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NEWS COVERAGE PERIOD FROM JANUARY 23RD TO JANUARY 29TH 2017

'IF US TURNS INWARD, CHINA'S CLOUT WILL RISE'

Dawn, January 25th, 2017

Goh Sui Noi

BEIJING: A protectionist United States that is less engaged in East Asia could lead to the growth of Chinese influence in the region, said analysts in response to US President Donald Trump's inaugural speech.

Trump, in his speech on Friday, made it clear he would pursue a protectionist and isolationist "America first" policy, including on trade, in a bid to bring jobs back to the US.

The White House, in a statement, said the US will withdraw from the Trans-Pacific Partnership (TPP) trade pact, one of the largest in the region that brings together 12 nations.

Signalling a renewed focus on counter-terrorism, Trump said the US would "reinforce old alliances and form new ones, and unite the civilised world against radical Islamic terrorism".

And while Trump did not mention China by name, Beijing is likely to expect pressure from the US in the areas of trade and geopolitics.

"Trade friction between a Trump-led US and China is highly probable", given that Trump meant to overturn current US trade and economic policies to revitalise the US economy, said the state-run Global Times in an editorial. It added that China could also face pressure from the US in geopolitics.

A US that is protectionist and distracted by security issues in other parts of the world will "create some impression in the minds of local elites in East Asia that the US is not as reliable as it used to be", said Associate Professor Li Mingjiang from the S. Rajaratnam School of International Studies in Singapore.

"You can then see the growth of Chinese influence. Some countries will decide to be engaged with China, and you can see the very gradual transformation of regional security alignments slightly in favour of China," he added.

The US' withdrawal from the TPP — and its likely trade disputes with China and other countries in the region — means it is unlikely to take the leading role in shaping the economic integration of the region, thus giving China more scope to do so.

"In the coming years, China may have the opportunity to further expand its economic influence in the region," said Prof Li.

This could, in turn, boost Beijing's strategic influence. "In today's Asia, economics, strategic influence and security relationships are inseparable. If the economic future of regional countries rests more and more with China, it will help increase China's strategic clout in the region," he said.

He added that this has already been seen in the case of the South China Sea. "In the past years, China was able to prevent a unified Asean because of the importance of China's economic ties with some Asean member states."

However, Professor Jia Qingguo, dean of the School of International Studies at Peking University, said he does not think there will be a lot of room for China to manoeuvre.

This is because East Asia is too important economically for the US to ignore. “The US will strengthen its military presence in the region and use bilateral negotiations to win more concessions,” he said.

But this unilateral approach could be harmful to the US because countries in the region would not agree with it. Whether China can capitalise on this depends on what it does, but the US remains important to these countries, he added.

To counter China’s growing influence, Kobe University professor Tosh Minohara said a “coalition of concerned nations” in the region could hold dialogues, including on security issues. This coalition could include Japan, India, Vietnam, Australia and Singapore.

Indeed, the US under Trump would want its security ally Japan to do more operationally, including taking part in freedom of navigation operations that the US has been conducting in the South China Sea, to challenge what it sees as China’s excessive claims there, he added.

If the US were to retreat from the region, Japan would then have to play a bigger leadership role. “If Japan does nothing, that by default means that this area is now part of the Chinese sphere of influence,” he said.

He added that although the TPP in its present form is dead, Japan should advocate that the other nations negotiate a “TPP 2.0” without the US but including India.

“We will see a more unstable and uncertain East Asia and, perhaps, also an unhappy one … It’s going to be a roller-coaster ride and we will have to brace ourselves for the worst.”

—The Straits Times / Singapore

https://www.dawn.com/news/1310468/if-us-turns-inward-chinas-clout-will-rise

DITCHING T.P.P. WON’T SOLVE THE TRADE DEFICIT
International New York Times, January. 24, 2017

Jared Bernstein

WASHINGTON — President Trump wasted no time tackling his campaign promise to reverse America’s trade deficit: On Monday he signed a memorandum withdrawing from the Trans-Pacific Partnership, a move he promised would be a “great thing for the American worker.” The withdrawal dovetails with promises to impose tariffs on imports and crack down on American companies that manufacture overseas.

These steps make for great optics. But in economic terms, they’re unlikely to move the needle. For the country to improve its trade balance, the president’s going to have to do a lot more.

Ripping up trade deals won’t achieve much. A new study by the nonpartisan Congressional Budget Office found that estimates of the impact of “trade agreements on the U.S. trade balance are very small and highly uncertain.” Large tariffs are also unlikely to help. Yes, they’ll lower imports, but they’ll probably lower exports as well, both through a stronger dollar and through retaliatory tariffs from our trading partners.

And it’s hard to imagine much good emanating from Twitter-shaming China, or writing a check to the occasional factory to prevent it from outsourcing some of its jobs. Such measures are far too ad hoc to make a systemic difference.

Factors in the trade deficit include how much countries save and invest, the demand for traded goods and services, the relative competitiveness of the companies that produce them and, most important, exchange rates. Even as productive as they are, our manufacturers can't compete in foreign markets if exchange rates — the value of the dollar in terms of the currencies of our trading partners — are tilted against them.

A few years ago, Congress passed legislation that would allow the administration to impose duties on specific imports, like a particular grade of tire, that were subsidized by exchange rate manipulation. Though the bill got large majorities in both houses, congressional leaders and the Obama administration killed the measure. Given today's climate around trade, such a bill might well sail through Congress with bipartisan and leadership support.

That's a narrow approach to exchange-rate manipulation. A more sweeping way to level the playing field is a plan by the trade expert C. Fred Bergsten for "countervailing currency intervention." In simple terms, it would allow American economic authorities to purchase the currency of the manipulating country "to neutralize the impact of that country's own intervention in the foreign exchange markets." This idea hits a sweet spot: It could be more effective against currency manipulation and wouldn't interfere with trade flows and market-driven (versus orchestrated) moves in the dollar.

Next, countries have long used capital controls (e.g., taxing foreign asset purchases; limits on currency purchases) to block unwanted inflows of money that made their currency rise. There's a risk here: Such inflows can be a valuable source of investment capital. But they can also increase the value of the dollar, worsen the trade deficit, and inflate credit bubbles. I wouldn't be at all surprised to see the Trump administration consider this route.

Another idea was introduced by Warren Buffett years ago: enforce balanced trade by providing exporters with "import certificates" worth the value of their exports. These could be traded to importing firms here or exporting firms abroad, in a version of cap-and-trade. (However, like Mr. Trump's ideas for large tariffs, this scheme could generate retaliation — and thus have little impact on the trade deficit — and significant inflation.)

As part of corporate tax reform, House Republicans are pushing a plan that subsidizes exports and taxes imports. That certainly sounds as if it's doing something about the trade deficit, but that may not be the case: In response to complaints by companies that depend on cheap imports, like big retailers, proponents of the tax argue that it will increase the value of the dollar enough to offset the tax (that is, it will lower the price of imports). If they're right, the trade deficit won't shrink.

Finally, one reason our trade deals have little impact on our trade deficit is that they fail to include enforceable rules on things like currency manipulation and rules of origin. For example, Trump officials are already talking about useful changes to Nafta that would, among other things, ensure that only goods with a true majority of member-country content receive the benefits of the trade deal. Making sure that any new trade agreements correct these omissions is a core part of establishing new rules of the road for international trade.

These are all big steps, but they may be worth it, given the global headwinds that are likely to drive up the deficit.

Because America is growing faster than other advanced economies, and because the Fed has increased interest rates while other central banks are holding them at zero or below, the value of the dollar has risen by over 20 percent since mid-2014. That appreciation helped put the brakes on manufacturing jobs; employment fell 45,000 in the factory sector last year.

And the dollar's rise has accelerated since the election, up 3.5 percent since Nov. 7. If this trend continues unabated, we could lose over 200,000 more manufacturing jobs over the next few years, my estimates indicate.

In the 1970s and ’80s, as trade deficits became persistent, politicians did not hesitate to respond through these sorts of interventions. Our obsession with unfettered markets has since precluded such efforts, even though our trading partners have not been nearly so constrained. President Trump’s ascendancy may change that equation. The question is whether his administration will get it right.

https://www.nytimes.com/2017/01/24/opinion/ditching-tpp-wont-solve-the-trade-deficit.html

INDONESIA IMPORTED PAKISTANI KINNO WORTH $22 M LAST YEAR
Dawn, January 27th, 2017

Amin Ahmed

ISLAMABAD: Indonesian Ambassador Iwan Suyudhie Amri on Thursday said that last year his country imported kinno worth over $22 million which was almost half of Pakistan’s total exports of the fruit and hoped that this volume will increase further this year.

At the Kinno Expo held on Thursday, organised by the government in collaboration with USAID’s US-Pakistan Partnership for Agricultural Market Development, Mr Amri said that the Indonesian government has revised its calendar of import quotas, allowing Pakistani exporters to send produce throughout the citrus growing season – from January to April.

Previously, Indonesia only allowed the import of citrus from Pakistan during January and February only. The envoy added that an Indonesian delegation will visit Pakistan during the second week of next month for talks on the Preferential Trade Agreement (PTA).

Speaking on the occasion, Minister for National Food Security and Research, Sikandar Hayat Khan Bosan said Pakistan has witnessed a visible shift towards high-value agriculture and horticulture, and citrus fruits, particularly kinno.

US Ambassador David Hale termed the exhibition another milestone in the long partnership between America and Pakistan. “The kinno citrus is a symbol of our shared pursuit of development and innovation, and demonstrates the long-term vision of our collaboration,” he said.

Pakistani kinno goes global : Following Indonesia, Russia is the second largest importer of Pakistani kinno.

Twenty export destinations across the world are enjoying Pakistani kinno including Ukraine, Iran, UAE, United Kingdom, Sri Lanka, Malaysia and Afghanistan.

Pakistan is the sixth largest producer of kinno mandarin in the world, with 193,000 hectares under cultivation with an average production of 1800,000 tonnes.

Within the kinno growing areas of the Punjab around Sargodha, Mandi Bahauddin and Toba Tek Singh, 37 processing facilities with international certifications have been developed.

The US-Pakistan Partnership for Developing Agriculture was launched in 2015 to improve commercial agriculture and livestock sectors to compete in international and national markets in four target products lines: meat, high-value and off-season vegetables, mangoes and citrus.

http://www.dawn.com/news/1310928/indonesia-imported-pakistani-kinno-worth-22m-last-year

EXPORTS TO CHINA FELL TO $770M IN JULY-DEC

Dawn, January 28th, 2017

Shahid Iqbal

KARACHI: Pakistan's trade with regional countries shows a distressing trend as the gap between imports and exports widened during the first half of the current fiscal year.

The State Bank of Pakistan (SBP) in a report said that exports to two of the largest regional countries, China and India, declined while imports grew rapidly, thus causing a trade imbalance.

In the first half of 2016-17, exports to China slipped to $770 million against $1,028m a year ago. Exports to China fell to $1.9 billion in 2015-16 from $2.69bn in 2013-14.

The government has been trying to develop economic relations with China for the last three years. This has helped China emerge as Pakistan's largest trading partner.

However, the trade balance is in favour of China while Pakistan is losing its market to Chinese products.

In 2015-16, the trade deficit with China rose to $6.22bn, which was the highest deficit that Pakistan had with any country that year. Chinese investment in Pakistan, however, is not showing encouraging signs. In July-Dec, Foreign Direct Investment (FDI) from China was just $204m against $444m during the same period of the last fiscal year. It shows FDI from China has been falling instead of rising in recent months. Imports from China rose to $8.12bn in 2015-16 from $5.9bn in 2013-14.

Despite worsening political relation with India, Pakistan's imports from its eastern neighbour were record high at $1.8bn in 2015-16. This indicates that economic relations with the neighbouring country remain intact despite pressure on the government to cut all ties with India.

However, in the first six months of the current fiscal year, imports from India declined to $582m compared to $852m a year ago. During this period, diplomatic relations with India witnessed many snags.

Pakistan's only significant trade surplus was with Afghanistan. Yet Pakistan's exports to Afghanistan fell to $529m in the period under review compared to $643m a year ago. A sharp decline in exports to Afghanistan was witnessed in the last fiscal year when they fell to $1.23bn from $1.69bn in 2014-15.

Traders in Karachi said that the country's exports to Afghanistan are falling because of rising Indian interest in Kabul. This has curtailed the market for Pakistani goods in Afghanistan, they added. However, imports increased to $40m from $37m a year ago.

Trade with Bangladesh could not improve as massive smuggling of goods, particularly garments, continued unabated. Exports of Bangladesh fell to $694m in 2015-16 against $724m in 2013-14. In the first six months of 2016-17, exports fell to $325m compared to $338m in the preceding year.

https://www.dawn.com/news/1311131/exports-to-china-fell-to-770m-in-july-dec

OVER 141,000 DONKEY HIDES EXPORTED IN FOUR YEARS
Dawn January 29th, 2017

ISLAMABAD: Pakistan exported over 141,000 donkey hides, mostly to China, for four years before imposition of a temporary ban on the export by the government in September, 2015.

It was revealed by the Ministry of Commerce in a written reply placed before the National Assembly on Friday in response to a question asked by Seema Mohiuddin, an MNA belonging to the ruling Pakistan Muslim League-Nawaz (PML-N).

The question was not addressed in the house earlier due to suspension of the proceedings by the speaker following the scuffle between the PML-N and PTI members on Thursday evening.

Minister for Commerce Khurram Dastgir Khan while quoting figures obtained from the Federal Board of Revenue disclosed that a total of 141,075 hides of donkeys were exported to China,

The year-wise breakdown showed that the export increased in terms of the volume as only 10,000 hides were exported in the year 2011-12 but the number reached 97,201 in the year 2014-15.

Interestingly, this [2014-15] was the year when media from various parts of the country, particularly Lahore, reported the supply of donkey meat to hotels and food outlets.

When contacted, Ms Mohiuddin said she wanted to highlight the issue of the reported supply of donkey meat to hotels and shops in Lahore and other areas of the country, adding that she wanted the minister to answer where the meat was dumped.

The issue was taken up by the Economic Coordination Committee (ECC) of the cabinet in its meeting on Sept 2, 2015, and the participants were informed about the possible extinction of the animal or consumption of its meat.

The food ministry informed the meeting that donkey hides earned Rs18,000-20,000 per piece on their export, mainly to China, leading to mass killing of donkeys through poisoning.

The ECC was also informed that India and Pakistan had the highest donkey population, but it was being exterminated very quickly in Pakistan.

The drop in number of donkeys could be gauged from the fact that export proceeds of donkey hides tripled in a year to over Rs135 million till June 30, 2015 from Rs44m a year ago.

Donkey bones were used in China for anti-wrinkle creams that might also be making its way into the Pakistani market, the meeting feared.

After detailed discussions, the ECC decided to clamp a ban on export of donkey hides till regulatory mechanisms were put in place by the provinces for proper disposal of animal carcasses.

https://www.dawn.com/news/1311405/over-141000-donkey-hides-exported-in-four-years

NEWS COVERAGE PERIOD FROM JANUARY 16TH TO JANUARY 22 ND 2017
‘POLLUTED’ SEAFOOD EXPORTS TO BE BANNED
Dawn, January 19th, 2017

Malik Asad

ISLAMABAD: Pakistan's sea food exports to European Union and United States are likely to get banned due to its polluted waters while overfishing is threatening the growth of aquaculture in the area, Secretary Ministry of Ports And Shipping Khalid Pervez informed the Public Accounts Committee (PAC) on Wednesday.

In a detailed briefing on the Korangi Fisheries Harbour Authority (KFHA), Mr Pervez said the growth of aquaculture in Pakistan's seawaters faces a dual threat — 472 million gallons of untreated sewerage water daily is dumped into the sea and overfishing after the Sindh government issued 6,500 commercial fishing vessels licences instead of its capacity of 500.

"Rising pollution levels, overfishing and non-implementation of laws has resulted in the decrease of seafood. If prompt remedial measures are not taken, there would be no fish for local consumption as well," he added.

The treatment of sewerage water is the responsibility of Sindh government while none of the three treatment plants of Karachi Water and Sewerage Board are functional, the meeting was informed.

In his response, DG Fisheries Sindh Ghulam Muhammad Mahar said he wrote nineteen letters to the Ministry of Ports and Shipping for taking appropriate steps to counter sea pollution.

Sindh Minister for Livestock and Fisheries Mohammad Ali Malkani said the federal government collects 0.25 per cent tax from seafood exports but so far no money was spent on developing the sector.

He assured the committee of taking up the issue of sea pollution with Chief Minister Sindh, Murad Ali Shah. He suggested that Sindh and Balochistan governments must stop issuing licences to commercial fishing vessels to enhance breeding of juvenile fish within 12 nautical miles of the area.

Meanwhile, Chief Secretary Balochistan Saifullah Chattha said the provincial government did not issue a single licence to fishing trawlers since the past 25 years.

He acknowledged that pollution and overfishing were badly affecting fishing communities in coastal areas, rendering many fishermen jobless.

PAC Chairman Syed Khursheed Ahmed Shah constituted a sub-committee comprising committee members from Sindh, Balochistan and federal government to deal with the challenges to fishing industry.

https://www.dawn.com/news/1309303/polluted-seafood-exports-to-be-banned

SC ASKS HOW HUSSAIN REMITTED MONEY TO NAWAZ
Business Recorder, January 19, 2017
Supreme Court on Wednesday inquired about the source through which Hussain Nawaz sent remittances to his father, prime minister Nawaz Sharif from 2011 to 2014. Appearing before a five-member larger bench led by Justice Asif Saeed Khan Khosa in the Panamagate case, the Prime Minister's counsel Makhdoom Ali Khan said that Nawaz Sharif's son Hussain sent Rs 542 million to his father during the aforementioned period as a gift.

During the course of hearing, Justice Asif Saeed Khan Khosa observed that one portion of the petitioners' arguments is about money laundering. He said that in order to hide black money an amount is sent abroad; and later it returns to the home country. Justice Khosa, however, categorically stated that he was not relating the issue of whitening the black money to Prime Minister Nawaz Sharif.

A member of the bench Justice Azmat Saeed Sheikh remarked that as per facts available before the court, two offshore companies Nescoll and Nielsen cannot generate profit of Rs 520 million because these companies just bought Mayfair properties in London, adding that nothing has been placed before the court about the business through which where such profit was received.

To which, Makhdoom Ali Khan apprised the bench that Hussain Nawaz sent remittances from the proceeds of his businesses in Jeddah (Saudi Arabia) and other countries about which lawyers of Hussain Nawaz can assist the court in detail. Justice Azmat Saeed Sheikh said that no documents in this regard were submitted before the court as parties to the case seem to be hiding the truth, adding that someday the truth will come out in the open because people want to know the truth.

Justice Sheikh remarked told the premier's counsel, "We are not speaking Persian. Produce the transaction record of the remittances before the court." Makhdoom Ali Khan said that submitting documents regarding the transactions was not necessary since he has argued that gifts were transferred through banks; however, he submitted if the court is desirous, details of accounts could be provided to it.

Khan further apprised the bench that gifts given to Maryam Nawaz have been declared in his client's wealth and income tax returns whose record has been submitted to the court.

Terming the accusation of tax evasion against his client as a mere allegation, Makhdoom Ali Khan argued that gifts can only be described as income when they are given by a person who does not have a national tax number.

Responding to the observation of Justice Ijazul Ahsan, Makhdoom Ali Khan submitted that an amount of Rs 210 million was sent by Hussain Nawaz in 2012 whereas another Rs 129.8 million were gifted by him in the same year.

Justice Khosa said while referring to Rs 243 million agricultural land measuring 5.38 acres in district Mansehra on the title of Maryam Nawaz, said the son (Hussain Nawaz) sent the amount to the father (Nawaz Sharif) and then father bought a piece of land in the name of his daughter Maryam Nawaz which Nawaz Sharif declared in the name of Maryam Nawaz while filing income tax returns in 2011-12. Justice Gulzar Ahmed questioned if the agriculture land was not benami, whereas Justice Ijazul Ahsan asked why only Hussain Nawaz used to give money as gifts to his father.

Responding to the bench's queries, Makhdoom Ali Khan contended that Maryam's name was mentioned in his client's tax returns because there was no other column on the form, saying the very purpose of mentioning her name on the form was not to declare her as a dependent because she is not a dependent of Nawaz Sharif.

Khan further said that his client has categorically stated that he has no dependent except his wife. Responding to Justice Gulzar Ahmed's queries, the premier's counsel said that tax forms had been audited in 2015 while the Panama Papers came to surface in 2016.

Makhdoom Ali Khan reiterated that accusations of tax evasion made against his client are incorrect, saying all the money was gifted by Nawaz Sharif to his daughter through banks. He pointed out that even petitioners have also accepted the fact that the money was gifted through bank transactions.

Justice Asif Saeed Khan Khosa observed that the court has to examine a speeches of Prime Minister Nawaz Sharif, including the one that he delivered on the floor of the Parliament as well as his addresses to the nation, in detail. The bench issued directives to the counsel for Nawaz Sharif to assist the court over confusion about the Premier's speeches and addresses to the nation during the next hearing of the case.

The bench also sought a comprehensive presentation pertaining to details about financial transactions between the Prime Minister and his children. Meanwhile, the bench also accepted for hearing a plea of Jamaat-e-Islami, one of the petitioners disqualification of Prime Minister Nawaz Sharif for his contradiction statements on the floor of the Parliament and before the nation.

The bench issued notices to the respondents, including Premier Nawaz Sharif. Justice Khosa asked the counsel for the JI to commence his arguments soon after completion of Makhdoom Ali Khan's arguments in the matter. The hearing of the case was adjourned till Thursday (today).

http://www.brecorder.com/top-stories/0/129695/

FTAS, PTAS BLAMED FOR TRADE DEFICIT
Dawn, January 20th, 2017

Mubarak Zeb Khan

Islamabad: pakistan's trade balance deteriorated further following the conclusion of free and preferential trade agreements with china, malaysia and indonesia, officials of the ministry of commerce said on thursday.

The deterioration in the trade balance was attributed to the trend of "ineffective, ill-planned negotiations" of the ministry of commerce with trading partners in the region.

Data compiled by the ministry shows 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 aggravated the imbalance," the official said.

As part of trade diplomacy, pakistan has implemented preferential trade arrangements with 11 countries so far. Pakistan has signed free trade agreements (ftas) with china, sri lanka and malaysia.

Pakistan has signed and implemented preferential trade agreements (ptas) with three countries (iran, indonesia and mauritius) and mercosur, a sub-regional bloc whose full members are argentina, brazil, paraguay and uruguay.

