promotes its own way of doing business — seen as often running counter to largely Western-set global standards that emphasise transparency and respect for human rights and the environment.—AFP
Abe has made the TPP a pillar of his growth platform to revive exports and the world's number three economy.

https://www.dawn.com/news/1301617/japan-ratifies-tpp-despite-trumps-opposition