Other agreements that were implemented include economic cooperation organisation trade agreement, pakistan-us trade and investment framework agreement, preferential tariff arrangement within the group of eight developing countries (d-8) and south asian free trade area.

The ministry of commerce has already launched fta negotiations with six other entities, namely bangladesh, gulf cooperation council (gcc), singapore, thailand, turkey and iran. Pakistan has effective ptas with iran and turkey. Another pta with morocco is under negotiation in addition to a trade preferential system of the organisation of the islamic conference.

Data compiled by the ministry of commerce shows that pakistan's exports fell to $21.9 billion in 2015-16 from $24.8bn in 2012-13 despite all trade preferential arrangements.

As a result, the trade deficit increased to $18.4bn in 2015-16 from $15.3bn in 2012-13.

Https://www.dawn.com/news/1309548/ftas-ptas-blamed-for-trade-deficit

MOROCCO AMBASSADOR FOR STRENGTHENING OF RELATIONS
The Express Tribune, January 20th, 2017.

Karachi: Ambassador of Morocco Mohamed Karmoune laid great emphasis on strengthening trade relations between Pakistan and Morocco.

He said this during his visit to the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) to felicitate the newly elected FPCCI president and office bearers.

He said that the exchange of trade delegations between the two countries was essential to identify trade potential on both the sides which will help expand bilateral trade. He informed that the mango festival in five different cities held for the first time in Morocco from August 7 to 8, 2016 coupled with the fruit festival from October 22 to 30, 2016 by the Embassy of Pakistan in Morocco received a positive response and was successful.

Trade Development Authority of Pakistan (TDAP) Chief Executive Officer S M Muneer assured the Morocco Ambassador that TDAP would soon organise a single country exhibition in Morocco to introduce traditional and non-traditional goods to boost exports for mutual benefits.

FPCCI Senior Vice President Aamer Ata Bajwa appreciated the remarks and sentiments expressed by the Morocco ambassador, which included the offer of working together to exploit economic opportunities in both the countries.

http://tribune.com.pk/story/1301189/morocco-ambassador-strengthening-relations/

USAID CELEBRATES CITRUS EXPORTS
Business Recorder, 20 January, 2017
LAHORE: US Consul General Yuriy Fedkiw and Indonesian Ambassador to Pakistan Iwan Suyudhie Amri participated in the announcement of the harmonization of Indonesia's import calendar with the Pakistani Kinnow export season, thereby increasing trade of this commodity.

The event was organised jointly by the Sargodha Chamber of Commerce and Industry (SCCI), Punjab Halal Development Agency (PHDA) and USAID's US-Pakistan Partnership for Agricultural Market Development (AMD) at the Golden Palm Banquet Hall, in Sargodha.

As a result of concerted efforts by AMD, SCCI, PHDA, and Pakistani kinnow exporters, the Indonesian Government revised their calendar of import quotas, allowing local exporters to send their produce to Indonesia throughout Pakistan's citrus growing season.

During his remarks at the event, Consul General Yuriy Fedkiw noted that US government, through the United States Agency for International Development (USAID), was working closely with the Pakistan government and private sector companies to boost domestic and international sales of select Pakistani agricultural products, including kinnow.

"Agriculture is a critical sector for employment in Punjab and improving sales will positively benefit the lives of tens of thousands of Punjabis. I am confident that through USAID's agriculture market development programs, we can propel Punjab's agriculture towards greater heights."

To celebrate this accomplishment, children of breadwinners working in the citrus sector participated in Olympic-style games to symbolically denote international agricultural trade and collaboration.

USAID launched the US-Pakistan Partnership for Agricultural Market Development in February 2015 to improve the ability of Pakistan's commercial agriculture and livestock sectors to compete in international and national markets in the four target product lines; meat, high value and off season vegetables, mangoes, and citrus.

This partnership acts as a catalyst for development and investment in the target product lines, helps improve the quality and increase the quantity of exportable agricultural produce, and promotes cooperation among farmers, processers, exporters, and buyers of Pakistani agricultural products in international (non-US) markets thus resulting in increased incomes and generating employment opportunities for Pakistani people working in the targeted product line.

http://epaper.brecorder.com/2017/01/20/15-page/841392-news.html

GERMAN COMPANIES KEEN TO JOIN CPEC: ENVOY
The Express Tribune, January 21st, 2017.

Naveed Miraj

ISLAMABAD: German companies are interested in joining the China Pakistan Economic Corridor (CPEC) to improve trade relations, the country's ambassador said on Friday.

Ambassador Ina Lepel was speaking after a meeting with National Security Advisor Lt General (retd) Nasser Khan Janjua. German Defense Attache' Colonel Klaus Wilhelm accompanied Lepel. The two sides exchanged views on bilateral relations between the two countries and the ways to further strengthen the ties.

During the meeting, matters concerning regional security and stability were also discussed. The ambassador shared her experience of working in Pakistan. She said that Pakistan and Germany enjoy good educational and economic ties which would pave the way to fight the common challenges.

Lepel said that Germany is the second largest partner in trade with Pakistan in Europe. "German companies are keen to join the CPEC to further improve trade relations," the ambassador said.

She said that there is a lot of potential for enhanced cooperation between the two countries. She stressed the importance of cooperation in multiple areas including human resource development, security, trade and defence. She also lauded the steps taken by Pakistan against terrorism.

Discussing the Afghan situation, Lt. General (retd) Nasser Khan Janjua reiterated that Pakistan has always supported all endeavours seeking peace in Afghanistan but at the same time, Pakistan should not always be looked through the prism of Afghanistan. Janjua said Pakistan is a rising country and soon would be a gateway, connecting the world and generating a huge economic activity. "Connectivity at global level would come through us", he added.

Janjua also sensitised the ambassador over rights violations in Indian-occupied Kashmir and stressed the importance of international pressure to resolve this issue.

http://tribune.com.pk/story/1302305/german-companies-keen-join-cpec-envoy/

CANADA HOPEFUL TPP CAN SURVIVE WITHOUT US
Dawn, January 22nd, 2017

Josh Wingrove

Canada will consider pursuing a new multilateral Pacific Rim trade deal now that President Donald Trump has signaled the US is abandoning the Trans-Pacific Partnership.

Trade Minister Francois-Philippe Champagne said in an interview on Friday shortly before Trump's inauguration Canada would consider all its options with fellow TPP states, including whether a new deal can be salvaged without US participation. The new president hammered on an "America First" message in his speech, and the administration immediately vowed to withdraw from the Pacific deal in a policy statement posted to the revamped White House website.

"There's a number of countries which would be interested in either considering bilateral trade agreements or seeing potentially what could be done with TPP," Champagne said by phone from Davos, Switzerland, where he attended the World Economic Forum.

His comments signal Canada's optimism the TPP can survive in some form without the US – echoing recent votes of confidence by Australia and Japan. But former Canadian Prime Minister Stephen Harper, the Conservative leader who signed his country on to the pact in 2015, has expressed doubts about its future.

"It's certainly the case that, for the foreseeable future, the big multilateral trade deals are dead," Harper said this week in New Delhi, where he delivered his first major public address since his defeat to Prime Minister Justin Trudeau's Liberals shortly after acceding to the pact.

Trudeau's trade envoy rejected Harper's comments but agreed TPP likely won't proceed in its current form. Champagne was appointed to the job earlier this month in a shuffle that saw his predecessor, Chrystia Freeland, promoted to Canada's foreign ministry.

He co-hosted an event with World Trade Organization ministers on Friday in Davos, where he called on the group to better advocate free-trade deals in an era of rising protectionist sentiment globally. "We need to have a WTO for the people," Champagne said. "And we need to make the case that overall liberal trade has been good for everyone – including the United States."

Champagne said his top priority is ensuring Canada's trade deal with the European Union enters into force this spring. The pact, signed last year and known as CETA, is a model for new agreements that can calm backlash with strong environmental and labor standards, he said.

"This is my priority number one, two and three – CETA, CETA, CETA," he said. "There's enormous interest in the progressive trade agenda put forward by Canada."

—Bloomberg-The Washington Post Service

https://www.dawn.com/news/1309847/canada-hopeful-tpp-can-survive-without-us

RELIEF PACKAGE DEMANDED FOR RICE EXPORT
Business Recorder, 22 January 2017

KARACHI: Mahmood Moulvi Chairman Rice Exporters Association of Pakistan (REAP) has urged the government for a relief package for rice export like textile sector to earn more foreign exchange.

He expressed his heartiest gratitude to S.M. Muneer Chief Executive Trade Development Authority of Pakistan (TDAP) and Zubair Tufail President Federation of Pakistan Chambers of Commerce & Industry (FPCCI) for taking up the rebate matter of rice exporters with Muhammad Ishaq Dar Federal Minister for Finance & Revenue during his recent visit to FPCCI Head Office Karachi.

Moulvi said that rice export industry has been facing severe hardship since last couple of years and unable to compete in the world market due to which its exports were on decline.

In the current scenario, rice exporters are seeking government's support to enhance the rice exports, which crossed $2 billion mark two years back.

"We are thankful to Chief Executive TDAP and President FPCCI for considering taking up the problems of rice exporters to government and extending their support to resolve the long pending matters of rebate", he added.

Rice Export Sector, which was the 2nd largest earner of valuable foreign exchange, would get a remarkable boost after the favorable action of Government of Pakistan and this would be helpful for the survival of this important sector, he added.

He hoped that FPPCI would continue its support for the betterment of rice trade and export as well to earn more foreign exchange for the country.

Moulvi said that rice export needed the same relief package like textile; Rs 180 billion recently announced by the federal government to facilitate the country's largest export sector.

He said that rice export was also facing same difficulties in the world market; therefore government should consider a relief package for rice trade as well.

"We believed that with the government's support, not only more foreign exchange would arrive but also the domestic rice industry would overcome the crisis", he added.

http://epaper.brecorder.com/2017/01/22/2-page/841757-news.html

NEWS COVERAGE PERIOD FROM JANUARY 9TH TO JANUARY 15TH 2017
PM TO UNVEIL OVER RS60B INCENTIVE PACKAGE FOR EXPORTERS TODAY
The Express Tribune, January 10th, 2017.

Shahbaz Rana

ISLAMABAD: Prime Minister Nawaz Sharif will announce an incentive package today (Tuesday) in order to give a boost to plunging exports, which experts argue will provide only a temporary relief, as the structural issues pulling back growth in exports remain unaddressed.

The prime minister is offering the incentive package on the condition that exports will be increased by at least 5% by the end of the current fiscal year. This seems a gigantic task as exports have already fallen by about 4% in the first half.

The incentive package – the second in the last one year – will mainly provide relief on exports of raw and finished goods in the shape of rebate, according to officials of the Ministry of Commerce.

It will also withdraw regulatory duties on certain imported inputs being used in the manufacturing of goods. The rebate is being offered in the range of 3% to 6% of export value, depending on which production stage a product is.

The size of the incentive package is expected to be over Rs60 billion, but actual amount cannot be determined until the exporters file their claims. The Ministry of Finance has not allocated funds for the package and it will have to issue a supplementary budget.

The lowest rebate would be offered on yarn while the maximum relief would be given on exports of garments, officials added.

However, the relief will still be significantly lower than what India is offering to its exporters to compete with Pakistan in global markets.

Pakistani exporters are enjoying duty-free access to the 27-nation European Union, but they still struggle to enhance exports.

Pakistan’s trade deficit widened 22.2% or $14.5 billion in the first half of the current fiscal year due to a steep decline in exports and double-digit growth in imports. Exports fell 3.82% to $9.9 billion in July-December FY17.

“The incentive package is the need of the time to make exporters competitive,” commented Dr Miftah Ismail, Chairman of the Board of Investment (BOI).

An appropriate exchange rate, liquidity improvement with release of all sales tax refunds and tariff rationalisation are also required to allow the exporters compete effectively in the global markets, said Dr Hafiz Pasha, former finance minister.

Owing to the current exchange rate, imports had become cheaper, which was not sustainable in the long run, he said.

The Ministry of Water and Power, Ministry of Petroleum and BOI also needed to work hard to make the exports competitive, said Ismail.

According to International Monetary Fund’s projections, Pakistan’s rupee was overvalued by at least 5%.

Commerce Minister Khurram Dastgir did not respond when asked as to what extent the rebate would address problems of the exporters in the absence of resolution of other equally important issues.

The rupee depreciation was not good for the industry in the long run as imports were important inputs for the manufacturing of goods, said Javed Bilwani, Chairman of the Pakistan Apparel Forum.

However, he termed the incentive package a political stunt, which would not resolve the industry’s problems.

Bilwani demanded that the government pay back the arrears of general sales tax refund and Drawback of Local Taxes and Levies (DLTL). He claimed that over Rs100 billion was outstanding that had created liquidity problems for the industry.

According to him, a reduction in energy tariffs to the level of those in regional countries would be the real solution. High taxes, mainly indirect at various stages of production, were another reason for the industry’s uncompetitiveness.

Last year, the prime minister had announced that the government would cut energy tariffs for the industries, but Sindh-based industries were not provided the relief, claimed industrialists. The benefits given to the Punjab industries were also lower than what the premier had announced.

http://tribune.com.pk/story/1289433/concessions-pm-unveil-rs60b-incentive-package-exporters-today/

JULY- DECEMBER: TRADE DEFICIT WIDENS TO $14.5B, DECEMBER EXPORTS FALL AGAIN
The Express Tribune, January 10th, 2017

Islamabad: Pakistan's trade deficit widened 22.2% or $14.5 billion during the first half of this fiscal year due to a steep decline in exports and double-digit growth in imports, torpedoing the government's external account projections.

The gap between exports and imports during the July-December period of fiscal year 2016-17 stood at $14.5 billion, reported the Pakistan Bureau of Statistics (PBS) on Monday. The trade deficit was alarmingly 71% of the annual projections of $20.5 billion, suggesting that the government will face serious problems in meeting its external account targets, according to experts.

Exports plunged 3.82% to $9.9 billion during the July-December period of this year, which was $394 million less than the exports made in the comparative period last year. Compared to this, the import bill increased 10.2% to almost $24.4 billion in the same period. In absolute terms, the import bill was $2.24 billion more than the previous year.

Except import of machinery, the government will have to curtail all other imports, said Dr Hafiz Pasha, the former finance minister. He said that the first-half trade results are worrying.

Although the detailed account of the trade deficit for the first half was not available, during the first five months Pakistan imported $1.42 billion worth of power generation machinery. Most of this was under the China Pakistan Economic Corridor (CPEC) framework but since CPEC-related financing is not investment, the influx of imports has started affecting the trade balance of the country.

The $14.5-billion trade deficit during the first half of this year was $2.63 billion or 22.2% more than the previous year. During the first half of the last fiscal year, the trade deficit had been clocked in at $11.9 billion.

For fiscal year 2016-17, the government has projected that exports would grow to $24.75 billion and import bill may remain at $45.2 billion by end of this fiscal year. It had projected $20.5 billion trade deficit for the whole fiscal year. However, the first six-month results showed that the deficit might touch $24 billon by the end of the fiscal year, as the trade deficit in July-December period was 70.7% of the annual target.

The higher than projected trade deficit would increase the government's reliance on foreign borrowings to meet its external account requirements. The country's foreign financing requirements for this fiscal year are projected in the range of $12 billion to $15 billion, depending upon the projections of exports and imports.

The government closed the last fiscal year 2015-16 at an eight-year low level of exports, which dropped to $20.8 billion despite preferential access to European markets. The exports have been declining since the current government took over, falling from $24.5 billion in 2012-13.

The increase in exports during November turned out to be a one-time phenomenon, as the exports slid again last month. The exports in December stood at $1.72 billion, showing a decline of over 3% when compared with the results of the December last year, according to the PBS. In absolute terms, the exports were down by $55 million.

However, the growth in imports jumped to 17.6% and stood at $4.5 billion in December, which were $671 million more than last December's imports. The trade deficit last month increased alarmingly to $2.8 billion, which was 35.7% more than the comparative month of the preceding year.

Even on a monthly basis, the trade deficit widened 11.9% in December over previous month. In absolute terms, the trade deficit was $2.8 billion. The exports were 2% down in December over November while imports grew 6.1%.

A recent study by the World Bank showed that exports in South Asian economies remain highly concentrated in textiles and apparel and these countries need to shift to value addition to get a better price of their products..

http://tribune.com.pk/story/1289453/july-december-trade-deficit-widens-14-5b-december-exports-fall/

ELECTORAL POLITICS LURKS BEHIND RS180BN EXPORT INCENTIVE PACKAGE
Dawn January 11th, 2017

Mubarak Zeb Khan

ISLAMABAD: Politics seems to be the real motivation behind the Rs180 billion export incentives package that Prime Minister Nawaz Sharif announced on Tuesday.

At least the timing of the policy announcement lends credence to this idea as exports have been consistently declining since the Pakistan Muslim League-N came to power in May 2013.

Why now? This question is answered by the fact that the next elections are due around May 2018. The incentives are meant for the intervening period and the PML-N may count on the support of its beneficiaries in the coming polls.

In the last year of the PPP-led coalition government, Pakistan's exports stood at $24.5bn in 2012-13, which gradually fell to $20.8bn in the outgoing fiscal year.

Two export policies — one announced by the PPP government in early 2013 and another by the PML-N government in April 2016 — remained only on paper, while exports were constantly falling.

The 18-month package revolves around cash support and waiver in duty and taxes for five sectors — textile, leather, surgical equipment, sports goods and carpets. Approximately, 87 per cent cash support of the package will go to the textile and clothing sectors and a mere 13pc to the remaining four sectors.

Ahead of the announcement of the package, the prime minister met representatives of the exporters from two houses of traders to finalise proposals for increasing exports.

President of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) Zubair Tufail and Chairman of the All Pakistan Textile Mills Association (APTMA) Aamir Fayyaz Sheikh were prominent among those who attended the meeting.

The prime minister said that the package would strengthen the national economy as it would lead to an increase in exports.

The package was evolved by a core cabinet team led by Finance Minister Ishaq Dar in consultation with Mr Tufail.

But a source privy to the process of finalisation of the package says that the prime minister was directly involved in the preparation of the package.

PM Sharif said the package would help put an end to poverty, illiteracy and backwardness and generate employment opportunities.

He regretted dismal performance of the previous governments, saying they had practically done little to promote different sectors of the economy while paying mere lip service to the matter.

Under the package, the government has offered 7pc rebate in the shape of cash support of Rs58bn on all types of garments and 6pc or Rs39bn on home textile in the next 18 months.

For the exports of fabric, the rate of cash support will be 5pc or Rs16.5bn, and 4pc or Rs12bn on yarn and Rs2.25bn on grey fabric.

The rates were increased during the meeting with the prime minister.

The original agreed package rates were 5pc for garments, 4pc for home textiles and 3pc for fabric. Yarn, a raw material, was included in the package during the meeting with premier, the source privy to the meeting told Dawn.

In other non-textile sectors, a cash support at the rate of 7pc will be given on export of finished leather goods, including garments, and 5pc on finished leather. The cash support will be provided at the rate of 7pc on export of sport goods, 5pc each on cutlery and surgical instruments and 6pc on carpets. The total amount to be given in the shape of cash support to these sectors will be Rs22.5bn.

On the import of raw cotton, customs duty and sales tax has been abolished; duty has been waived on import of man-made fibre; and did away with 10pc sales tax on textile machinery imports. The total impact of these measures for the textile sector will be Rs22.5bn.

The cash support will be unconditionally provided in the first six months — Jan to June 2017. However, for the next fiscal year — July 2017 to June 2018 — exporters will have to show 5pc growth in export proceeds.

The original target for achieving cash incentive was 5pc growth in exports in the first six months and 10pc in the next whole year.

At the ceremony, the details of the package were announced by Finance Minister Ishaq Dar. He said refund of sales tax up till June 30, 2016 had been cleared, besides lowering of electricity tariffs and announcement of the largest ever package for agriculture sector.

At a separate press conference, Minister for Commerce Khurram Dastagir said the package would help increase exports to the tune between of $2.5bn and $3bn by 2018, which would still be lower than the export proceeds achieved in 2012-13, last year of the PPP-led coalition government.

Asked whether the package was part of the election campaign, he avoided answering the question and, instead, said exports would start picking up with the support package.

The FPCCI president lauded the measures taken by the government for the business sector. He expressed the hope that owing to the dynamic measures, Pakistan’s industrial and business sectors would flourish. Now the responsibility lies on the shoulder of exporters to fulfil their promises for the increase of exports.

APTMA chairman Sheikh said the package was a welcome change for the textile sector as today the country had achieved economic stability and days of electricity loadshedding were over.

Meanwhile, the opposition parties have rejected the package terming it a “political move that is aimed more at next general elections than at boosting exports”, adds our staff reporter from Karachi.

“It’s a joke,” said Pakistan Peoples Party Senator Saleem Mandviwalla. “It would be meeting the same fate as the Kissan Package and Agriculture Package of this government.

“The measures announced by the prime minister would take more than two years to deliver while the industry is in deep crisis demanding immediate rescue.”

He said the production cost, which was expected to be reduced by the government through subsidy, would stay unchanged as electricity charges for the industry had been fixed at 11 cents per units compared to seven cents in other countries of the region, which is aimed at boosting their exports by making products’ prices compatible.

“Leave all that measure and pay back the return of all taxes — withholding, income and sales — to the industrialists worth Rs250bn, you would never need such packages,” Mr Mandviwala said.

“The government after assuming charge in 2013 has not paid the payback — the return of all taxes to — exporters and businessmen and no one is worried about that in the cabinet,” he said.

http://www.dawn.com/news/1307713

DEPARTING US TRADE CHIEF WARNS AGAINST TPP WITHDRAWAL
Dawn January 11th, 2017

WASHINGTON: President Barack Obama’s departing chief trade negotiator warned the Trump administration on Tuesday that it risked abdicating US leadership in Asia by scrapping Obama’s 12-country Pacific Rim free trade deal.

Michael Froman, in excerpts of his final speech as US Trade Representative, said he agreed with Trump’s plan to take a tough stance on trade with China, adding that the Obama administration has filed 15 challenges to that country’s practices at the World Trade Organisation over eight years.

But he said withdrawing from the Trans-Pacific Partnership trade agreement would create a vacuum that China would fill as it draws countries into its own free trade deal.

“There simply is no way to reconcile a get-tough-on-China policy with withdrawing from TPP,” Froman in remarks to the Washington International Trade Association. “That would be the biggest gift any US president could give China, one with broad and deep consequences, economic and strategic.”

The US Congress has not approved the TPP, which the United States, Japan, Canada, Mexico and eight other countries agreed upon in October 2015.

President-elect Donald Trump has pledged to issue a formal notice of withdrawal from TPP on Jan. 20, his first day in office. He frequently criticised the trade deal during his campaign, calling it a “rape of our country.”

Froman said withdrawing would “abdicate” US leadership in the Asia-Pacific region and effectively push traditional US allies in the region “into China’s arms.”

https://www.dawn.com/news/1307600/departing-us-trade-chief-warns-against-tpp-withdrawal

PBC CALLS EXPORT PACKAGE ‘TEMPORARY SOLUTION’
Dawn, January 13th, 2017

KARACHI: The Pakistan Business Council (PBC) has described the latest export package announced by the government as 'first aid' for the struggling export sector of the country.

In a press release on Thursday, the PBC called for addressing more fundamental challenges confronting exports and manufacturing.

"Without an integrated industrial and trade strategy, packages such as this are only temporary solutions. There is a finite value limit of Rs180 billion. The recent experience of the fertiliser subsidy, which ran out of funds just six months from inception, should serve as a warning,", it stated.

Pakistan needs to focus on value-added exports to generate jobs and higher export earnings, it said.

The manufacturing sector has over many years been undermined by a liberal import regime, poorly negotiated free trade agreements, uneven playing field versus a large informal sector that feeds off smuggling, under-invoicing and tax evasion, power outages, a crumbling infrastructure, significant disparity in input costs, especially of energy, declining agricultural productivity , an unrealistic exchange rate and a massive circular debt on account of unpaid/delayed refunds to exporters, the PBC said.

Only by addressing each of these factors can manufacturing in Pakistan build scale and competitiveness, it noted. While subsidies help in the short run to protect the market share of exports, only a comprehensive value chain analysis and an integrated approach to address weaknesses that thwart scale and competitiveness will help Pakistan grow and sustain export earnings, the PBC said.

http://www.dawn.com/news/1308047/pbc-calls-export-package-temporary-solution

ASSISTANCE: LCCI DEMANDS INCENTIVES FOR ALL EXPORT-ORIENTED INDUSTRIES
The Express Tribune, January 13th, 2017.

Lahore: The Lahore Chamber of Commerce and Industry (LCCI) has urged Prime Minister Nawaz Sharif to extend the scope of incentives in the textile package to all export-oriented sectors while additionally, prioritising small and medium export-oriented industries.

In a statement, LCCI President Abdul Basit and Vice President Muhammad Nasir Hameed Khan said that the Prime Minister's incentive package would go a long way and hopefully boost the country's exports by around $3 billion by the end of the ongoing financial year.

They said that with the incentives for drawback on local taxes and levies and removal of customs duty on basic raw materials at import level would considerably enhance the export volume.

"Package including removal of custom duty on imports of cotton would greatly help the textile sector to get rid of its miseries. Cotton textile production and apparel manufacturing are Pakistan's largest industries, accounting for about 66% of the merchandise exports and almost 40% of the employed labour force," they added and said that the package will increase the competitiveness of Pakistani merchandise in the international market and also lower the cost of doing business.

They said that the zero-rated export oriented sector would achieve the desired goals with the help of incentive package and they would be able to enhance the exports by at least 10%.

The LCCI office-bearers said that same incentive package should be announced for all export-oriented industries to triple the national exports within a short span of time.

According to Basit, the continuous decline in the exports is a matter of concern. “Volume of exports during July to December 2016 remained $9.912 billion that are 3.82% lower than the exports of $10.306 billion during the same period of 2015.”

They said that despite having all ingredients for economic development performance in exports remained below par from the last couple of years.

According to the LCCI team precious foreign exchange always helps any country to economically excel therefore the government would have to provide maximum facilities to the all export-oriented industries.

http://tribune.com.pk/story/1292970/assistance-lcci-demands-incentives-export-oriented-industries/

TURKISH, THAI TEAMS COMING NEXT WEEK TO NEGOTIATE FTAS
The Express Tribune, January 13th, 2017.

Islamabad: High-level delegations of Turkey and Thailand are due to arrive in Pakistan on January 17 to negotiate free trade agreements (FTAs) that are likely to be signed in the next three months.

“Trade representatives of Turkey and Thailand are coming to accelerate the process and discuss commodity lists and tariff rates for the FTAs,” a top official in the Ministry of Commerce said.

Talking about the FTA with China, the official said its second phase had become due. The agreement was signed between the two countries in 2007.

He, however, pointed out that Pakistan was eager to win duty relaxation on 50 products before launching the second phase of FTA. “Pakistan wants relaxation on these products to protect the local market and ensure competitiveness,” he clarified. Responding to a question, the official acknowledged that the domestic market was currently not in a position to compete effectively with mature economies.

“We are just coping with energy demand from the local market and the market will take some time to boost production and growth,” he remarked.

He was of the view that once the phase-II with China was launched, it would bind both the countries to eliminate tariffs, however, at this stage it would be difficult for Pakistan to provide such concessions.

He revealed that China was giving good offers for entering the FTA’s phase-II and both sides had also agreed on the demand list.

“We demanded unilateral relaxation on 50 different products for the coming few years before signing the phase-II,” he said.

“We are in consultation with exporters and chambers including all stakeholders to involve them in the policy dialogue and get their input for the FTAs with these countries,” he said.

Replying to a question, the official said the government was committed to protecting the domestic market in order to provide a competitive environment for the market and exporters.

http://tribune.com.pk/story/1292971/turkish-thai-teams-coming-next-week-negotiate-ftas/

AFGHANISTAN CONCERNED OVER ‘SUB-STANDARD’ PAKISTANI PRODUCTS
KARACHI: Some Pakistani businesses, especially pharmaceutical exporters, are sending sub-standard products to Afghanistan, which is one of the main reasons why the volume of bilateral trade has declined in recent years, according to an Afghan trade delegation.

“Due to low quality of goods being supplied by Pakistani companies, people prefer not to buy Pakistan goods. This requires serious attention,” said Afghanistan Ministry of Defense Advisor Wazhma Frogh.

The concern was raised by a Pakistan-Afghan Joint Committee that met with representatives of the Karachi Chamber of Commerce and Industry (KCCI), according to a press release.

She stressed that this issue has to be addressed in order to save the existing trade volume from a further decline.

The delegation also expressed deep concerns over delays in clearance of Afghanistan-bound goods.

The committee underscored the need to effectively deal with numerous bottlenecks hindering trade between Pakistan and Afghanistan, which declined to less than $1.5 billion in 2015 and continued to go down in 2016.

The delegation members said that trade must thrive and move on a fast-track basis that can be done when business communities work together and play the role of a strong bridge.

Speaking on the occasion, former KCCI president Siraj Kassam Teli said the chamber was already trying to improve the existing relations between the two countries and will be more than happy to fully support and cooperate with the Joint Committee.

KCCI President Shamim Ahmed Firpo pointed out that during 2015-2016, Pakistan’s exports descended to $1,230 million while its imports stood at $41 million but these figures do not depict the actual trade volume between the two countries.

The quantum of unofficial trade is said to be significant at the border of Afghanistan due to which, according to estimates, every day goods worth millions of dollars are moved in and out of Afghanistan through trucks that go unrecorded, he noted. The Khyber Pass, a part of historical Silk Road between Pakistan and Afghanistan, is reported to have been widely used for parallel trade, which has adversely affected the national exchequers on both sides of the border, Firpo added.

KCCI president noted that although some measures have been taken to deal with this issue, the situation calls for increasing scrutiny and the installation of modern scanning machines, biometrics and tracking system at Pak-Afghan border.

Referring to Afghan-Pakistan Transit Trade Agreement (APTTA), the KCCI official said that this agreement was largely being misused as the Afghanistan-bound goods arriving at the ports were actually ending up in the Pakistani markets.

http://tribune.com.pk/story/1292944/afghanistan-concerned-sub-standard-pakistani-products/

EXPORT PACKAGE: DAR URGES EXPORTERS TO FULLY EXPLOIT INCENTIVES
The Express Tribune, January 13th, 2017.

ISLAMABAD:

Finance Minister Mohammad Ishaq Dar on Thursday urged exporters to make all efforts to benefit from the incentive package announced by the Prime Minister on Wednesday.

Talking to Federation of Pakistan Chambers of Commerce and Industries (FPCCI) President Zubair Tufail who called on him here, the minister said it was the largest export incentive package in Pakistan’s history.

He urged the exporters to show results by boosting exports which the government aimed for and the country’s economy direly needed.

The finance minister highlighted that under the package, the incentives for FY2017-18 would be available to those exporters who would achieve an increase of 10% in their exports as compared to their exports for FY2016-17.

According to Dar, this would ensure that the benefits of the package were only availed by those exporters who show results.

He emphasised that the announcement of this package by the prime minister demonstrated the government’s strong commitment to achieve higher, sustainable and inclusive export-led growth.

Dar expressed confidence that the package would serve as a catalyst for exports and would provide a major boost to economic growth.

Earlier, FPCCI president thanked the finance minister for his tireless efforts in finalising the prime minister’s package of incentives for exporters.

He said the business community was happy with the package as it provides them a level playing field to compete with other exporters in the region.

Tufail expressed appreciation for the pro-business policies of the PML-N government.

http://tribune.com.pk/story/1293118/export-package-dar-urges-exporters-fully-exploit-incentives/

TRADE FAIR OPENS IN SRI LANKA
Dawn January 14th, 2017

KARACHI: Pakistan’s biggest single-country trade exhibition opened on Friday in Sri Lanka where more than 156 companies are showcasing a wide range of products, including engineering, auto parts, agro products, textile and clothing.

The three-day fair, which will run till Jan 15, aims to promote bilateral economic relations.

The High Commissioner of Pakistan in Sri Lanka Syed Shakeel Hussain and Sri Lankan Minister for Sports Dayasiri Jayasekera, who was the chief guest, formally inaugurated the exhibition at Bandaranaike Memorial International Conference Hall, Colombo.

Addressing the inaugural ceremony, the Pakistani High Commissioner said the first single-country exhibition was launched in Sri Lanka last year with a view to making it an annual event that would work as a catalyst for synergising deeper economic relations between the two countries.

Speaking on the occasion, Minister for Plantation Industries Navin Dissanayake stressed the importance of bilateral collaboration. He recalled that Pakistan has rendered unconditional support to Sri Lanka in the form of military hardware and training to eliminate terrorism.

https://www.dawn.com/news/1308238/trade-fair-opens-in-sri-lanka

NEWS COVERAGE PERIOD FROM JANUARY 2ND TO JANUARY 8TH 2017
PAKISTAN URGED TO BOOST TRADE WITH FRANCE
The Express Tribune, January 3rd, 2017

Rawalpindi: Pakistani business community and traders should ensure maximum exports to France and other European Union countries through France by taking advantage of the Generalised System of Preferences (GSP) Plus status, said Philippe Fouet, head of economic department at the French embassy in Pakistan.

Speaking during his visit to the Rawalpindi Chamber of Commerce and Industry (RCCI), he said that Pakistan has great potential to expand business relations with France, adding that bilateral trade volume needed to be enhanced.

Also speaking on the occasion, RCCI President Raja Amer Iqbal said that trade volume between France and Pakistan is very low despite having great potential. He asked for exploring possible opportunities for foreign direct investment and joint ventures in the upcoming China-Pakistan Economic Corridor.

http://tribune.com.pk/story/1282217/bilateral-ties-pakistan-urged-boost-trade-france/

PAKISTAN INITIATES REFORM UNDER WTO TRADE FACILITATION AGREEMENT: DASTGIR
Dawn, January 5th, 2017

ISLAMABAD: Pakistan has initiated reform as part of the World Trade Organisation's trade facilitation agreement (TFA), Commerce Minister Khurram Dastgir said on Wednesday.

Addressing at a seminar on the agreement, the minister said, "Pakistan has already notified its category A commitments — measures that we feel are implementable immediately."

He said Pakistan was also committed to notify categories B and C commitments soon. "The first step in implementing TFA is to complete the ratification process."

Pakistan was the first country in South Asia to ratify the agreement, he said, adding: "So far 103 members have completed their ratifications and the agreement will soon come into force once the 108th member ratifies it."

Elaborating the importance of the agreement, the minister said the TFA provided an opportunity to reduce time and cost of international trade transactions by improving the transparency and efficiency of border procedures.

"Trade facilitation has significant importance for the economic agenda of countries around the world. It's a worldwide response to the reality that logistical efficiency is just as important as production capacity," the minister said.

Mr Dastgir said competition on the international market has increased tremendously and companies now depended on efficient, fast and reliable movement of goods with time efficiency becoming a key indicator of competitiveness.

He added that the countries where trade environment is more favourable in terms of formalities, procedures and the related exchange of information were in a better position to take advantage of new opportunities to grow and to create jobs.

https://www.dawn.com/news/1306412/pakistan-initiates-reform-under-wto-trade-facilitation-agreement-dastgir

KABUL, ISLAMABAD URGED TO REVIEW TRANSIT TRADE TREATY
Dawn, January 7th, 2017

PESHAWAR: The Pak-Afghan Joint Chamber of Commerce and Industry has urged Islamabad and Kabul to review the Afghan Transit Trade Agreement (ATTA), otherwise it will lose its utility.

The chamber's senior vice president Ziaul Haq Sarhadi said both the governments were least bothered to take practical steps for strengthening the bilateral trade and improving ATTA, and in case serious attention was not paid the situation would go from bad to worse in near future, according to a statement issued here on Friday.

Mr Sarhadi, who is also the vice-chairman of All Pakistan Customs Agents Association, maintained that India and Iran would exploit the situation, and as a result, the business community of Pakistan and Afghanistan would suffer.

He stressed the need that a comprehensive policy should be devised for taking advantage from the big markets of Afghanistan and other central Asian states.

The ATTA has already been sabotaged as 70 per cent of the business has been shifted to Chabahar and Bandar Abbas ports of Iran during the past six years, and as a result, the Pak-Afghan bilateral trade has been reduced from $2.5 billion to $1.5 billion, Mr Sarhadi pointed out, calling for concrete steps to realise the dream of taking the trade volume between Pakistan and Afghanistan to $5 billion.

He said both the countries should recognise each other's importance and extend cooperation to remove the hurdles in the trade activities.

http://www.dawn.com/news/1306902/kabul-islamabad-urged-to-review-transit-trade-treaty

REVISION: LCCI CALLS FOR POLICY SHIFT TO BOOST EXPORTS
The Express Tribune, January 7th, 2017.

LAHORE: Lahore Chamber of Commerce and Industry (LCCI) President Abdul Basit has taken a critical view of the economy and has highlighted some of the country's greatest challenges.

According to Basit, despite having bilateral and multilateral trade agreements with many countries, best merchandise and a lot of raw material for value addition, declining exports and runaway trade deficit call for a policy shift and a well-tailored strategy to tackle the challenges.

In a statement, the LCCI president and Vice President Muhammad Nasir Hameed Khan pointed out that Pakistan's exports remained lower in financial year 2015-16 and recorded a 12.1% decline with shipments standing at $20.81 billion compared to $23.66 billion in the previous year.

They said a continuous decline in exports and widening trade deficit were big concerns at the moment and needed immediate attention of the policymakers.

Saying that China, Saudi Arabia, the United States, India, Kuwait, Malaysia, Japan, Afghanistan, the European Union and the United Arab Emirates were traditional trade partners of Pakistan, they decried that little effort had been made to search for new markets for Pakistani merchandise.

Pakistan had been running a consistent trade deficit because of various reasons including dependence on a few countries and on a few products for exports, unnecessary imports and lack of interest to find new destinations for Pakistan's products.

The LCCI high-ups suggested that the government should join hands with the private sector to establish a mechanism for boosting the country's exports, which was a prerequisite to controlling the trade deficit.

"Apart from cutting the cost of doing business, the government will have to evolve a long-term strategy to make its products attractive in the global market," they suggested and underlined the dire need for diplomacy to grab a slice of the international market.

http://tribune.com.pk/story/1286878/revision-lcci-calls-policy-shift-boost-exports/

February 2017

NEWS COVERAGE PERIOD FROM FEBRUARY 20TH TO FEBRUARY 26TH 2017

PAKISTAN SENDS ITS FIRST VEGETABLE SHIPMENT TO DUBAI VIA SEA

The Express Tribune, February 21st, 2017.

Karachi: Pakistan shipped on Monday its first-ever vegetable consignment to Dubai via sea, an experiment which will considerably increase exports because of sharply lower freight cost compared to air shipments.
The consignment of nine selected vegetables – tomato, brinjal, cucumber, carrot, okra, long melon and others – was shipped on an experimental basis as part of the Agricultural Market Development (AMD) project of the United States Agency for International Development (USAID).

"The freight service via sea will not only drastically reduce cost of the project, but will also enable exporters to tap more markets in the UAE and other Gulf countries," said Waheed Ahmed, former chairman of the Pakistan Fruit and Vegetable Exporters, Importers and Merchants Association.

Calculations suggest the average per kg cost of air shipment to Dubai is around Rs80 per kg compared to Rs5 per kg through sea route, which is lower by around 94%.

"In case this experiment turns out to be a success, the country will be able to increase its vegetable exports by 500% in the next two to three years," Ahmed added.

India is already using the sea route for exports of highly competitive fresh products to the Middle Eastern markets. "Pakistan will also be able to compete in the market of vegetable and horticulture products, if the experiment of sea freight becomes successful," he said.

Exporters will use the route commercially to export fruits and vegetables to Dubai, which receives about 35% of total Pakistani vegetable exports.

According to Ahmed, the consignment shipped via sea will reach Dubai within three to four days. He appreciated efforts of the AMD-USAID and the Department of Plant Protection, which works under the Ministry of National Food Security and Research, for striving hard to give a boost to the value chain and marketing of fruits and vegetables.

The consignment of nine vegetables, weighing seven tons, was earlier processed and packed under the supervision of experts of the AMD-USAID at a packaging house in Gharo, Sindh.

The process was monitored by Dr Mubarak Ahmed, former director general of the Department of Plant Protection and Dr Waqar Ahmed of AMD-USAID's Value Chain.

Mubarak Ahmed said the shipment via sea route was cost effective because of which it had become a common practice in the world. "Exports through sea routes can also help Pakistan in increasing its fresh vegetable and fruit exports," he said.

AMD Project Chief of Party Peter Dickrell believed that the project would open up new doors for growers, exporters, processors and other stakeholders of the industry.

According to the arrangement, five exporters of Pakistan will receive the consignment in Dubai and display the vegetables at the upcoming Gulf Food Festival.

https://tribune.com.pk/story/1333420/pakistan-sends-first-vegetable-shipment-dubai-via-sea/

GOVT EXTENDING ALL POSSIBLE SUPPORT TO EXPORTERS: DASTGIR
Business Recorder, Feb 21st, 2017

FAISALABAD: Federal Minister for Commerce Engr. Khurram Dastgir Khan has said that Government strongly believes that economic revolution in the country can only be possible through trade promotion.

He said that government is extending all possible support to export sector to achieve this goal. Trade enhancement package would help achieve the objective of export-led growth.

While addressing the members of Pakistan Textile Exporters Association here on Monday, he said that Government led by Prime Minister Muhammad Nawaz Sharif is fully committed to accelerate the growth of commerce to maximum possible level by using all available means. Elaborating the different aspects of Prime Minister's trade package, he said that main objective of the package is to reduce the cost of production of export goods to attain competitive edge in international market.

He assured to take up the issue of disparity with Punjab industries in gas prices with Minister Petroleum. He assured further to abolish custom duty and sales tax on coal import. He stressed the need for international brand marketing to explore new markets for Pakistani exports. He stated that government is moving in the right direction removing the irritants in growth. He underlined the need for serious and well-planned efforts for increasing value-addition especially in textile sector for capturing more share in the regional and international markets.

He said, "With support of the masses, we will overcome the challenges being faced by the country. Future of Pakistan is very bright and all resources will be mobilize for converting Pakistan according to our wishes and dreams. We are serving the masses with a zeal and moral obligation and will continue with the same spirit."

Earlier, chairman Pakistan Textile Exporters Association Ajmal Farooq appreciate the announcement of Rs. 180 billion incentive package to boost the exports and strengthen the economy. Incentives like Duty Drawback of Taxes, duty free import of machinery, manmade fibers and cotton will give a necessary fillip to textile exports. However, he stressed to ensure allocation of necessary funds for the scheme.

He said that high prices of RLNG have increased the cost of production rendering the Punjab based textile industry uncompetitive within the country. To avoid the disadvantage that Punjab industries faced, gas tariff should be equal across the board and charging of UFG should also be abolished, he demanded. He stressed the need to implement zero rating regime in true sense as zero rating of energy fuels particularly on coal import has not been allowed.

Raising the issue of stuck up amounts of exporters, PTEA Group Leader Ahmad Kamal said that extreme cash flow crunch has squeezed the financial streams and is breading the liquidity jerks to the exporters adding their miseries.

Huge amounts of textile exporters are stuck up in Drawback of Local Taxes and Levies (DLTL), Technology Up-gradation Fund Scheme (TUF), Export Finance Mark-up Subsidy, customs rebate and sales tax refund regimes creating severe financial crunch and if that amounts are released, exporters can deploy the capital towards expanding their businesses, which in turn will help Pakistan's export earnings grow. In order to make dysfunctional capacity of textile industry operative, he demanded Government's support.

http://epaper.brecorder.com/2017/02/21/12-page/851948-news.html

200 YOUTHS FROM CONFLICT-RIDDEN AREAS GET TRAINING IN GARMENTS-RELATED TRADES
Dawn Feb 22, 2017

KARACHI: "My father passed away one year ago and being the eldest child in the family, the responsibility of taking care of my mother and educating my younger brothers fell on me," said Sonia Khalid, a 20-year-old girl, who has benefited from the Youth Employment Project (YEP) of the United Nations Development Programme (UNDP). She was speaking at the awards ceremony on Tuesday for some 200 young people like her trained under the same project.

The YEP, with support from USAID, looks to provide demand-driven training to youth from Karachi's conflict-ridden areas so that they can gain employment in garments-related trades and improve their standard of living in the process. To date, the project has trained over 7,000 people in garment-manufacturing skills and provided jobs to more than 4,000 of them. The venue also had many stalls showcasing their creations.

"I got a schoolteacher's job but it only paid me six or seven thousand rupees. Then I heard about YEP and got myself enrolled there for just a short month-long course. After receiving my training, I found suitable employment within the garments industry," the girl stated.

Twenty-two-year-old Haris Soomro, who has also completed the training and managed to improve his circumstances, shared that he had a shop in Lyari, which he had to wind up because of the disturbances in the area. "For two years after that I struggled to make ends meet. Then after hearing about this training and getting myself enrolled for it, I have now got a job at a garments company. I am also continuing with my studies while I earn," he said.

UNDP country director Ignacio Artaza said youth all over the world shaped the future of a country but a large portion of youth in Pakistan lacked education and skills making them stagnant. "We help them so that they can find employment and be agents of positive change. Today, we have trained around 7,000 such individuals but our aim is to train more than 13,000," he said.

Explaining more about YEP, Syed Moin Haider Zaidi of UNDP said that there were some 19 conflict-ridden areas in Karachi such as Lyari, Orangi, Sultanabad, Shah Faisal Colony etc where unrest and disturbances have given rise to lack of education and employment for the youth of the area. "YEP provides them with learning skills that are more like life skills. There are programmes included in the training such as vocational training, community mobilisation, sensitising, internships, awareness programmes, entrepreneurship, etc. The idea is not just to provide training but creating training opportunities for the young, especially women," he said.

USAID provincial director Denise Herbol said that she was very impressed by the lovely designs and creations of the youth in the stalls. "My daughter is a fashionista and had she accompanied me here today, she would have made me buy all the dresses," she commented, hoping that the youth of Karachi could compete with the global labour force and be able to fill the gap between demand and supply, while helping the country earn more foreign exchange.

Rafiq Ahmed, managing director of the Sindh Technical Education and Vocational Training Authority, said that they also wanted the youth entrepreneurs to spread their wings and provide jobs to other youth. "They should use their training to set up their own businesses, too. And provide employment to other youth," he said. "There are 20,000 students already enrolled in our vocational institutes and we will open more such training centres at the UC level also," he added.

Rehana Ghulam Ali Memon, secretary, planning and development, said that if the youth in the troubled areas were not helped to help themselves, their lives would have been engulfed by violence.

Shahid Naeem, adviser to the chief minister of Sindh, the chief guest on the occasion, appreciated the project, wishing all the best.

https://www.dawn.com/news/1316172

BELARUSIAN REGION SEEKS TO EXPORT DAIRY PRODUCTS TO PAKISTAN
ISLAMABAD: Belarusian region Brest Oblast has expressed interest in exporting its dairy products to Pakistan in a bid to give a push to bilateral trade between the two countries.

According to a statement issued by the embassy of Belarus on Tuesday, the interest was shown in a meeting between Brest Oblast Executive Committee Deputy Chairman Mikhail Serkov and Balochistan Governor Muhammad Khan Achakzai, who was on an official trip to Belarus.

"We have already laid some groundwork for exporting $2 million worth of merchandise to Pakistan," Serkov said, pointing out that it was a task for the current calendar year.

He voiced hope that the Belarusian region would be able to export dairy products and would secure a market in Pakistan for its other products. "I think other ideas for working together will also be discussed," he said.

Achakzai, who was leading a Pakistani delegation, underlined the need for taking concrete steps to promote mutual trade between the two countries. "Belarus and Pakistan will reach a new level of mutual cooperation," he remarked.

In the meeting, it was agreed that the two regions – Brest Oblast and Balochistan – should establish contacts in the industrial, logistics, civil engineering, education and tourism sectors as well as other areas.

The delegation of Balochistan arrived in Belarus on an invitation of the Brest Oblast governor. They were expected to visit top companies in Brest Oblast and hold negotiations with their management.

They will also meet officials of the Belarusian Industry Ministry.

https://tribune.com.pk/story/1334429/belarusian-region-seeks-export-dairy-products-pakistan/

NEW MANGO IRRADIATION PLANTS IN US MAY HELP PAKISTANI EXPORTERS
Dawn, February 25th, 2017

LAHORE: The US government has recently set up three irradiation facilities for mangoes in the states of Mississippi, Texas and Iowa amid rising demand for the fruit, a step that could help Pakistani mango exporters increase sales.

The plants have been designed by adopting specific phytosanitary and safeguarding procedure to prevent the introduction of harmful pests.

According to a press release issued by the Punjab Agriculture Department, the fruit and vegetables were earlier being treated at the Chicago irradiation plant to kill pathogens before induction into the US markets.

Irradiation of mangoes to be exported to the United States is mandatory. The fruit cannot be transported and cleared directly to the United States or could be hand-carried by passengers.

Pakistan is world's sixth-largest mango exporter. Punjab has mango orchards spanning 271,700 acres with an average annual production of 1.28 million tonnes.

An official of the Mango Research Institute in Multan said mango exports to the United States were not more than 100 tonnes a year, but they could be increased after the setting up of new facilities. A major hurdle in exporting mangoes to the Unites States was distance, he added.

DEVELOPMENT SCHEMES: Meanwhile, the Punjab Provincial Development Working Party, in its 56th meeting of the current fiscal year, has approved five development schemes in various sectors with an estimated cost of a little over Rs3 billion.

https://www.dawn.com/news/1316782

SBP TAKES BIG STEP TO NARROW TRADE DEFICIT
The Express Tribune, 25 February 2017

Rizwan Bhatti

KARACHI: The State Bank of Pakistan (SBP) Friday imposed a 100 percent cash margin requirement on the import of some 404 items with immediate effect.

The SBP issued a circular to all banks to formally announce the imposition of 100 percent cash margin on the import of certain items. With the imposition of 100 percent LC margin, the importers are now required to make 100 percent payment at the time of Letter of Credit (LC) opening and this step would possibly compel importers to reduce their imports due to liquidity constraints.

SBP is expecting that this regulatory measure that it took through exercise of powers entrusted to it under Banking Companies Ordinance, 1962, would discourage the import of these items with a nominal impact on the general public.

The requirement of 100 percent cash margin has been prescribed on items such as motor vehicles (both CKDs and CBUs), mobile phones, cigarettes, jewellery, cosmetics, personal care, electrical and home appliances, arms and ammunitions, etc.

State Bank also expects that this regulatory measure would help accommodate incremental import of growth-inducing capital goods. It has been decided that banks, with immediate effect, will obtain 100 percent cash margin on the import of items enlisted by SBP, the circular said.

SBP has imposed LC margin on motor cars (CBU and CKD), wrist-watches, chewing gum, butter milk, curdled milk/cream, pocketsize radio cassette player, fish, sweet biscuits, juices, smoking tobacco, perfumes, shampoos and soaps,

Import of articles of apparel and clothing accessories, leather, garments, including babies' garments and clothing accessories, blankets and travelling rugs, sports footwear, ski-boot, crockery including dinner sets, cooking ranges, electronic items including ceiling fan, pedestal and table fan, window or wall type air conditioners, electric ranges microwave ovens and wooden furniture will also requires 100 percent cash margin.

In addition, margin has been imposed on fruits including dates fresh, fruits including mango watermelon oranges, pineapple, oranges, apple, grapes, dates fresh, peaches, cherries and strawberries.

SBP said that cash margin requirement will not be applicable on the imports by category-a and category-b investors identified in the automotive development policy, 2016.

Bankers said the central bank's initiative will help narrow the increasing trade deficit and reduce the rising demand of dollar. Importers were importing more goods than the domestic requirement due to low margin on the import of luxury items, they added.

It may be mentioned here that with $25.539 billion imports and $12.317 billion exports, the country's goods trade deficit has been widened by 10 percent to $13.222 billion during the first seven months of the current fiscal year (FY17).

http://epaper.brecorder.com/2017/02/25/1-page/853255-newshtml.

ECONOMIC RELATIONS: PAKISTAN'S TO-BE US ENVOY PROMISES PROMOTION OF TRADE TIES
The Express Tribune, February 26th, 2017.

Karachi: Pakistan's ambassador designated to US Aizaz Chaudhry, who is all set to leave for Washington shortly, has stated that improving Pakistan's image and enhancing cooperation in trade, energy and security will be his top priorities.

Chaudhry, currently serving as secretary at the foreign office, said that he will try his best to bring the business community of the two countries closer and improve market access for exporters.

He said this while talking to a delegation of Federation of Pakistan's Chamber of Commerce and Industry (FPCCI) led by its President Zubair Tufail.

Chaudhry said that his top priorities will be promotion of trade and economic cooperation as well as improving consular services. "My foremost priority in Washington will be to strengthen Pakistan-US relations and boost cooperation in economic, trade, education, health, energy and science."

Chaudhry also said that he will try to increase the embassy's interaction with the Pakistani community, he added. "Pakistani-Americans have played a laudable role in serving the country by projecting a positive image," he said, adding that Washington is diplomatically and strategically significant for Islamabad and it is among one of Pakistan's major trading partners.

He said he would emphasise on Pakistan's positive contributions towards peace and stability in the region and in Afghanistan.

Lauding the economic policies and gains by the current government FPCCI president, informed that there were some issues hitting bilateral trade and assured all out cooperation to the Ambassador on part of the business community of Pakistan.

https://tribune.com.pk/story/1339229/economic-relations-pakistans-us-envoy-promises-promotion-trade-ties/

NEWS COVERAGE PERIOD FROM FEBRUARY 13TH TO FEBRUARY 19TH 2017
REAP SEEKS GOVT SUPPORT FOR BOOSTING RICE EXPORTS
Dawn, Business & Finance weekly, February 13th, 2017

Ahmad Fraz Khan

After the Rs180bn incentive package to the industry for boosting exports last month, the rice exporters have chimed in with demands of their own.

They want the government to withdraw sales tax from their utility bills, and withholding tax from electricity bills, share their cost of brand development abroad, help in rescheduling export loans and come up with an incentive package and mechanism, linking incentives to export increase.

Rice, being the second biggest export commodity, apparently merits this encouragement. Yet it was excluded from the prime minister's incentive package. The Rice Exporters' Association of Pakistan (Reap) was told that rice export does not fall in the official category of any industry, and thus has not been covered by the package.

Reap wants rice processing to be treated as an industry. After paddy husking, machines are used to de-stone the rice, which then goes through two polishing stages, followed by grading, sortexing (patenting) machines and then to packaging area, where fumigation follows before export. These costly and automated processes put the sector in the industrial category.

There are over 500 such factories in the country involved in rice processing. However, Reap needs to look into the factors that have caused a serious decline in rice exports. Farmers who have been actively involved in rice trading do not agree with Reap's point of view. For them, reduction in exports — from over $2bn to $1.4bn last year — has very little to do with the cost of doing business.

Farmers say that loss of almost 1m tonnes each from Iran and Saudi Arabia was not due to the cost, but because of the lack of crop planning and market strategies.

Since supply was easy and cheap; many of the exporters never tried to venture into branding, where the actual money lies.

It gave a free run to other competitors like India, which now rules retail market and has established brands. That is why 80pc of the Saudi Arabia's market is now filled with Indian brands, and Pakistan has only 10pc share for it. The Reap is now asking for help in brand development.

However, the farmers and exporters both now agree that Pakistan has a huge potential in rice export that could be tapped with a little bit of an additional effort and investment. One way of helping export is activating the embassies abroad.

All commercial counselors should be told to pull their socks up and locate all possible niche markets in countries of their jurisdiction. Other possible diplomatic efforts can include drawing benefits from free trade agreements that the government has signed with a number of countries.

Encouraging barter trade with countries like Malaysia, from where huge quantity of edible oil is imported, could be another option.

The Indians used this system very effectively with Iran when Pakistan was busy implementing UN sanctions against its neighbour.

As far as branding is concerned, it is a typical case of better late than never and the government may consider giving support on merit.

The government needs to have a sound strategy to boost the rice exports — because about 60pc of the domestic output is exported anyway.

https://www.dawn.com/news/1314439/reap-seeks-govt-support-for-boosting-rice-exports

EXPORTERS GET $2M ORDERS AT FRUIT FAIR
Dawn February 14th, 2017

KARACHI: Pakistani fruit and vegetable exporters received estimated import orders worth $2 million as compared to $15m orders won by the Indians at ‘Fruit Logistica 2017’.

At the event, organised by Messe Berlin in Germany between Feb 8-10, 2017, Pakistani exporters were able to procure export orders for potato, kinno, mango, green chilli, chikko, onion and tinda from Russia, Ukraine, UAE, UK, Hong Kong, Germany, Italy, Kuwait, Holland, China and Bangladesh.

Patron-in-chief of Pakistan Fruit and Vegetables Exporters, Importers and Merchant Association (PFVA), Waheed Ahmed, said there is a need to focus on production quality to meet international standards. “India produces comparatively better products and that is the reason behind pocketing higher orders than Pakistan,” he said.

Pakistani fruit and vegetable stakeholders may be able to market more products in the lucrative markets if they focus on Research and Development besides increasing varieties of fruit, he said.

A modern technology “Sky Detect” introduced by European countries in the show was centre of attraction at Logistica. “Sky Detect could be used to minimise the effect of climate change in Pakistan. The same technology is being used in cold areas in Europe to avoid climatic impact. The same could prevent Pakistani kinno from weather hazards,” he added.

He said at least 40 delegates including growers and exporters of 16 fruit exporting firms displayed their products at the event. The participation of 10 companies was organised by PFVA while 6 firms had attended the show under the umbrella of Trade Development Authority of Pakistan (TDAP).

https://www.dawn.com/news/1314575

SBP LINKS WHEAT SUBSIDY PAYMENT TO EXPORT PROCEEDS
Rizwan Bhatti

KARACHI: The State Bank of Pakistan said Monday that payment of wheat export subsidies will be allowed only after full realization of export proceeds.

It advised authorized wheat dealers to process cases of eligible exporters for subsidy claims against export of wheat and wheat products in accordance with the conditions described by the State Bank.

Through a notification on Jan 25, the Ministry of National Food Security and Research had allowed export of wheat and wheat products. In accordance with the process, the dealers will forward shipment requests of wheat exporters in the prescribed format.

Attested copies of letters from Food Department of the provincial government confirming procurement of a specific quantity of wheat and wheat products by the exporters.

In addition, attested copies of the Export Proceeds Realization Certificate or Advance Payment Vouchers showing utilization will be required for subsidy claims.

Export of wheat, wheat flour and other wheat products will be allowed until March 15, to be determined by the filing date. The export process will be completed by May 15. The wheat export subsidy will be allowed only after full realization of export proceeds against Form-E/EFE.

The State Bank said the export of wheat and wheat flour produced from Oct 1, 2015 to Jan 12 last year will not be entitled to any cash support or subsidy.

http://epaper.brecorder.com/2017/02/14/1-page/849695-news.html

UAE LIFTS BAN ON POULTRY IMPORT FROM PAKISTAN
Business Recorder, 15 February 2017

ISLAMABAD: United Arab Emirates (UAE) has lifted eight years ban on import of poultry from Pakistan.

This was announced by Ministry of Commerce after receipt of formal communications of lifting of ban.

Pakistan Poultry Association held meetings with the Commerce Minister and other officials besides writing letters to the Commerce Ministry and Ministry of National Food Security and Research.

The Association had requested the government to play an effective role in encouraging governments in the Middle East, particularly in Saudi Arabia, to lift a ban on the import of Pakistan's poultry products.

"UAE has granted permission to import day old chicks and hatching eggs form the companies which are certified for export ministry and possessing attached health certificates, permission to import poultry meat and its products from the slaughterhouses that are certified for export by the UAE per procedures followed in this regard and health certificate," says the Ministry in a statement on Tuesday.

Commerce Minister Engineer Khurram Dastgir Khan said, "Pakistan appreciates the lifting of ban on poultry by our longstanding trading partner and brotherly nation UAE".

He also appreciated the cooperation extended by Sartaj Aziz, Advisor to Prime Minister on Foreign Affairs, and Sikandar Hayat Khan Bosan, Minister for National Food Security and Research.

He lauded efforts by Pakistan Ambassador to UAE, Moazzam Ahmad Khan and Pakistan Department for Plant Protection and acknowledged Pakistan Poultry Association for their professional support during recent visit to Pakistan by UAE poultry inspectors.

The UAE annually imports more than $ 700 million of poultry products, a market from which Pakistan was barred for 8 years. Lifting of the ban will open this market for Pakistan exporters, who have made commendable technological progress in recent years. —MUSHTAQ GHUMMAN

http://epaper.brecorder.com/2017/02/15/9-page/849804-news.html

INCREASE IN TRADE: BRAZIL ENVOY FOR REMOVING COMMUNICATION GAP

Business Recorder, 18 February 2017

LAHORE: Brazilian Ambassador Claudio Lins has said that his country is keen to strengthen government to government level and private to private sector relations in the larger interest of both the countries.

While talking to the LCCI Acting President Muhammad Nasir Hameed Khan here Friday, the ambassador said that Brazilian economy is on the rise therefore Pakistani businessmen should exploit the available opportunities to the maximum. Pakistani businessmen should step into joint ventures in the fields of sports goods, instruments, food items, fertilizers, fruits & vegetables. Brazilian embassy in Pakistan is ready to facilitate the Pakistani businessmen in this regard, he said. He also called to remove the communication gap to give a quantum jump to the mutual trade.

Honorary Consul of Brazil Mian Hassan Mansha, Executive Committee Members Sheikh Muhammad Ibrahim, Mian Zahid Javed along with Tariq Mahmood and Zafar Mahmood were also present on the occasion.

Brazil is one of the biggest economies of the world and one of the best places for business and investment. Despite having various commonalities and good diplomatic relations, trade volume between Brazil and Pakistan is meager, he said. Brazil is looking for new trade partners in Asia while Pakistani products are best and could easily make their way to the Brazilian market, he added.

Muhammad Nasir Hameed Khan said Pakistan is eager to strengthen ties with Brazil for the mutual benefit. The balance of trade has remained in favour of Brazil while rising gap between imports and exports is a matter of concern for us, he added.

From 2013 to 2015, the two way trade surged from US$227 million to US$316 million. This increase took place due to constant rise in imports from Brazil to Pakistan which had gone up from US$140 million to US$$260 million in last three years. However, in contrast to that Pakistan exports fell from US$87 million to US$56 million. He said the private sector of Pakistan can definitely take advantage of exporting to Brazil various types of consumer goods like ready-made garments, fabrics, knitwear, towels, leather & leather products, pharmaceutical and surgical instruments.

http://epaper.brecorder.com/2017/02/18/8-page/851027-news.html

PAKISTAN TO EXPORT SEAFOOD TO CHINA VIA LAND ROUTE
The Express Tribune, February 18th, 2017.

KARACHI: Pakistan will start the export of seafood to the Xinjiang Uygur autonomous region using a land route that China will use to ship oil and natural gas from the Middle East.

Frozen seafood will depart Pakistan's Gwadar Port on the shores of the Arabian Sea in container trucks and enter China via the Khunjerab Pass, a land port in southern Xinjiang's Kashgar prefecture, a more than 1,500-kilometer journey, the China Daily reported.

After a successful trial last month, regular shipments are to start on April 1, according to Mufeng Biological Technology, which will ship products from its cold-storage distribution center near Khunjerab, a seasonal port open eight months of the year.

"It takes about 10 days for the seafood to be transported and cleared by customs on the land route," said Chen Haiou, company chairman.

"Normally, it takes more than 30 days to transport seafood by sea from Pakistan to ports in South China's Guangdong province."

Last month, the company shipped 7.46 tons of seafood, including squid, shrimp, pomfret and bonefish, from Khunjerab to be sold at markets in Urumqi, capital of Xinjiang, as well as Beijing and Shanghai. “We will focus on importing seafood that is in highest demand in Xinjiang,” Chen said. “The wholesale price of those products will drop by 10 to 20% after the shipments become regular.”

China is Pakistan’s biggest seafood importer, with about 75% of the country’s shrimp products sold to China, he said, adding that his company is also considering shipping live seafood.

China Overseas Port Holding Co took over management of the deep-sea Gwadar Port from the Port of Singapore Authority in 2013. The takeover was viewed as a move by China to seek an alternative to the Strait of Malacca, through which more than 80% of the country’s imported oil passes.

To further enhance the China-Pakistan Economic Corridor along the land route, China will provide about $1 billion in loans for three new road projects along the western route of the corridor, connecting the shortest route from Gwadar to China.

https://tribune.com.pk/story/1330540/trade-enhancement-pakistan-export-seafood-china-via-land-route/

COMMERCE MINISTER NOT EXPECTING ANY CHANGE
Dawn, February 19th, 2017

Mubarak Zeb Khan

THE Ministry of Commerce has prepared a paper assessing possible consequences of the change in US administration on Pakistan’s trade relations with the US.

“We will send our assessment shortly to Prime Minister Nawaz Sharif,” said Commerce Minister Khurram Dastgir Khan.

The US is the single largest export destination for Pakistani products. The change in the US administration has sent chills down the spine of Pakistani exporters who anticipate changes in the trade regime.

Talking about such apprehensions, Minister Khan ruled out any immediate change in trade regime with Washington. The Trump administration’s current focus is on China and NAFTA where changes in US policy are unlikely to have any adverse implications for Pakistan, he said.

Pakistan has no special bilateral trade concessions that can be withdrawn, he stressed.

The only US trade concession that Pakistan currently has is the decades-old multilateral Generalised System of Preferences (GSP). “The US GSP is relevant marginally, as Pakistan’s major exports — textile and leather — are not included in the scheme,” he said, adding that Pakistan mostly trades with US on MFN tariffs.

In the year 2015, as per US statistics, Pakistan exports to US totalled $3.7 billion, out of which only $179 million (5pc) were under GSP. “No statements have been issued on GSP as yet but it is strongly supported by US importers and a lobby of hundred-plus countries that benefit from it,” the minister said.

The GSP status of 127 countries, including Pakistan, was suspended by US Congress after the expiry of the programme on July 31, 2013. However, the GSP has been renewed through Dec 31, 2017, and will be effective retrospectively between Aug 1, 2013 and July 28, 2015.

However, it is not clear whether the scheme will be extended beyond 2017. Under the GSP, Pakistan can export more than 3,500 items to the US market without paying any duties on them.

Many of Pakistan's goods are eligible for GSP duty-free, including most manufactured items, inputs used in manufacturing, jewellery, carpets, certain agricultural products, many types of chemicals, minerals and marble. However, the products not eligible for GSP include most of textiles and apparel, watches, footwear, handbags, luggage, and leather products.

The minister said that the US withdrawal from TPP has been a positive development for Pakistan as it has eliminated a potential threat for Pakistan's textile exports. In case the US moves for tariff hikes and stronger regulatory enforcements against countries where it has large trade deficit, this will create opportunities for their competitors in the US market, he further said.

Statements by the Trump administration on Pakistan so far relate more to security concerns. "The ministries of Commerce and Foreign Affairs collaborate in monitoring the Pak-US security relationship, as it serves as a prism for bilateral economic relations," the minister said. "We will engage principal trade officials as soon as they take office, and our US-based trade officers are preparing their briefs for the initial outreach," Khan concluded.

https://www.dawn.com/news/1315623

NEWS COVERAGE PERIOD FROM FEBRUARY 6TH TO FEBRUARY 12TH 2017
THE OSTRICH IN GLOBAL CONCERNS
Afshan Subohi

Dawn, Business & Finance weekly, February 6th, 2017

Deeply concerned over the US policy shift under the Trump administration, the business community believes that Pakistan is underestimating the impact of moves taken by the United States, and not doing enough to address emerging challenges to international trade.

Business leaders see in the US drift towards protectionism and faith-based discrimination serious risks to Pakistan's trade and economy. The government, however, dismisses their apprehensions on bilateral trade as baseless.

Criticising the lethargy of the officialdom, the corporate leadership expressed frustration over the lack of focus in Islamabad on issues that have become global concerns.

Azmat Ali Ranjha, federal commerce secretary, was confident that Pakistan's trade with the US would not be affected under the Trump administration.

"We do not foresee any difficulty as far as trade is concerned. We have no special access to the US market that we would lose. The US GSP terms are the same for Pakistan as for 128 other countries. We have nothing to do with their pull-out from the Trans-Pacific Partnership (TPP), or its intention to renegotiate other trade deals such as the North America Free Trade Agreement (NAFTA)", he said talking to Dawn from Islamabad.

He was convinced that the foreign ministry was monitoring and articulating Pakistan's position in the unfolding US scenario related to travel restrictions, greater scrutiny of Pakistani passport holders, etc.

He confirmed that the government had not formed any joint ministerial forum or a task force to assess/evaluate the fallout of US measures on Pakistan's economy or shape a strategy to deal with new challenges. "No, I am not privy to any such initiative", he said.

On the topic of the concerns of the business community, Ranjha insisted that his ministry was easily accessible to anyone who cared to contact us.

Zubair Tufail, president, Federation of Pakistan Chamber of Commerce and Industry, said he found the situation alarming.

"So far our members have not encountered any problem in acquiring US business visas but concerns have been expressed over the harsh tone in the US towards its long standing ally, Pakistan, in all business meetings of the federation over the week. I intend to meet the US Consul General next week to seek his views on our business concerns".

"Earlier there were four constituencies, now it is all about four flats. Economic interests are held hostage to populist rhetoric and zero sum games. Be it government, opposition or the media, never, even by mistake, do they ever focus on the real issues at hand. It is hard to say what keeps them busy in their make-believe world", thundered a former Aptma chairman referring to the debate around rigging and corruption in the country over the phone from Lahore.

"We understand the strategic significance of Pakistan, but we are worried sick. The future of trade does not appear promising. Exports have already dropped from S24bn to $20bn in the last three years and reports of the first half of the current fiscal year are not encouraging. It is insane to assume that somehow our exports sector will not be unaffected by this new wave of protectionism. What makes it more depressing is the lack of effort in commercial diplomacy," Rafique Ibrahim, ex-president, All Pakistan Textile Mills Association, commented.

Muhammad Ali Tabba, CEO Lucky Cement and former president of the All Pakistan Cement Manufacturers Association, saw a silver lining in the confusion and chaos following Trump's executive orders and the global reaction.

"The restrictions on bigger trade partners of US (Mexico, China) can open up space for our exports in the US market. Yes, there is a need to look at that closely to identify a niche for Pakistani products", he said.

"The Obama administration was not particularly kind to Pakistan. Now, with a Republican president in office, trade diplomats should make a case for greater market access to Pakistan. We paid high a price ($250bn) in the war against terror. Pakistan is a victim of terrorism and not its sponsor", Gohar Eijaz, another Aptma leader, said.

The views of the American Business Council (ABC) — an 86-member group of US companies in Pakistan — was sought but the response was not received within the deadline.

The US is Pakistan's single biggest export destination, with a share of around 17pc of total exports and 4pc of total imports originating from US, according to the Pakistan Economic Survey 2015-16. Pakistan enjoys a surplus balance of trade with imports from US at $1.3bn against exports of $2.6bn in 2015-16.

Experts believe that the volume of bilateral trade with US might fall, hitting exports harder. They think that remittance inflows from resident Pakistanis based there could increase as people may become more inclined to park their savings back home as fears of hate crimes and discrimination rise. (After 9/11, the remittance inflow from US into Pakistan tripled within a year).

http://www.dawn.com/news/1312954

OPTIMISM ABOUT POTATO EXPORTS

Dawn, Business & Finance weekly, February 6th, 2017

Ahmad Fraz Khan

AS potato harvesting and exports gain momentum, farmers from central Punjab's potato belt expect 20pc additional yield and better exports this year.

Officials have set a target of 3.6m tonnes from just over 400,000 acres sown this season, while farmers think that the production can go up to 4.3m tonnes.

In view of the expected output, growers worry that the current lower price level may drop if the exports do not gain momentum. At present, the price for better quality potato is around Rs1,400/120kg.

If harvesting, loading, unloading and transportation cost is deducted, the average per kilogramme price for farmers comes down to around Rs8. This price trend remains unfavourable for farmers when compared with the officially calculated cost of production of Rs11/kg.

Farmers claim their cost of production at Rs17/kg. The price variations remain a worry for them though export prospects and potential are promising. These export have sustained the price level at almost double the previous year's rate, even during pre-mature harvesting in November. The current price of Rs1,400/120kg bag is 100pc more — up by Rs700/bag of last year.

The porous borders with both, Iran and Afghanistan, also helped informal potato trade and Afghanistan — conduit to the Central Asian states — played an even bigger role. According to farmers, both these countries have bought substantial quantity of the commodity in the last few months.

The formal export process is also gaining momentum because the Russians slapped a ban on potato imports from Egypt and Bangladesh last year which is still in place. And a new market, Yemen, has opened up this year. A Yemeni team visited Okara area a few months ago to inspect the crop and export process and cleared both. The export to Yemen has started. The traditional markets like the Gulf and the Far East region also remain in place.

Even bigger help in the potato exports has come from some domestic investors. Those involved in kinnow exports, with experience of the supply chain, post-harvest treatments and export process, have entered the potato processing over the last two years. With all their experience and wherewithal, they have set-up their processing units and export offices in Okara area. The number of the processing units have swelled to 32 — most of them in the last one year which will spur exports now.

The process was also facilitated when the Potato Growers Society started hosting officials of the federal Plant Protection Department for three months at Okara.

These officials now issue phyto-sanitary certifications, necessary for export, at Okara — skipping the lengthy and costly processes of inspections, unloading and loading of export consignments at the Karachi port.

Practically, it means that potato fields are now directly linked to the export markets worldwide. With this facility, many new businessmen, and even farmers, have joined and widened the export base in very areas of sowing.

Another boost for the crop demand is coming from increasing domestic processing industry. Three units of potato-chips and other products are already working now. Three more are planned for next year and one of the major plants plan 30pc expansion for this year.

With exports gaining strength and domestic value-addition expanding, the only concern for farmers is domestic pricing mechanism. Whenever prices start going up, the government either bans exports, or allows duty-free imports from neighbouring country or unleashes district administration at the retail sector to keep prices down.

https://www.dawn.com/news/1312878/optimism-about-potato-exports

TDAP SHOULD INCREASE EXPORTS TO REPAY LOANS'
Business Recorder,6 February 2017

LAHORE: Pakistan Tehreek Insaf (PTI) Women Wing President and FPCCI Executive Committee Member Fehmida Jamali on Sunday said that the Trade Development Authority of Pakistan (TDAP) should increase exports in order to repay the loan of $11 billion by the government next year.

She said that the production cost, which was expected to be reduced by the government through subsidy, would stay unchanged as electricity charges for the industry had been fixed at 11 cents per units compared to seven cents in other countries of the region, which is aimed at boosting their exports by making products' prices compatible

Talking to media, she said government would have to increase its exports and remittances for paying back rising debt obligations.

She said that external debt on Pakistan was mounting massively and Pakistan had to repay $11 billion in 2017-18; as Pakistan's external inflow situation was not very rosy and it would create shock waves for the economy.

It is imperative that TDAP, a main body for exports, should increase its exports and the volume of remittances so that repayment of loans could be easily made.

The importance of exports in a developing country's development path is obvious. The fact that this question has to be posed and answered is a sad reflection on our policymakers' priorities and a lack of comprehension; she added.

In addition to this, questions are being raised about the institutional capacity to execute the policy as the Trade Development Authority of Pakistan (TDAP) and its CEO doesn't have the capacity to promote exports beyond traditional products which needs to be addressed on priority.

Fehmida further said that the recent performance of the country's exports dovetails into a larger — and worrying — picture of long-run stagnation and decline relative to other dynamic developing countries. While Pakistan's market share of global exports is one way of looking at this, and which has declined from 0.16pc in 1990 to a paltry 0.13pc, the statistic that best captures our attention to exports and our 'export-orientation' is the size of the export sector as a percentage of the economy. Pakistan's merchandise exports have fallen to a shocking 7.3pc of GDP — from a peak of over 15pc in the early 2000s. At this level, merchandise exports are today at virtually the same level as worker remittances into the country — and at their lowest level in decades.

The comparison with other dynamic developing economies is stark. Vietnam, the star export performer since 2000 along with India (and in a restricted sense, Bangladesh), has an export sector equal to 90pc of GDP. Cambodia's is 68pc of GDP, India's has grown to 23pc of GDP (from around 13pc in 2000), Indonesia's is at 21pc of GDP. Even Sri Lanka's export sector is now 21pc of GDP, while Bangladesh's is rising fast and is currently at over 17pc of its GDP.—PR http://epaper.brecorder.com/2017/02/06/5-page/847120-news.html

RS63M SMUGGLED SKIMMED MILK POWDER SEIZED
Dawn February 7th, 2017

LAHORE: Customs authorities in the central region of Punjab claim to have seized a huge quantity of imported skimmed milk powder destined for Afghanistan under cargo in transit and sealed a rice mills on Muridke-Narowal Road.

Officials put the value of seized bags containing skimmed milk powder at approximately $584,312 (Rs63.1 million) involving duty and taxes to the tune of Rs43 million.

Collector Customs (Central Region) chief Sumaira Nazir told reporters at the Customs House on Monday that the Anti-Smuggling Organization (ASO) staff, after receiving secret information, obtained a search warrant under section 162 of Customs Act 1969 and searched the premises of Saleem Rice Mills in Muridke on Feb 3.

She said the search led to the recovery of a huge quantity of skimmed milk powder of assorted brands and origins in bulk packing (25kg/bag). A total of 9,349 bags (233.76MT), having brands from the US, Ukraine, Poland, Turkey and India, were recovered.

Ms Nazir said the examination of the seized goods further led to the discovery that most of the bags contained stamps of ‘Cargo in Transit to Afghanistan’ which indicated that bags of milk were originally imported for consumption in Afghanistan under Pak-Afghan Transit Trade (PATT) and were smuggled back into the country.

It transpired during initial investigation that owners of the goods were involved in re-packing of the goods after getting the bags locally printed in order to change them with those carrying ‘Cargo in Transit to Afghanistan’ stamps.

The chief collector said that loose locally printed packing of Dairy America milk bags had also been recovered.

She said a case had been lodged with the I&P branch of the Customs House for further investigating the matter, tracking down and arresting the culprits.

Ms Nazir said the owner of the rice sheller from where the goods recovered had been identified and would soon be apprehended.

She said the authorities were investigating the involvement of Customs officials in connection with the seizure and responsible elements would be brought to justice.

About any action against substandard heart stents, MCC Collector Customs (Preventive) Zulfiqar Younas said that Customs were providing all relevant information to the FIA.

“As the Supreme Court of Pakistan has taken suo motu of the use of substandard stents and the Customs is awaiting a final decision for further action”, he said, adding they would act as per law against the smuggled stents.

http://www.dawn.com/news/1313219

MCCI FOR PROMOTING TRADE WITH BAHRAIN IN HALAL FOOD
Business Recorder, 8 February 2017

MULTAN: The business community of South Punjab on Tuesday urged the government to promote bilateral trade with Muslim countries particularly Halal food to earn maximum foreign exchange and to get rid of foreign debts.

They underscored the importance of expanding bilateral trade between Pakistan and Bahrain.

President of Multan Chamber of Commerce & Industry (MCCI) Khawaja Jalaluddin Roomi said “visit of Shaikh Khalid Bin Ahmad Al Khalifa, Foreign Minister of Bahrain with a high level government delegation would strengthen ties between two countries.”

He hoped that bilateral trade between Pakistan and Bahrain would be enhanced in due course of time. He said Pakistan was exporting rice, cotton textiles, cotton raw, sheets of propane, iced shrimp, beef & sheep frozen, fresh fruit and vegetables to Bahrain.

Roomi said Pakistan and Bahrain had already signed six documents relating to mutual cooperation in various sectors during the visit of Bahrian’s King Sheikh Hamad bin Isa bin Salman Al-Khalifa to Pakistan.

The agreements include, establishment of joint ministerial commission for bilateral cooperation, for promotion and protection of investment, cooperation in food security, air services agreement, cooperation between interior ministries and cooperation in the fields of power and water.

He remarked “the visit by Bahraini Foreign Minister Shaikh Khalid highlights the growing bilateral relations between Pakistan and Bahrain. He welcomed the important step of establishing the JMC and said, “This sends a strong message that Pakistan values its ties with Bahrain.”

http://epaper.brecorder.com/2017/02/08/13-page/847685-news.html

AFTER A SOUR MEETING, CONSENSUS ELUDES CITRUS EXPORTERS
Business Recorder,6 February 2017

Mushtaq Ghumman

ISLAMABAD: Ministry of Commerce and Ministry of National Food Security and Research have reportedly failed to evolve a consensus on the establishment of Citrus Development Board (CDB), well informed sources told Business Recorder.

The issue was discussed at a meeting of Minister for Commerce, Engineer Khurram Dastgir Khan and Minister for National Food Security and Research, Sikandar Hayat Khan Bosan in the Commerce Ministry on Wednesday.

According to sources, Commerce Ministry which has a subsidiary – Pakistan Horticulture Development and Export Company (PHDEC) – in Lahore is unwilling to support any other such company or Board.

The meeting was informed that citrus exporters and growers have different groups and both are interested in taking the driving seat.

It was proposed that citrus exporters and growers be taken on PHDEC board; and the Commerce Ministry conveyed its intent to revive the “defunct” PHDEC.

The meeting which continued for more than an hour did not reach any final decision due to wide differences.

Official documents reveal that Sikandar Hayat Khan Bosan had held a meeting on January 17, 2017 to review comments received from various stakeholders and develop a consensus on the organization and mandate of the proposed Citrus Development Board.

According to documents, Ministry Law & Justice maintained that “a Federal Corporate body can only be created by an Act of Parliament. According to rule 8 of the Rules of Business, 1973 all Divisions concerned should be consulted. Thereafter approval of Cabinet may be sought under rule 16 of the Rules ibid followed by vetting of the Bill by the Law & Justice Division.”

Secretary Agriculture (Punjab) termed it a bad idea whereas Agriculture, Livestock & Cooperatives Department Peshawar, Khyber Pakhtunkhwa (KPK) said in its comments that the Board should develop International Market Access Program (IMAP) & International Market Linkages Program (IMLP) for both private and public sector functionaries.

Chairman All Pakistan Fruit and Vegetation Association (APFVA) Abdul Malik argued that common facilities such as packing houses, cold storage and expo facilities are not required for the time being. However, establishment of QA labs is an essential requirement to ensure continuous quality improvement. He supported strengthening of PHDEC.

To generate funds, he said the Association would issue vouchers against contribution of $ 50 per container by each kinnow exporter. The Department of Phytosanitary (DPP) would only issue phytosanitary certificate once this voucher is issued to the exporter. This mechanism would ensure that unless payment is received by the APFVA against an export container of kinnow, export would not be possible as DFP would not issue the certificate. If the Ministry considers this mechanism of collection of fund impractical or not feasible, it may suggest an alternate mechanism to the APFVA.

The fund generated would be credited to the account of APFVA titled “R&D fund” and would be managed by a committee of four members of APFVA to be nominated with the consent of the kinnow exporters. The committee would advise the CDB to undertake various CD projects & would be empowered to spend the funds on such projects.

It was also suggested that any person who can look after the interest of growers and exporters and with the background relating to the industry should be appointed as Chairman of the board. APFVA disagreed on cess, fee or charges from growers, processors and exporters.

Kinnow Growers Associations had submitted the following recommendations: (i) establishment of CDB is essential; (ii) packing house, cold storage expo-center and QA Lab in Sargodha; and (iii) cess $200 per container .

Association suggested that funds received by citrus exporters should be deposited in a joint account operated by two members of Kinnow Growers Association and two members of APFVA.

PARC submitted a draft bill with the remarks of PARC Chairman as follows, “PARC is pleased to support M/o NFS&R in research matter however, such ‘draft Act’ is beyond the actual capacity of our researchers/staff. Earlier, M/o NFS&R prepared draft bill for NAPHIS and many more. We are ready to provide research/ technical related comments but preparation of draft bill is outside council’s expertise. This ‘draft bill’ may not be ‘comprehensive nor fully relevant’ as this was not prepared by the experts. It is requested to be reviewed by the API, FSC&RD and Pakistan Horticulture Development & Export Board, etc., for a better version. Such sensitive and vital issues may be sent to relevant department at the start of the process.”

Dr Waseem also informed the house that at present there is no legal instrument available to execute the Citrus Development Board and the stance of Secretary Agriculture (Punjab) needs to be addressed.

Joint Secretary, M/o Commerce informed the meeting that a platform under PHDEC is available and working under the M/o Commerce with same objectives. PHDEC has the major share of citrus which is approximately more than 25%, if Citrus Development Board is established then the scope of existing PHDEC will be minimized. It would be better to revitalize the role of PHDEC.

He further argued that PHDEC, an existing Corporate Body, has a handsome amount in the form of endowment funds available. So far as amendments in PHDEC are concerned, Ministry of Commerce is in the process of amending the TORs and structure. He informed the meeting that there is also representation of the farming community on PHDEC. Presently, there are eight members on the Board of Directors; and the numbers may increase up to 20. In this regard, growers/farmers may be included in the Board.

Mohsin Shahnawaz Ranjha, Convener Citrus Development Board Committee, MNA, Parliamentary Secretary, argued that it is difficult to make changes in the PHDEC and that PHDEC has not lived up to the expectation of stakeholders.—

http://epaper.brecorder.com/2017/02/09/24-page/848294-news.html

COLLABORATION: TRADE WITH AZERBAIJAN NEEDS TO BE STEPPED UP
The Express Tribune, February 10th, 2017.

Islamabad: Azerbaijan Ambassador Ali Alizada has said that bilateral trade with Pakistan spiked three times in 2016, but a lot more potential still existed for making improvements.

He said this while accompanying a 16-company delegation of Azerbaijan, led by Export and Investment Promotion Foundation Vice Chairman Yousif Abdullah, which visited the Islamabad Chamber of Commerce and Industry (ICCI) to discuss and explore opportunities of business collaboration.

Alizada emphasised that the leadership of both countries was determined to forge strong trade and economic relations, which was reaffirmed during the visit of Prime Minister Nawaz Sharif and Commerce Minister Khurram Dastgir to Azerbaijan last year.

He voiced hope that the Azerbaijan delegation’s trip to Pakistan would help in exploring new areas of mutual cooperation.

The delegation represented varying sectors including oil and gas, steel, transport, food processing, farming, trade, packaging and paper, fruits and vegetables, milk and dairy products, chocolate, hospitality, furniture, cosmetics, mineral water, cotton and others.

Yousif Abdullah declared that many companies of Azerbaijan were interested in doing business with Pakistan. “The purpose of their sojourn is to study Pakistan’s market and explore opportunities of business collaboration in agriculture and other fields,” he said.

Azerbaijan offers incentives to foreign investors and provides a seven-year tax holiday for investment in the Industrial and Technology Park.

Earlier, ICCI Senior Vice President Khalid Malik said bilateral trade was not up to the desired level and Pakistan could export readymade garments, cotton products, engineering and consumer goods, pharmaceuticals, rice, textile fabrics and other products.

https://tribune.com.pk/story/1322026/collaboration-trade-azerbaijan-needs-stepped/

EXPORTERS TO BENEFIT FROM DUTY DRAWBACK PACKAGE ANYTIME SOON: DASTGIR

Minister for Commerce Engineer Khurram Dastgir Khan chaired an inter-ministerial meeting attended by Secretary Textile Industry and Secretary Commerce. According to a press release, the minister said the required notifications for both textile and non-textile sectors based upon the announcement made by Prime Minister Nawaz Sharif to give duty drawback package to exporters has now been issued and the required circular is expected any day.

The minister further said all the procedural formalities had been completed and very soon the exporters would be able to take advantage of the package as it would be available for exporters from January 16, 2017. Commerce Minister also held a meeting with Secretary General, Economic Cooperation Organisation (ECO), Halil Ibrahim Akca.

He welcomed the delegation led by Secretary General ECO and said Pakistan attached high importance to the ECO Trade Agreement (ECOTA) and that expeditious implementation of the ECOTA tariff concessions would be a major step towards minimising barriers to trade and ultimately establishing a free trade area in the ECO region.

The ECOTA was signed by five out of ten ECO member states, including Pakistan, Afghanistan, Iran, Tajikistan and Turkey. Dastgir said Turkish government must open ECOTA concession list because Pakistan seriously considers the ECOTA Agreement and has already opened its concession list. Pakistan, designated as the co-ordinating country of ECOTA, had taken a lead in opening ECOTA concession list to the ECO Secretariat in 2008.-PR

http://fp.brecorder.com/2017/02/20170211140001/

NEWS COVERAGE PERIOD FROM JANUARY 30TH TO FEBRUARY 5TH 2017

AUSTRALIA PUSHES FOR TPP WITHOUT US AFTER TRUMP EXITS DEAL

Dawn, Business & Finance weekly, January 30th, 2017

Isabel Reynolds

Australia is leading a push to salvage a Pacific trade deal after President Donald Trump formally withdrew as a signatory to the 12-nation accord.

Prime Minister Malcolm Turnbull said he discussed the deal last Monday night with Japanese counterpart Shinzo Abe, and held talks with the leaders of New Zealand and Singapore. Steven Ciobo, Australia's trade minister, told ABC Radio last Tuesday a Trans-Pacific Partnership without the US was 'very much a live option.'

"We are all of us working to see how we can ensure we maintain this momentum toward open markets and free trade," Turnbull told reporters last Tuesday in Sydney. "Losing the United States from the TPP is a big loss — there is no question about that — but we are not about to walk away from our commitment to Australian jobs."

While Trump campaigned on a pledge to ditch the TPP, blaming trade deals for gutting US manufacturing jobs, Asian nations including Japan, had made a last-ditch effort to convince him of the merits of the pact. Trade aside, the deal was seen as a strategic counter to increased Chinese military and economic power in the region.

Reaching a deal without the US would be difficult. Without the carrot of the large American market, it would be hard to get member countries to agree the same access as decided under the TPP, according to Jayant Menon, lead economist for trade and regional cooperation at the Asian Development Bank.

"This is face saving," Menon said of Australia's efforts. "It is very embarrassing for all these countries when a lead proponent of the agreement which pushed it so hard should then be the one to bring it down."

Whether anything will materialise is unclear. Japan currently isn't considering a TPP without America, Deputy Chief Cabinet Secretary Koichi Hagiuda told reporters in Tokyo. Japan and the US account for more than 75pc of the gross domestic product among member countries.

"We want to continue persuading the US of the strategic and economic benefits," Trade Minister Hiroshige Seko told reporters. "Among countries involved in the basic TPP agreement, it is extremely important that the largest economy, the US, is included. We will continue to remind the US of this tenaciously.
Singapore, one of the biggest potential losers from a slump in global trade, has signalled it will push for the implementation of the TPP even without the US The export-reliant city-state's economy probably saw its worst performance last year since the global financial crisis in 2009.

"Singapore will, with like-minded signatories, push for the ratification of TPP even without the US on board," Eugene Tan, an associate professor of law at Singapore Management University who previously served as a member of parliament, said by e-mail. "The thinking is that it's better to have a weakened TPP than to no TPP at all."

New Zealand Prime Minister Bill English told reporters in Wellington that he asked Trade Minister Todd McClay to travel to the US to meet with Trump's trade representatives when they are confirmed. McClay said earlier last Tuesday that he expected TPP ministers to meet over the next few months to consider how to move forward.

"Our preference was to have the US involved in the TPP," McClay said in an e-mailed statement. "However, the agreement still has value as an FTA with the other countries involved."

Ciobo, Australia's trade minister said he's had conversations with Canada, Mexico, Japan, New Zealand, Singapore and Malaysia. Whether a deal can move forward without the US also depends on the way that Trump renegotiates the North American Free Trade Agreement, he said.

Other countries involved in the TPP include Vietnam, Peru, Brunei and Chile. Even as they ponder the future of TPP, countries in Asia such as Malaysia and Japan are now turning their focus to the Regional Comprehensive Economic Partnership, an alternative 16-nation deal that includes China and India.

The TPP's failure won't curtail Malaysia's trade and the country has alternatives including the RCEP, the official Bernama news agency reported, citing deputy trade minister Ahmad Maslan. With China and India involved in the RCEP it gives members access to an even larger market and Malaysia won't face 'any major loss' from the collapse of the TPP, he was quoted as saying.

https://www.dawn.com/news/1311457/australia-pushes-for-tpp-without-us-after-trump-exits-deal

NEED STRESSED TO ENHANCE PAKISTAN-DENMARK TRADE VOLUME
Business Recorder, 2 February 2017

FAISALABAD: The Deputy Head of Danish Mission at Islamabad, Jakob Rogild Jakobsen has said that although trade volume between Pakistan and Denmark has been improving but this volume is not depicting the real potential and can be improved further as there are huge investment opportunities in Pakistan.

Exchanging views with members of Pakistan Textile Exporters Association during his visit on Tuesday, Jakob Rogild said that Pakistan is a huge market which offers excellent opportunities to Danish businessmen in various sectors particularly the textile sector.

He noted that both countries have been enjoying historical friendship and traditional cooperation in many fields for the past many years.

He stressed that Pakistan had great untapped potential which could be well utilized by cementing relationship between the business communities of both the countries. There is a dire need for exploring potentials in trade and commerce at bilateral level.

Earlier, Chairman PTEA Ajmal Farooq thanked the Deputy Head of Danish Mission for visiting PTEA to exchange views with the members on issues of mutual interest, which surely would help in building relation between business community of Denmark and Pakistan.

He termed Denmark as an important trading partner with in European Union. Both countries are two potential economies but the bilateral trade between the two countries is negligible which need to be enhanced.
http://epaper.brecorder.com/2017/02/01/11-page/845982-news.html

PAKISTAN MUST FOCUS ON BROADENING EXPORT BASE
Dawn February 2nd, 2017
LAHORE: Pakistan needs to focus on improving the variety of exports to lure foreign investments, said World Bank Consultant Mr Marcos Griffin on Wednesday.

Speaking at an investment conference jointly organised by the Punjab Board of Investment and Trade (PBIT) and the World Bank, Mr Griffin said the policies required to increase exports of various industries should be one of the key focus areas of the government and not only limited to specific export promotion programmes.

Otherwise a balance of payment issue might become a concern in the future due to repatriation of profits from FDIs, he added.

He applauded the efforts being made by the government to carryout welfare projects and increasing tax collection base.

PBIT Chief Executive Officer Haroon Shaukat said the board was bringing in local and international investors for one-on-one consultations with the business community in a bid to unlock country’s potential.

“This approach is effective in addressing business and investment challenges in the country’s economy,” he said. Mr Shaukat said the Punjab Growth Strategy sets a target of doubling Punjab’s GDP growth rate by 2018 (from 3.5 to 7.0 per cent) to absorb one million people entering the workforce every year.
http://www.dawn.com/news/1312116

TRADE FOR A MORE INCLUSIVE PAKISTAN
The Express Tribune, February 2nd, 2017.

As I begin my first official visit to Pakistan as Executive Director of the International Trade Centre, the country is emerging as a relatively bright spot in a global economy clouded by volatility and uncertainty. On the back of macroeconomic reforms, reduced electricity shortages, and an improved security situation, the country is poised to register growth above five per cent for the first time in nearly a decade.
Yet these advances are not sufficient for Pakistan to meet its ambitious development goals of becoming the next ‘Asian tiger’ economy, exploiting its demographic dividend of educated and English-speaking youth, and reaching upper-middle-income status by 2025. As the Planning Commission has observed, this will require substantial productivity increases, greater diversification and improved competitiveness.

Trade could help Pakistan advance on all three fronts, while driving job creation and poverty reduction. Pakistan’s exports of goods and services total just over 10 per cent of GDP. The average for countries at its income level is over

20 per cent, suggesting considerable room to improve. Indeed, Vision 2025 targets a six-fold increase in exports, from $25 billion in 2014 to $150 billion by 2025. There remains large scope to trade with traditional markets such as the European Union, whose GSP+ offers important untapped potential, as well as newer markets such as Korea or the United Arab Emirates.

The emphasis on trade is deliberate. First, increased exports would take pressure off Pakistan's balance of payments. More fundamentally, trade could help accelerate the country's shift towards greater value addition. In developing economies, because tradable activities tend to be more sophisticated than the rest of the economy, getting people and resources out of subsistence work and into firms dealing in goods and services for the larger global marketplace tends to make for a more productive economy overall.

Ramping up Pakistan's integration into the global economy will require investments in hard and soft infrastructure, as well as, crucially, in tying the two together. In the world of 2017, while better roads, ports, electricity, and broadband internet access remain a prerequisite for international competitiveness, the gains are far greater if they work in tandem with a more supportive policy environment, a deeper regional integration, lower trading costs, and institutional support for businesses to overcome obstacles keeping them from accessing digital and physical markets.

Swiftly implementing the World Trade Organisation's Trade Facilitation Agreement would simplify border procedures and reduce customs clearance times and costs. This would enable Pakistani traders — especially the smaller enterprises that are disproportionately weighed down by expensive trading costs — to reap the full gains of the country's investments in ports and highways. Upgrading the country's truck fleet, expediting transit procedures and improving the efficiency of logistics services would enable Pakistan to capitalise on its role as a transit country for goods from Central Asia en route to Arabian Sea ports, using in particular the China-Pakistan Economic Corridor.

But improved trade performance is only a means to a higher end. That end is inclusive growth. To achieve it, two groups will be critical: small and medium-sized enterprises (SMEs) and women. SMEs account for the vast majority of jobs in Pakistan. When these firms are equipped to become more competitive and connect to overseas markets, it translates into higher incomes spread over larger sections of society.

Yet growth cannot be inclusive so long as half the population is relegated to second-class economic status. Discrimination against women diminishes families' well-being, companies' competitiveness, and countries' economic performance. The International Monetary Fund estimates that closing the gender gap in Pakistan could boost GDP by as much as 30 per cent, which would be a massive step towards the country's aspirations.

Women's economic empowerment is not a matter for policy, business action or social change alone. All have a role to play. That is why the International Trade Centre has launched "SheTrades", a global initiative to connect one million women entrepreneurs to global markets by 2020. The initiative spells out seven areas in which governments, the private sector and civil society groups can pledge to remove obstacles holding back women-owned businesses. From repealing discriminatory laws and sourcing more from women-owned businesses to ensuring that they can access credit and connect to foreign buyers, these are just some of the important actions that could be taken.

The SheTrades initiative in Pakistan enjoys enthusiastic support from the government. Pakistani women entrepreneurs can already download the app and sign up at SheTrades.com to share information about their companies, expand their networks, and connect to buyers around the world.

As Pakistan looks beyond its 70th independence anniversary to a more prosperous future, ITC stands ready to support its quest.
https://tribune.com.pk/story/1314190/trade-inclusive-pakistan/

PAKISTAN TO BECOME ASIA'S PREMIER TRADE, ENERGY CORRIDOR: PM

Dawn February 2nd, 2017
ISLAMABAD: Prime Minister Nawaz Sharif said on Wednesday Pakistan's strategic location has potential to make it Asia's premier trade, energy and transport corridor.
"We believe this transaction (Engro FrieslandCampina deal) will be instrumental in positioning Pakistan as an attractive investment destination. The partnership will allow consumers more choice in segment of high quality dairy products. It will also support the farming community of the country", he said.

In a meeting with CEO of FrieslandCampina Roelof Joosten and Chairman Engro Corporation Hussain Dawood, the prime minister said: "Our government is extensively working on various infrastructure, energy and communication projects to facilitate trade and investment in diverse sectors."

Mr Joosten said: "Besides other favourable factors we invested in Pakistan because Central Asia is very important for our business strategy and Pakistan offered us the opportunity to invest in the region.

The partnership with Engro Foods will accelerate FrieslandCampina's vision for 2020. There is a growing market for high quality dairy products in Pakistan. That is why we are bringing in our technology, capabilities and our experiences and working together with local farmer community," the CEO said.

Mr Joosten expressed his plan to make Pakistan dairy products export worthy and to invest an additional $100 million in the next few years.
He added that Pakistan was becoming an investment-friendly destination due to improved security environment, rapidly expanding quality infrastructure and marked reduction in energy shortages.

He also mentioned an increase in the income of middle class with urbanisation on the rise in the country.
Finance Minister Ishaq Dar was also present during the meeting.
http://www.dawn.com/news/1312125

RICE SECTOR: 'IMPORT OF MACHINERY TO BE DECLARED ZERO RATED IN BUDGET'
Business Recorder, 2 February 2017
Zahid Baig
LAHORE: Federal Commerce Minister Engr Khurram Dastgir Khan has assured the rice exporters to address their demand of declaring import of machinery for rice sector as zero rated in the budget 2016-17.

The Minister said this while addressing a dinner reception arranged in his honour by the Rice Exporters Association of Pakistan (REAP) here the other night.

"I have been your advocate in the past and will be advocating for your rights in future too. All the machinery and inputs needed by the exporters of all sectors should be zero-rated and it will be reflective in the next year's budget."

Regarding setting up of a formal banking channel between Iran and Pakistan, the Minister claimed that the exporters will be listening a good news shortly. He said this issue was being negotiated with Iran after lifting of sanctions and we are very near to a breakthrough on it.

He also assured the rice exporters that all out support would be extended to them for marketing and branding of their product and now ball was in their court that they should make their place in the international market.

He said 50 percent rebate to the expenses made on branding and marketing was also available for rice exporters. He promised that the mechanism of this rebate, which was a part of strategic framework announced last year, would be made clear to the rice exporters. He invited them to take full advantage of it as nobody could fetch premium price without branding and value addition.

The Minister said the exporters had been participating in the Gulfood festival in the past and they had seen the effort of the Pakistan government in shape of a big pavilion there. “This year you will see a stall of Pakistan at this important food fair in a much better position focusing on branding of the Pakistani food products,” the Minister said.

He said all the commercial officers posted abroad in the year 2016 were selected purely on merit. “You will not find any relative of mine or any other minister in this batch as they are purely selected on merit,” he claimed.
Khurram on the occasion also counted achievements of the present government which, according to him, include restoration of peace in Karachi, Balochistan and FATA. He said that on average 5.6 incidents of terrorisms were held daily in year 2012 which fell by 85 percent in year 2016. However, he said that peace had return to Pakistan after sacrifices of thousands of civilians, army, police and Ranger jawans.

Chairman REAP Mahmood Baqi Moulvi in his address claimed that the rice sector whose exports were about 2 billion dollars was not treated like other export sectors as textile and leather etc. He demanded to include rice export sector in zero-rated exporting sectors and exempt it from sales tax and income tax on utility bills.

The Chairman said the rice exporters have been facing unprecedented challenges for years and consequently their capacity has been severely impaired. Exports, both in quantity and value terms, could not pick up pace and have stood below targets. Withdrawal of the zero-rating facility and imposition of sales tax would be detrimental to business activities.

The function was also addressed by LCCI President Abdul Basit, REAP Founder Shahzad Ali Malik and its Patron in Chief Pir Nazim Hussain Shah.
http://epaper.brecorder.com/2017/02/02/13-page/846259-news.html

BELARUS, PAKISTAN: ‘BILATERAL TRADE CAN BE RAISED TO $1B’
The Express Tribune, February 4th, 2017.

Islamabad: Belarus and Pakistan have real opportunities for raising bilateral trade to $1 billion by the year 2020, said Belarus President Alexander Lukashenko. According to Belta News agency he said, “We should think carefully about ways to strengthen our relations.” Lukashenko noted this as he welcomed the Pakistani guest and said Belarus has established good, friendly relations with the Pakistani leadership.”
https://tribune.com.pk/story/1316424/belarus-pakistan-bilateral-trade-can-raised-1b/

ITC CHIEF CALLS FOR BRINGING E-COMMERCE UNDER WTO RULES
Dawn February 5th, 2017
Mubarak Zeb Khan

ISLAMABAD: Amid a rising tide of nationalism, Geneva-based International Trade Centre (ITC) Executive Director Arancha Gonzalez has come up with a proposal for a global agreement to govern e-commerce under the umbrella of the World Trade Organisation (WTO).

No such global agreement exists at the moment. “It will be a good step forward,” Ms Gonzalez told Dawn at the conclusion of her five-day official visit to Pakistan.

The ITC is a joint development agency of the United Nations and the WTO. “There are a number of areas where e-commerce will benefit from global rules,” she said.
This agreement can be packaged under the so-called Doha Round, the latest round of trade negotiations among WTO members, she said. “Or you can have a separate agreement on e-commerce under the ambit of the WTO,” she added.

She said the volume of e-commerce was $30 million last year in Pakistan. This is significantly low in view of the potential of e-commerce in Pakistan.

The ITC executive director said Pakistan will have to implement two WTO agreements, namely the trade facilitation agreement (TFA) and the information technology agreement (ITA), to fully exploit the digital economy's potential.

Pakistan ratified the TFA last year. But she said its ratification is not enough. "You still have to implement all the committed reforms under the agreement," she said.

These reforms, especially at the customs level, are important because they will improve the competitiveness of Pakistani products. "The TFA is a tool to boost competitiveness of Pakistani companies," she said while arguing in support of the treaty.

These reforms, she said, are related to the simplification of procedures at the border and minimising the number of windows for clearance of goods.
Ms Gonzalez said her organisation had helped Pakistan in the initial phase of the preparation for the TFA ratification. "We helped Pakistan identify its priorities of reforms. Now we will help Islamabad implement it," she said.

With regard to another WTO agreement on information technology, she said the global IT agreement will help Pakistan develop its downstream industries. Many studies have been commissioned at the WTO level, which show benefits to the countries that ratified the ITA.

"We have to reduce the cost of hardware for consumers", she said, adding that Pakistan already embarked on this journey as 35m people had access to broadband due to liberalisation.
Asked about the future of the Doha Round, the ITC executive director said the name doesn't matter as long as the negotiations lead to an agreement. What matters is that the negotiation advances rules for trade at the global level, she said.

Showing optimism about the multilateral trading system, the ITC executive director said most countries will remain committed to multilateralism.

Unilateralism will not protect the interests of any country, she said, adding that no country adopted protectionist policies even during the financial crisis of 2008.

She said the United States will remain committed to the multilateral trading system.

She said the regional integration will enable Pakistan to do more trade with neighbouring China, India, Sri Lanka and Afghanistan. "It is the easiest way for small companies to trade with neighbouring countries," she said.

The China-Pakistan Economic Corridor (CPEC) is good step towards connecting regional markets, she said. The ITC executive director said the CPEC will provide infrastructure for regional trade.
To promote its exports, she said Pakistan will have to amend policies to improve the competitiveness of small and medium enterprises (SMEs). "You need to reduce the cost of trade… that is why the TFA is important for SMEs," she said.
https://www.dawn.com/news/1312736/itc-chief-calls-for-bringing-e-commerce-under-wto-rules

PAKISTAN URGED TO SIGN APTA
Dawn February 5th, 2017

ISLAMABAD: The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) has urged Pakistan to sign the Asia-Pacific Trade Agreement (APTA), suggesting the pact will ultimately become a stepping stone to promote liberalisation of the country's economy, and it would be much easier to negotiate Preferential Trade Agreements (FTAs).

In a special report on the potential benefits for Pakistan from the treaty, the UN regional commission says that with accession to APTA, more opportunities would open up for Pakistan in terms of cooperation with advanced participating states of APTA, like China and South Korea in reforming financial industries, as well as addressing the chronic problems of electric power shortage with circular debt.

https://www.dawn.com/news/1312733/pakistan-urged-to-sign-apta

CHINA ACCUSES US OF VIOLATING WTO RULES
Business Recorder, 5 February 2017

BEIJING: Beijing accused Washington of "protectionism" and violating global trade rules on Saturday, Chinese media reported, after the United States imposed hefty tariffs on certain Chinese steel imports.

The US Department of Commerce on Thursday imposed duties ranging from 63 percent to 190 percent on Chinese exporters that it accuses of selling their products at below fair value or of being unfairly subsidised.

"The United States has violated World Trade Organization rules by neglecting the abundant proof offered by Chinese companies and has treated them unfairly simply because of their state-owned-enterprise status," Wang Hejun from China's Ministry of Commerce was quoted by the official Xinhua news agency as saying.
"The root cause for current challenges facing the steel sector is the sluggish world economy and shrinking demand, which calls for global cooperation instead of protectionism."

The US tariffs follow a similar move last month by the European Union, which unveiled taxes of between 30.7 percent and 64.9 percent on certain Chinese steel products as it seeks to protect struggling steel makers in Europe.

China makes more than half the world's steel but a slowdown in its economy and sagging global demand has left the industry with huge excess capacity.

It has been accused of dumping its production on world markets, sinking prices and violating international trade agreements.

US President Donald Trump has previously threatened to impose 45 percent import tariffs on Chinese goods, saying the world's second biggest economy had abused the US through currency manipulation and illegal subsidies.

In the face of criticism, Beijing has vowed to eliminate 100-150 million tonnes of steel capacity — out of a total of 1.2 billion tonnes — by 2020.—AFP

http://epaper.brecorder.com/2017/02/05/1-page/846867-news.html

March 2017

NEWS COVERAGE PERIOD FROM MARCH 27TH TO APRIL 2 ND 2017
BALOCHISTAN OFFERS GREAT INCENTIVES TO INVESTORS: CM
Dawn, March 27th, 2017

QUETTA: Balochistan Chief Minister Nawab Sanaullah Zehri says that the provincial government is striving hard to create an investment friendly environment in the province and for the purpose it has offered attractive incentives to investors.

Speaking at the launching ceremony of Gwadar Gymkhana on Saturday night, he said with improvement in security situation Balochistan was fast becoming a hub of trade and business activities in the country.

The gymkhana is being constructed as a private project.

The chief minister vowed to protect investments and businesses in Gwadar and other parts of the province, saying that the government would provide all possible facilities and maximum incentives to both foreign and local investors.

He welcomed investors interested in setting up industries in Gwadar, saying that their units would be fully protected by the government.

Mr Zehri said the international airport being built in Gwadar with the cooperation of China would be the biggest in the country. Other transport services for connecting the port city with other parts of the country were also being launched.

He said Gwadar would soon become an international city, like Hong Kong, Singapore and port cities of the Gulf region. The port city, he added, would be a centre of business and trade activities in the region.

The chief minister said Balochistan was rich with natural resources, adding that the province was attracting foreign investors.

He said the economic development of the country was linked with Balochistan.

Mr Zehri said the government was making efforts for providing all necessary facilities to the people of Gwadar.

Referring to commercial activities in the port city, he said the government had already inaugurated a free trade zone and a free industrial zone which offered great incentives to investors. A large number of commercial complexes and industrial units were being set up in the city, he said, adding that these commercial activities were creating thousands of jobs.

The chief minister said because of incentives and facilities being provided to investors in Gwadar, the government had gained the confidence of the business community.

He said a master plan for the development of Gwadar had been prepared and it was now being implemented in phases. At the present stage, he added, the government was developing the basic infrastructure of the city in which provision of basic civic facilities would be ensured.

He said Balochistan was changing fast and would soon become the most developed part of the country.

He said participation of a large number of people in a public meeting addressed by Prime Minister Nawaz Sharif during his recent visit to Gwadar was an indicator that the government was enjoying the trust of people.

During his speech, the prime minister had announced a number of development projects, including a desalination plant for drinking water supply.

Addressing the ceremony, Gwadar Gymkhana’s owner Ahmed Iqbal shared details of the project.

https://www.dawn.com/news/1323110

ALMOND EXPORT CAN YIELD BILLIONS OF RUPEES FOR GILGIT-BALTISTAN
Dawn, March, 27, 2017

GILGIT: The economy of Gilgit-Baltistan is largely dependent on dried fruits and agriculture as the area is famous for its almonds, apricots, cherries all over the world.

Almond is the most popular fruit of Gilgit-Baltistan. Its many varieties are grown in all districts of GB. Each type has its own specific characteristics.

Gilgit-Baltistan produces about 120,650 tons of almonds per year and their export can yield billions of rupees for farmers.

Almonds produced in GB, both fresh and dried, are famous for their rich taste and organic nature. It is because of the pollution-free environment and abundant water resources, which make the area ideally suitable for natural growth of fruits and vegetables.

Healthy eating of organic and fresh fruits like almonds, and having ideal natural environment are reasons for the highest life expectancy of the GB people in Pakistan.

During the months of March, April and May the valley is full of flowers and panoramic views. The view of Gilgit from Jutial in spring is incredible, though it remains spectacular at any time of the year.

Almonds get ready in the month of August and are then dried in sun before they are sent to markets across the country. Tons of almonds transported between Gilgit and other parts of the country by road take several hours to reach the destination.

Due to the long and difficult road journey fruits worth billions of rupees are destroyed and cannot be dispatched to various markets of the country.

Muhammad Alam, a trader from Gilgit who ships almonds to other parts of country, said: “The business community of the area believes that as the aviation industry has become advanced globally, the government should invest in modern facilities so that the issue of flight cancellations to and from GB is overcome.

“Gilgit-Baltistan can become a business hub between Pakistan and China in the wake of the China-Pakistan Economic Corridor (CPEC) and can be used as a gateway between the two countries. If this were materialised the GB people could get huge benefits by exporting the finest quality of almonds and other dry fruits to China,” he said.

He said that at least twice a week flights between Gilgit and the Xinjiang province of China along with an air cargo facility would not only promote Pakistan-China trade but would also provide access to new markets.

The economy of Gilgit-Baltistan depends largely on dry fruits and agriculture, but lack of interest by public sector organisations towards this opportunity from which farmers of GB can earn billions of rupees through almond exports has remained neglected.

What is needed is the establishment of a proper infrastructure there.

The GB people can explore more opportunities in the agriculture sector and organic farming. Pollution-free climate and abundant water resources make GB ideally suitable for growth of almond and dried fruits.

Akramullah, in charge of fruits nurseries in Gilgit district, said that prospects for foreign investment were equally high in almond as investors could launch joint ventures in the sector.

“Japan has agreed to provide around Rs437 million to promote manufacture of value-added fruit products in Gilgit-Baltistan,” he added.

From Gilgit-Baltistan, the nearest large cities are Rawalpindi and Islamabad with a road distance of nearly 600 kilometres. Under these conditions one of the options available is to process the fruits in the area to increase their shelf life and to add to their value, so that it may be transported economically.

Facilities such as non-availability of export quality packaging material, quality control for grading and facilities for washing and disinfection also need to be developed.

The development of roads and infrastructure in Gilgit-Baltistan is also on the cards as investors are now keen to invest in construction of all-weather airports in Gilgit and Skardu. Investment in Gilgit-Baltistan will not only be beneficial for the area but will also help strengthen the country’s economy.

https://www.dawn.com/news/1323108

ECC ALLOWS 0.2M TONS SUGAR EXPORT WITHOUT SUBSIDY
The Express Tribune, March 29th, 2017.

ISLAMABAD: Accepting the request of powerful sugar millers, the Economic Coordination Committee (ECC) of the cabinet has allowed further export of 200,000 tons of the commodity, apparently to reduce the surplus following handsome sugarcane harvests.

Earlier, the ECC had permitted in December 2016 export of 225,000 tons by the end of March 2017.

The fresh decision came in a meeting of the ECC held on Tuesday under the chairmanship of Finance Minister Ishaq Dar.

According to a statement, the committee discussed and approved a proposal of the Ministry of Commerce for further export of 200,000 tons of sugar without provision of any subsidy.

Shipments will be made within 60 days after the approval of export quota by the State Bank of Pakistan or by May 31, 2017, whichever is earlier. Only those mills will be allowed to make exports which have cleared dues of farmers for the previous season and have processed sugarcane at optimum capacity.

In December 2016, the ECC had allowed sugar export with the condition that an inter-ministerial committee, headed by Commerce Minister Khurram Dastgir, would recommend a halt to further exports if domestic sugar prices were found to be negatively impacted.

Later, the Pakistan Sugar Mills Association (PSMA) requested for extension in the time frame from March 31 to May-end and also sought an increase in export quantity. The matter was sent to the Sugar Advisory Board (SAB) for advice.

The inter-ministerial committee made its recommendations after reviewing the request of PSMA and input provided by SAB.

In the light of these recommendations, the ECC gave the go-ahead to extending the time frame and enhancing the export volume. The committee, however, cautioned that it would keep a close watch on domestic price movements and would suspend exports if the local market was adversely impacted.

The ECC also considered a proposal for the allocation of gas from Pakistan Petroleum Limited (PPL)'s Kandhkot field and agreed on the supply of 150 million cubic feet per day (mmcfd) to Thermal Power Station Guddu.

PPL will supply an additional 50 mmcfd to the power station from the start of June or the date of commissioning of the power station's new pipeline, whichever is earlier.

The supply of the entire 200 mmcfd will be subject to a minimum 72.5% take-or-pay quantity.

Responding to a proposal of the Revenue Division, the ECC extended the period to June 30 for the imposition of reduced withholding tax at 0.4% on banking transactions above Rs50,000 by non-filers of income tax returns. The committee also agreed on the disbursement of December 2016 salary amounting to Rs380 million to the employees of Pakistan Steel Mills.

After deliberating on a proposal put forth by the Ministry of National Food Security and Research, the ECC permitted procurement of the 2016-17 wheat crop by public sector departments to meet the target of 7.05 million tons. An amount of Rs224.86 billion will be required to purchase the required quantity.

Wheat stocks kept in the public sector help augment supplies during lean periods and meet food requirements of the areas facing shortage.

The ECC approved changes to the existing procedure for sampling and testing of imported petroleum products.

A laboratory of the Hydrocarbon Development Institute of Pakistan (HDIP) will check the product quality prior to its unloading.

HDIP will take samples in the presence of the importer's surveyors. In case of quality dispute, re-sampling will be carried out by a third-party surveyor. The fresh sample will be tested in the presence of nominated representatives of the importer and HDIP by another independent laboratory approved by the Oil and Gas Regulatory Authority (Ogra). Test results will be final and binding.

Furthermore, Ogra will also independently take random samples from vessels carrying the imported petroleum products for testing through approved laboratories for effective monitoring, quality assurance and greater transparency.

https://tribune.com.pk/story/1368170/ecc-allows-0-2m-tons-sugar-export-without-subsidy/

REDUCING TRADE COSTS TO PROMOTE EXPORTS
Salamat Ali

Pakistan is making strenuous efforts to increase its trade flows. It has automated its border clearance procedures and recently signed the WTO's Trade Facilitation Agreement (TFA). Earlier, it made some fundamental changes in its trade policy; for instance, it introduced zero-rating scheme for vital exporting sectors in 2005 and subsequently signed trade agreements with China, Sri Lanka and Malaysia. These reforms have contributed to increase in trade flows but the country has yet to see the appropriate trade response commensurate with its trade potential. This article analyses the issue of trade promotion from a micro perspective and makes some recommendations to make Pakistan a trading place.

During the last decade, the dynamics of international business have changed rapidly. Previously it was generally thought that countries engage in trade but now it is widely believed that it is the firms, not countries or industries, that conduct international business. A cursory look at the trading pattern of Pakistan's exporters indicate that most of them sell large quantities in the home market. This is because international trade is costly, particularly in Pakistan (Figure 1). Before engaging in trade, firms must incur fixed and sunk costs of production, transportation, and development of distribution network in export markets. A firm should be able to meet these costs and make substantial operating profit. These costs are incurred upfront but profits are deferred and uncertain. Therefore, these costs deter most firms from engaging in international markets.

Broadly speaking, there are three categories of trade costs along the supply chain: behind the border, at the border, and beyond the borders.

Behind-the-border costs pertain to transportation of goods from factories and farms to gateway airports or seaports, as well as other barriers, such as credit constraints, and product and labour market regulations.

Geographically Pakistan is a semi-landlocked country with access to seaport through the Arabian Sea only but its manufacturing and exporting activities are unevenly distributed in the hinterland. The most important component of trade costs relates to inland transportation. Owing to long internal transportation, Pakistan's geography becomes a natural non-policy barrier to trade through sea.

Fortunately, the China Pakistan Economic Corridor (CPEC) project would reduce trade costs within Pakistan by significantly increasing connectivity. The CPEC will provide a network of road and railways to link remote manufacturing facilities in hinterland to seaports of Karachi and Gwadar. This improved connectivity will reduce the costs of transportation and curtail travel time. However, these behind-the-border costs are just one component of cost of doing international business.

Second important component of trade costs pertains to crossing international borders. At-the-border costs involve preparation and filing of documentation, and chasing them with customs authorities, freight forwarders and shipping agents. Pakistan has streamlined these procedures to a great extent.

Reforms in customs administration and the enhanced use of information and communication technology have significantly reduced these costs. These border-related costs would drop further over time because of the ongoing reforms, especially as the implementation of the TFA sets in.However, one important component of trade costs at the border is relatively higher import tariffs, which needs rationalisation.

Like many other developing countries, Pakistan obtains a substantial share of revenues from border taxes. Although the rate of customs duty has dropped substantially, the effective rate has not changed much because of many other taxes levied at the import stage. The ADB reckons that Pakistan's import taxes are highest in the region.

Relatively higher border taxes directly affect Pakistan's trade in three important ways: i) they impede the use of imported inputs as industrial raw materials for exports. As exports and imports are two sides of the same coin, a tax on imports is basically a tax on exports; ii) high import tariff shields inefficient domestic producers. Tariff rationalisation will remove this protection and foster competition, which in turn will push these inward focused firms to explore international markets, leading to an increase in exports; and iii) the reduced tariffs will improve cash flows of existing exporters and incentivise them to expand their output and diversify their products as big exporters are also big importers.

The third component of trade costs relates to market access beyond the borders. Pakistan's trade regime, which so far has been multilateral in nature, needs considerable revisiting. As multilateral trading system has not made much progress, the world stands divided in various regional trading blocs. Currently more than 700 free and preferential trading agreements (FTA/PTA) exist between WTO members and Pakistan is a member of only six such agreements. Moreover, the world is witnessing the emergence of mega trading blocs such as Trans-Pacific Partnership, and Transatlantic Trade and Investment Partnership in Asia and Europe, and the continent-wide FTA in Africa.

Pakistan needs to engage in these regional and extra-regional agreements to improve the comparative advantage of its export-oriented firms. The increase in market access owing to the PTAs could incentivise more firms into exporting, and existing exporters to expand their product set. Pakistan's own FTA with China is a best example of the trade effect of these agreements. Pakistan signed FTA with China in 2007. At that time, only 1,100 firms were exporting to that market. Last year, the figure was around 2,000, raising the trade volume from $3 to $16 billion.

To facilitate exports, Pakistan needs to take a holistic approach to reduce trade costs along the supply chain. The CPEC will reduce behind-the-border trade costs but the country still needs to focus on reducing trade costs at the border by rationalising tariffs, and those beyond the borders by negotiating trade agreements. Moreover, it needs to focus on upgradation of skills which are critical to increasing production capacity, and a country can only export what it produces.

http://epaper.brecorder.com/2017/03/30/79-page/861624-news.html

PM FOR INCREASED BILATERAL TRADE WITH BAHRAIN
Dawn, March 30th, 2017

Amin Ahmed

ISLAMABAD: On the eve of the second session of Pakistan-Bahrain Business Opportunities Conference, Prime Minister Nawaz Sharif on Wednesday held a meeting with Bahrain's Minister for Commerce and Industry Zayed R Alzayani.

Mr Alzayani is leading a delegation of prominent Bahraini businessmen and investors.

The prime minister welcomed the initiative of establishing the Pakistan-Bahrain Joint Holding Company. We are confident that it will be successful in increasing bilateral trade and investment, he said.

He informed the delegation about the China-Pakistan Economic Corridor and stressed the government and business community of Bahrain can benefit immensely from the opportunities offered by the megaproject.

The Bahraini delegates expressed their keen interest to take part in Pakistan's emerging economy. They also showed interest in further expanding Pakistan's to Gulf counties.

Meeting the delegation, Minister for Commerce Khurram Dastgir hoped the moot will pave way for more business opportunities and enhancement of bilateral trade with Bahrain.

To enhance trade, non-tariff barriers and some tariff barriers needs to be removed, Mr Dastgir said, adding that Bahrain should ease the business visa process to encourage more business-to-business interaction.

Mr Alzayani invited Pakistan to hold food and cultural festivals in Bahrain. The commerce minister welcomed the invitation of his counterpart and said Pakistan may hold a food and cultural festival in Bahrain in October this year.

He also invited Bahrain to hold and participate in trade exhibitions in Pakistan and exchange business delegations.

The visiting delegation comprises Vice Chairman Bahrain Chamber of Commerce and Industry (BCCI) Sheikh Mohamad Bin Isaac, Senior Member BCCI Muhammad Sajid, Executive Board Member BCCI Muhammad Usman, Chairman Joint Council BCCI Ahmed Bin Hindi, Executive Board Member Ali Ahmed Bufarson, Member Parliament Ahmed Al Saloom, Chairman SME Council Ferial Nas, Chairwoman of Business Council Suhair Bokhammas.

The Pak-Bahrain Joint Business Council was set up in 2007 and its first meeting was held in September last year. Commerce ministers of the two countries will co-chair the conference.

In 2015-16, bilateral trade between Pakistan and Bahrain was $143.10 million including $66.47m exports from Pakistan and $76.63m imports from Bahrain.

https://www.dawn.com/news/1323632

PM APPROVES NATIONAL SINGLE WINDOW TO BOOST TRADE
Dawn, March 31st, 2017

Mubarak Zeb Khan

ISLAMABAD: Prime Minister Nawaz Sharif has approved the establishment of a national single window (NSW) for managing Pakistan's external trade, a senior official told Dawn on Thursday.

The premier took the decision to take away the power of managing trade from the Ministry of Commerce following informal consultation with internal and external experts.

The official said the decision was taken after complaints about cumbersome import/export procedures involving numerous government entities.

The Customs are going to be the lead agency in the NSW. They have already made in-house preparations to take over the regulation of external trade.

Over the years, the single window has become a core instrument to facilitate trade, simplify procedures and implement electronic business. Around 50 countries have implemented the NSW system.

Pakistan has ratified the trade facilitation agreement with the World Trade Organisation and the NSW is one of the steps in that direction.

According to the official, the prime minister was not happy with the performance of the commerce ministry. The official said manual processing of documents related to cross-border trade leads to malpractices, frauds and discretion.

The prime minister's secretariat directed the Federal Board of Revenue (FBR) chairman to move a summary with specific proposals on timelines, stakeholders' contact points and national steering committee for a smooth rollout of the NSW.

The NSW is an important issue because the country is moving towards major economic and trade initiatives like the China-Pakistan Economic Corridor (CPEC), Central Asia Regional Economic Cooperation and Community Investment Tax Relief.

As per the prime minister's directives, the FBR will immediately start consultation for the establishment of an information and communications technology -based NSW for cross-border trade. All stakeholders must be consulted, trained and integrated in the NSW in a structured manner, the official said.

According to the premier's directive, all regulatory bodies will retain their respective powers while their functions will be carried out through electronic access to the NSW. The proposed window will provide a comprehensive solution for imports, exports, transit trade, trade through border customs stations and air cargo.

https://www.dawn.com/news/1323925/pm-approves-national-single-window-to-boost-trade

RCCI SIGNS MOU WITH BAHRAIN CHAMBER TO BOOST TRADE
The Express Tribune, March 31st, 2017.

RAWALPINDI:

The Rawalpindi Chamber of Commerce and Industry (RCCI) and Bahrain Chamber of Commerce and Industry (BCCI) signed a memorandum of understanding (MoU) on the sidelines of Pakistan-Bahrain Business Opportunities Conference in Islamabad on Thursday.

RCCI President Raja Amer Iqbal and BCCI Chairman Khalid Rahman Almoayed signed and exchanged documents at a ceremony attended by chamber representatives, government officials including Federal Commerce Minister Khurram Dastgir, Pakistan Ambassador to Bahrain Javed Malik and RCCI group leader Sheikh Muhammad Shabir.

Speaking on the occasion, Iqbal said the major objective of the MoU was to promote bilateral trade between the chambers and mutual benefits of business communities of both the countries.

"Both chambers will cooperate with each other to establish and develop direct and effective business relations between their respective members to facilitate business-to-business meetings on a reciprocal basis," said the RCCI president.

Under the agreement, both chambers will assist each other in organising exhibitions, conferences, seminars, research and development, information sharing, mutual trade and joint ventures.

Iqbal said it was a great achievement and milestone for the RCCI in the promotion of bilateral trade, adding exchange of trade delegations would further enhance the trade volume. "Business community of both sides should visit each other to find different exportable items for their countries."

https://tribune.com.pk/story/1370143/rcci-signs-mou-bahrain-chamber-boost-trade/

NEWS COVERAGE PERIOD FROM MARCH 20TH TO MARCH 26TH 2017
SURGE IN FOOD TRADE DEFICIT.
Dawn, Economic & Business, March 20th, 2017

Mohiuddin Aazim

IN FY16, Pakistan's food trade deficit almost tripled to $1.4bn, from $470m in FY15 as the trade surplus seen in FY13 and FY14 could not be sustained.

And, in seven months of this fiscal year, the deficit has already crossed $1.4bn mark. Market watchers say full FY17 food trade gap might touch $2bn (see table). This is alarming. So, what's wrong and where?

Increasing population and higher per-capita intake of food, craze for protein-rich fast food, increase in income levels and resultant additional demand for diversified and higher quality eatables all are putting pressure on food imports.

On the other hand, low per-acre yields of food crops, limited productivity of dairy and meat sectors, issues in fish hauling and processing and inefficiencies in food processing industries keep export surpluses from growing fast. And, poor export marketing impedes faster food export growth.

"No short-term solution is in sight. Imports will keep growing and exports cannot catch up for a few years," admits a senior official of Trade Development Authority of Pakistan.

"Economy is growing faster and with it is growing demand for food imports in all three categories, raw materials, semi-finished and finished food products. Besides, retailing of imported food items in local markets has become quite profitable and less-bothering than food export business."

"Wholesale markets across Pakistan now remain flooded with food items from China and India throughout the year. Businessmen earn decent profits on distribution and retailing of imported food stuff.

Imports of vegetables and vegetable products from the two neighboring countries have shown a rising trend in recent years also because they are cheaper and help wholesalers earn higher profits than they could by selling local items.

With online marketing being a big help, thousands of jobless men in Karachi and Lahore are engaged in this business."

The irony is that our imports not only include animal feed, oilseeds, seed plants, vegetables, pulses, fresh and dry fruits, and confectionary items—but also rice and maize.

In nine months of the last fiscal year, $12m worth of rice and $5m worth of maize were imported from China. During the same period, we imported $28m worth of tomatoes from India—thanks to mismanagement in local tomato marketing. Growers say our last tomato crop was not bad. But delayed supply to local markets created shortage leading to hurried imports from India.

Pakistan's main food imports include edible oils and oilseeds, tea, coffee, vegetables, and vegetable oils, live animals ad animal products and prepared food products and beverages.

Despite some growth in local oilseed production, edible oil imports continue to remain high chiefly due to less efficient oil extraction industry and smuggling of local edible oil to Afghanistan.

Inefficiencies and uncertainties in farm-to-market supply of domestic veggies make them pricier in wholesale markets, traders say.

Exports of basmati varieties have suffered lately. Branding has made it possible for Indian traders to make bulk purchases of Pakistani rice and sell them to the world under Indian brands.

Small wonder then our rice export earnings declined 8.6pc in FY16 to $1.86bn even though export volumes recorded a 10.4pc increase. Besides, the fact that more than 45pc of our food export revenue comes from rice exports shows the need for developing more market brands.

Over the years, successive governments have promoted local production of cooking oil and ghee. But that is yet to translate into sufficing domestic demand and creating some export surplus. Instead we remain stuck up in issues of industry's inefficiency and under-reporting.

Our combined annual output of cooking oil and ghee rose to 1.6m tonnes in FY16, from 1.4m tonnes in FY11, showing a total growth of 14pc. On the other hand, our combined imports of palm oil and soybean oil grew close to 2.8m tonnes from a little over 2.1m tonnes during this period, showing a cumulative increase of 33pc.

"Ideally, the growth rate of raw material (palm oil and soybean oil) and the final output (cooking oil and ghee) should vary this much," says a former chairman of Trade Development Authority of Pakistan.

"The mismatch in numbers indicates either edible oil manufacturing industry is less efficient or cooking oil and ghee production is being under-reported whether due to expanding informal sector or due to avoidance of taxes by those in the formal sector."

In meat exports, our export promotion efforts are yet to produce desired results. Over 80pc meat export earnings still originate from six countries: UAE, Saudi Arabia, Bahrain, Oman and Qatar.

Iran, Iraq, Vietnam, Thailand and Germany are some of the other markets where Pakistani meat exporters have made inroads. "But there is a need to diversify the market base further while focusing more on Saudi market where Pakistani meat sells at premium and where our meat exports are growing at the fastest pace," says a TDAP official.

https://www.dawn.com/news/1321630

CHINA PREPARES TO COUNTER US TRADE PENALTIES
Dawn, March 21st, 2017

BEIJING: China's government has been seeking advice from its think-tanks and policy advisers on how to counter potential trade penalties from US President Donald Trump, getting ready for the worst, even as they hope for business-like negotiations.

The policy advisers believe the Trump administration is most likely to impose higher tariffs on targeted sectors where China has a big surplus with the United States, such as steel and furniture, or on state-owned firms.

China could respond with actions such as finding alternative suppliers of agriculture products or machinery and manufactured goods, while cutting its exports of consumer staples such as mobile phones or laptops, they said.

Other options include imposing tax or other restrictions on big US firms operating in China, or limiting their access to China's fast-growing services sector, they added.

Beijing was a particular target of Trump's rhetoric during last year's election campaign, and officials see some friction as inevitable due to China's large trade surplus, according to several sources involved in the internal discussions.

China's State Council Information Office, the government public relations arm, and the Ministry of Commerce did not return requests for comment.

"There is still room for both sides to resolve problems through co-operation and consultation, rather than just resorting to retaliation," said a policy adviser who spoke on condition of anonymity.

"But we should have plans in case things go wrong." Premier Li Keqiang said last week that Beijing did not want to see a trade war with the United States and urged talks between both sides to achieve common ground.

US Treasury Secretary Steven Mnuchin also said last week that the Trump administration did not want trade wars, but that certain trade relationships needed re-examining to make them fairer for US workers.

No major US measures have been announced, and there were no public indications of Washington's intentions on trade at the weekend when Secretary of State Rex Tillerson visited China.

Trump is expected to host President Xi Jinping next month.

A glimpse of the uncertain future, however, came on Saturday in a communique after a meeting of finance ministers at the G20 in Germany, which dropped a pledge to keep global trade free and open, acquiescing to an increasingly protectionist United States after the two-day meeting failed to yield a compromise.

The sources said China could step up some imports from the United States and boost its investment there to help create more jobs as a goodwill gesture, but would not meekly accept any unilateral US action.

"We will have contingency plans to cope with the worst policies from Trump," said a second policy adviser.

Trump has previously threatened a 45 percent tariff on China's exports and frequently said on the campaign trail that he would label China a currency manipulator, even though Beijing has not been actively weakening the yuan in recent years.

In an interview with Reuters on Feb. 23, he declared China the "grand champions" of currency manipulation.

"It's hard to say his views have changed or he has become more pragmatic," said the first adviser.

Mnuchin has pledged a more methodical approach to analysing Beijing's foreign exchange practices.

https://www.dawn.com/news/1321764

ARGENTINIAN ENVOY CALLS FOR JOINT EFFORTS TO ENHANCE TRADE
The Express Tribune, March 23rd, 2017.

Imran Rana

Faisalabad: Argentinian Ambassador Ivan Ivanissevich called for sector specific measures and collective efforts to raise the bilateral trade volume between the two countries, which is less than the real potential.

Exchanging views during his visit to the Pakistan Textile Exporters Association (PTEA) on Wednesday, he said that the business communities of both the countries must join hands and work together for improving trade ties by regularly participating in exhibitions, organising trade delegations and other such trade promotional activities.

He said that 60% of Argentina's textile products are being imported and the remaining 40% are being produced locally; whereas the textile clothing imports have also witnessed a surge of 27% in 2016, which is an opportunity for Pakistani textile producers to benefit from the situation.

Talking about PTEA chairman's comments, about investment opportunities in Pakistan, the ambassador opined that there are opportunities for Argentinian farmers to invest and cooperate in the agriculture sector as Pakistan's agriculture sector is not as developed compared to Argentina's.

"We can share our knowledge on how to improve yield and also assist in improving irrigation, which would result in more yield and less water consumption," said Ivanissevich. He stressed that the Argentinian Embassy and PTEA must maintain a working relationship in order to help identify different areas of cooperation.

Earlier, in his welcome address, PTEA Chairman Ajmal Farooq said that Argentina is a reliable supporter of Pakistan and both countries enjoy cordial relations and understanding on global and regional issues.

He termed Argentina as one of the major export destinations in South American region, saying that the volume of bilateral trade is less than a quarter of the real potential.

Quoting figures, he said that during outgoing fiscal, Pakistan's exports to Argentina were around $52 million; whereas Pakistan's imports from Argentina were $194 million.

https://tribune.com.pk/story/1363200/argentinian-envoy-calls-joint-efforts-enhance-trade/

NEWS COVERAGE PERIOD FROM MARCH 13TH TO MARCH 19TH 2017
ECONOMICS OF OIL SEED IMPORTS
Dawn, Economic & Business, March 13th, 2017

Aamir Naqvi

In a rising tide of protectionism, the international market does not hold much promise for a surge in exports. The evolving immigration policies in the West and the Middle East seen to signal an approaching decline in workers' remittances which finance much of the widening trade gap.

With dollar earnings unlikely to pick up fast in the immediate future, policymakers need to look for ways to contain the import bill. The foreign exchange needs, for development spending in a growing economy, require every dollar earned be well spent.

At least the State Bank of Pakistan has moved in this direction. The regulator has imposed 100pc cash margin requirements on hundreds of consumer items , raising some market expectations that the fiscal policy would be synchronised with the monetary policy when the next import policy is announced.

In this context, some poultry industry analysts believe that the underlying rationale of taxation policy with respect to import trade needs to be reviewed , both to economise on foreign exchange spending and to cut financial losses incurred by the national exchequer owing to not so well-designed subsidy policies to shelter domestic industry from foreign competition.

From the point of view of foreign exchange outflow and revenue generated for the national exchequer, a study was conducted to ascertain the rationale for the taxation policy in respect of different varieties of imported oilseeds and oil to close the demand-supply gap. Pakistan produces only 18pc of the required edible oils from the domestic resources of oilseeds and the shortfall is either imported or produced from imported sunflower, canola or soy seeds.

The researchers picked up two varieties of seeds which they considered most relevant to the reference points in their study: soybean, which yields the lowest oil percentage at 17-17.5pc and sunflower with the highest oil percentage at 47pc.

The detailed working of cost and revenue collection revealed that sunflower fetches a higher revenue at Rs9,611/tonne of oil and meal produced against soybean at Rs6,037..And for each tonne of oil produced from imports of soybeans, an outflow of $2362.86 was required against $904.26 for sunflower: an extremely high difference of $1,458.60.

The import of soybean for production of oil and meal yielded a revenue of Rs6037 per tonne against direct imports of oil and meal yielding a revenue of Rs8,695.

On one million tonnes of soybeans imported during the last 12 months for oil production from which 175,000 tonnes of oil and 750,000 tonnes of soybean meal were produced, the exchequer got a lower revenue of Rs2.659bn, compared to what it would have received if direct imports were made.

Since the main objective of the government was to fill in the oil gap, it subsidised soy extraction channel by Rs2.659bn to produce just 175,000 tonnes of oil — a subsidy of Rs15,194.3 for each tonne of oil.

The study also revealed the smaller producers of poultry feed, who did not have the capacity to import large shipments of soybean meal, had to buy locally produced meal at Rs57,200/tonne inclusive of sales tax and excluding inland transportation cost.

On the other hand, large importers paid only Rs50,316.90/tonne inclusive of all taxes and inland freight from Karachi to Lahore at Rs2950/tonne — the difference being Rs 6883/tonne. Since 750,000 tonnes of soybean meal was produced locally, the excess amount paid by smaller poultry feed producers was Rs5.16bn.

The study reveals that the federal government has lost a revenue of Rs2.659bn from the imports of one million tonnes of soybean oilseed for solvent extraction and the poultry sector incurred a higher cost of R 5.16bn for purchase of locally produced soybean meal. Thus, it concluded, that it is not prudent to continue the tariff and taxation policy to encourage oil extraction from soybeans.

In order to continue employment in the solvent extraction industry and for lower foreign exchange outflow, the taxation policy may be attuned to encourage imported sunflower seed utilisation for oil production.

The study merits scrutiny by poliymakers to see how the import cost of oil seeds and related products can be reduced and how the controversy between the solvent extractors and the poultry industry is resolved for the overall benefit of the economy.

https://www.dawn.com/news/1320012

GERMAN AMBASSADOR ASSURES CONTINUED SUPPORT
The Express Tribune, March 15th, 2017.

Imran Rana

FAISALABAD: Germany will continue to extend its diplomatic and political support to help explore more avenues for bilateral trade, said German Ambassador Ina Lepel.

Addressing a meeting at the Pakistan Textile Exporters Association (PTEA) Tuesday, she said that Germany is among the major trading partners of Pakistan and several German firms are working across different trade fields in the country.

"Both countries have the potential to increase the trade volume and we must carve out ways and means to exploit the available potential," said Lepel.

Terming the Generalised System of Preferences (GSP) Plus as a key driver for promoting bilateral trade, she said that with duty free access to EU, Pak-German trade volume has reached $2.24 billion in the last year with positive growth of 16%.

In the first half of the current fiscal year, growth in bilateral trade has been 6%.

She said that Germany is looking at ways to help the Pakistani business community fully utilise the available opportunity.

However, the ambassador cautioned that GSP Plus preferences should not be taken for granted as Pakistan has to ensure compliance with 27 international conventions.

In order to further strengthen business institutions, the Pakistan-German Chamber of Commerce and Industry has been established, which would further improve bilateral trade and economic relations, she added.

PTEA Chairman Ajmal Farooq briefly highlighted the core functions of the association and thanked the German government on its support for duty free access of Pakistani goods to EU and grant of GSP Plus status for Pakistan.

Terming Germany as a major export destination for Pakistan, he stressed on the need to diversify two-way trade as the bilateral trade does not reflect its potential.

Farooq invited the German companies and investors for investment and joint ventures.

Inviting German support in the energy sector, he said that Germany has earned a respectable name in alternative energy solutions; therefore, transfer of technology and joint ventures in this regard could be a great favour to Pakistan's economy.

https://tribune.com.pk/story/1355331/german-ambassador-assures-continued-support/

GOVT COMMITS REFORM FOR BORDER TRADE FACILITATION
Dawn, March 16th, 2017

Mubarak Zeb Khan

ISLAMABAD: The government announced a reform strategy on Wednesday for cross-border movement of goods under the Trade Facilitation Agreement (TFA).

Addressing a press conference, Commerce Minister Khurram Dastgir said the agreement would help facilitate, simplify and modernise international trade among World Trade Organisation (WTO) members.

The WTO launched the TFA in 2013 to ease border trade across the world. Pakistan ratified the agreement in October 2015 which came into effect on Feb 22 after ratification from two-thirds members (110) of the organisation.

The member countries committed to reforms in three categories, i.e. A, B and C. All the reforms that Pakistan committed in category A have already been implemented after the ratification of the agreement. The proposed commitment for reforms mostly related to customs under B and C categories.

On the other hand, all these reform commitments will have to be discussed in a national committee on trade facilitation, a multi-stakeholders body having representation from the private sector, as required under the TFA agreement. But the government has yet to set up the committee.

However, an official of the Ministry of Commerce said the National Trade and Transport Facilitation Committee, which was established in 1998, was tasked to do the same job and has held six meetings in the last couple of years.

"We have discussed the categories in the last two meetings," he said, adding that the committee in January decided to have a briefing on reforms commitment in April. But the ministry announced the commitments ahead of the briefing to the committee over the proposed reform strategy.

In three areas of category B reforms, the government proposed only one year for implementation while for the rest of the reforms the Federal Board of Revenue (FBR) has sought three years.

Interestingly, the FBR has sought five years for sharing of their routine rules, procedures, forms and policy letters. All legislation in Pakistan is uploaded on the website of the National Assembly the day it is approved, while the FBR is seeking five years for doing the same job.

An official note of the commerce ministry said that the Organisation for Economic Cooperation and Development has suggested that implementation of the TFA would reduce trade costs by 14.5pc. Developing countries like Pakistan will also be able to diversify their exports and enter new markets.

The WTO's trade facilitation agreement will also help develop countries attract more foreign direct investment, increase customs revenues and curb corruption through the availability of all information in a transparent manner. Beyond these quantifiable economic benefits, the agreement will also improve the systems and customs procedures.

Against this backdrop, the FBR sought five years for committing expedited shipment and establishment of a single window, which are basic requirements for attracting investments. The FBR is also reluctant to commit reforms in those areas which are already covered in the customs act.

The TFA contains provisions for expediting the movement, release and clearance of goods. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues.

https://www.dawn.com/news/1320741

SUGAR EXPORTS NOT TO HARM INDUSTRIAL CONSUMERS: PSMA
Dawn, March 17th, 2017

LAHORE: In response to a recent statement by the Pakistan Biscuits and Confectionery Manufacturers Association (PBCMA) about sugar exports, a spokesman for the Pakistan Sugar Mills Association (PSMA) said on Thursday the industry is only seeking to export surplus sugar after accounting for the local requirement for both industrial and domestic consumption.

"Since the quantity of sugar is in surplus, it cannot be sold in Pakistan over and above the need of the consumers. The industry cannot make payments to sugar cane farmers without the disposal of surplus stocks," the PSMA spokesman said.

The spokesman said manufacturers of confectionery, biscuits and beverages never reduced their prices for consumers. “In fact, they want to secure their raw material at rates where the industry cannot break even to pay to the farmers,” the PSMA statement said, adding that the apprehensions expressed by the PBCMA are ill-founded.

The spokesman further said that 80 per cent cost of producing sugar consists of the sugar cane component, which is paid to farmers. Besides, the Federal Board of Revenue (FBR) has fixed the assessable value of sugar at Rs60 per kilogram.

https://www.dawn.com/news/1320879/sugar-exports-not-to-harm-industrial-consumers-psma

NA BODY, BUSINESS COMMUNITY BLAME FBR FOR FALLING EXPORTS
Dawn, March 17th, 2017

Kalbe Ali

ISLAMABAD: All members of the National Assembly Standing Committee on Finance, irrespective of their party affiliation, on Thursday blamed the Federal Board of Revenue for country’s falling exports and suggested authorities to learn from the Bangladesh model.

The opinion was shared by representatives of various chambers of commerce of industries in Pakistan who were present at the meeting.

Chairman of the NA Standing Committee on Finance, Qaiser Ahmed Sheikh had invited key chambers and business associations to give their suggestions ahead of the federal budget.

Almost all speakers criticised the FBR for failing to facilitate the business community and being unable execute its responsibilities.

“When we were giving invitation to the business community to come to the committee meeting, almost everybody including certain big names asked me to get their refunds cleared from the FBR,” Mr Sheikh said.

Chairman FBR Dr Muhammad Irshad said that only Rs50 billion amount of tax refunds were pending. However, his statement was interrupted by President FPCCI Zubair Tufail who said that the refund amount was more than Rs150bn.

“Some refunds have been pending for more than two years and usually many cases get cleared after paying commission to the FBR officials,” he added.

Meanwhile, KCCI’s Haroon Farooki, a former business community leader, called upon PML-N MNA Mian Abdul Mannan, an old comrade of his, to extend help to the business community.

“While the refund issue of the business community remains unresolved, the government was extending Rs180bn package to Aptma. However that too remained fruitless,” he said.

Contrary to the general expectation, the leaders of business community belonging to Gujrat, Lahore, Sialkot, Gujaranwala and other cities of Punjab – considered pro-PML-N – were highly critical of the FBR and government policies.

They said the numbers of filers were declining while junior FBR officials were sending notices without any justification.

It was highlighted that to expand the filer base, the government should make it mandatory for those having commercial utility metres to have NTN too.

The ginners and importers were critical of FBR, highlighting that accounts were frozen despite paying Rs100 million in taxes and nothing improper was found.

The business leaders said Pakistan's exports have declined by around $6bn in three years and projected that another drop of $2-3bn was expected in the ongoing fiscal year.

"We should learn from Bangladesh which has demonstrated remarkable export growth despite not being a cotton producing country," Mr Zubair Tufail said while giving the summary of FPCCI's budget proposals.

He added that FBR should not consider business community as withholding agents.

The NA committee decided to discuss budget proposals in the next meeting and forward these to the Ministry of Finance.

https://www.dawn.com/news/1320883/na-body-business-community-blame-fbr-for-falling-exports

PAKISTAN, BELARUS MOVE TOWARDS OPEN BANKING CHANNELS
The Express Tribune, March 17th, 2017.

Faisalabad: In a bid to enhance the trade volume between Pakistan and Belarus up to $1 billion, central banks of both countries have already inked a Memorandum of Understanding (MoU) and now steps are being taken to open bank branches.

This was said by Belarus Ambassador Andrei Ermolovich, while addressing members of the Faisalabad Chamber of Commerce and Industry (FCCI).

He said that as per their instructions various institutions are working towards achieving this objective, adding that different areas have been identified to boost bilateral cooperation. He said that the banking system is the prerequisite to undertaking major bargains and in this connection a mutually acceptable banking system is being evolved with the active cooperation of central banks of Belarus and Pakistan.

Talking about the importance of trade delegations, the ambassador said the business community of Pakistan should actively participate in trade exhibitions and fairs being organised in Belarus. He said that Belarus was organising an agriculture and textile fair and invited Pakistani exporters to participate in the event.

Also speaking on the occasion, Belarus Chamber of Commerce and Industry representative Jurabek Kirgizbekov said that his country can help Pakistan in production of powdered milk, ice cream, yogurt, animal husbandry and canned products.

He said that Belarus is included in a five-country alliance, which had no well-marked boundaries.

He encouraged Pakistani exporters to establish their ware houses in Belarus, from where they could make exports to the surrounding countries without any additional customs duty or taxes.

Similarly, visa issued by one country is also acceptable in all the five countries. Hence, extra care has to be taken while issuing visas for Belarus, he added.

Kirgizbekov further said, “We are also considering starting direct flights between Pakistan and Belarus.”

FCCI President Mohammad Saeed Sheikh said that volume of bilateral trade between the two countries was around $63.6 million during 2016.

Pakistan made exports worth $13.28 million to Belarus, while imports from Belarus stood at $50.28 million during the same period. Thus, the balance of trade is in favour of Belarus, he added.

Mentioning the fourth Joint Trade and Business forum of Pakistan and Belarus in which many agreements and MoUs were inked, Sheikh said that Prime Minister Nawaz Sharif is optimistic in view of these agreements that our bilateral trade will grow steadily up to $1 billion.

He asked the ambassador to facilitate FCCI trade delegation to Belarus for an extensive interaction with the business community of Belarus.

https://tribune.com.pk/story/1357412/pakistan-belarus-move-towards-open-banking-channels/

GERMANY COULD FILE WTO SUIT AGAINST US
Dawn, March 18th, 2017

BERLIN: Germany could file a suit against the United States at the World Trade Organisation over President Donald Trump’s proposed border tax, the economy minister said on Friday ahead of a meeting between Chancellor Angela Merkel and Trump later in the day.

Trump has warned that the United States will impose a border tax of 35 per cent on cars that German carmaker BMW plans to build at a new plant in Mexico and export to the US market.

Asked how Germany would react to the proposed tax, Economy Minister Brigitte Zypries told Deutschlandfunk radio it was very difficult because of the complexities of such a tax system.

“The other option is that we file a suit against him at the WTO – there are procedures laid out there because in the WTO agreements it is clearly laid out that you’re not allowed to take more than 2.5pc taxes on imports of cars,” Zypries said. Later on Friday Trump and Merkel are due to hold their first meeting since the new US president took office in January.

Merkel is likely to press Trump for assurances of support for a strong European Union and a commitment to fight climate change while he is expected to seek her support for his demand that NATO nations pay more for their defence needs.

Germany’s 50 billion euro trade surplus with the United States has been a source of tension between Washington and Berlin. “We know ourselves that that’s a problem and we’re working on it,” Zypries said.

“Thankfully we just heard today that wage rises have been agreed again so that means domestic demand can increase again and we want to address tax incentives for research … so we’re on a good path,” she added.

Around 72,000 steel workers in north-western Germany will get 2.3pc more pay from April and then a further wage increase of 1.7pc from May 1, 2018 employers’ group Arbeitgeberverband Stahl said on Friday.

https://www.dawn.com/news/1321107

PUNJAB, TATARSTAN TO PROMOTE BILATERAL TIES IN DIFFERENT SECTORS
MUHAMMAD SALEEM

LAHORE: President of Tatarstan Rustam Minnikhanov met with Chief Minister Punjab Muhammad Shehbaz Sharif at a local hotel on Saturday and discussed matters of mutual interest including promotion of bilateral relations in different sectors.

The Chief Minister welcomed the President of Tatarstan to Lahore and said his visit would promote bilateral relations between the two countries. “We should further promote our bilateral relations,” he said. “Full protection will be provided to investors of Tatarstan and they will also own hundred percent of their investment.”

He said Prime Minister Nawaz Sharif had visited Tatarstan in 1999 when ‘His Excellency was the Prime Minister’.

The CM also spoke with the President of Tatarstan in Russian language. The president of Tatarstan, on the occasion, said that he is happy to visit Lahore, and they should work together to promote bilateral relations.

Later, Shehbaz Sharif and the President of Tatarstan held a delegation-level meeting during which it was agreed to promote bilateral relations in different sectors including skills development, petro-chemical, technology, industry, mines, agriculture, livestock, tourism, sports and other sectors.

The meeting also constituted a joint committee to identify different sectors to promote cooperation between the government of Punjab and the Republic of Tatarstan. The President of Tatarstan appreciated the command of Chief Minister on Russian language.

The President of Tatarstan said it was absolutely incorrect to link terrorism and fanaticism with the religion of Islam. Islam teaches peace and brotherhood. Islamic norms are based on brotherhood, tolerance and love.

The President of Tatarstan also invited the Chief Minister to visit his country.

Provincial Ministers Sheikh Alla-ud-Din, Ayesha Ghaus Pasha, Chaudhary Sher Ali, Jehangir Khanzada, Naeem Akhtar Bhaba, Advisor Umer Saif, senior officials as well as Deputy Prime Minister of Tatarstan were present on the occasion.

Moreover, Shehbaz Sharif, while addressing the Punjab-Tatarstan Business Forum in a local hotel, said that Pakistan and Russian Federation have economic relations for the last many decades; and trade was also carried out through barter system between the two countries. He said there are opportunities for promoting bilateral economic cooperation between Pakistan and Tatarstan. Both the countries can further promote bilateral relations in agriculture, engineering, information technology, energy, petrochemical, livestock, tourism and other sectors.

Shehbaz invited the investors of Tatarstan to invest in Pakistan, especially in the Punjab. “We will provide them every opportunity. The investors of Tatarstan should sit together with the investors of Pakistan and the Punjab government and develop a roadmap for promoting bilateral economic relations. Punjab has vast opportunities of investment due to its strong infrastructure. The investors of Tatarstan should come forward and invest here,” he said.

As a result of 54 billion dollars investment under the CPEC, trade and economic activities have been boosted in the region, and it can be helpful in promoting economic relations with Tatarstan and Russian Federation, he added.

Shehbaz Sharif hoped that this visit of the President of Tatarstan would open a new era of trade and economic relations between Pakistan and Tatarstan. There is strong economic potential in Tatarstan, and it has good expertise in e-governance, information technology, agriculture and livestock. “We would like to benefit from your experience, vision and expertise. Your e-governance model is also impressive. We will benefit from your expertise in the field of IT." he said.

He said the Punjab is the biggest province of Pakistan with the population over 100 million, and there is tremendous potential of investment in different fields. He said the energy crisis is about to end due to sincere efforts of the government. Out of 54 billion dollars investment under the CPEC, he said 36 billion dollars are being spent on energy projects. Work on the energy production projects from coal, solar, wind, hydel, gas and other sources, is in progress. While federal and the Punjab governments are also setting up 3600 mega-watt gas power projects from their own sources; and these would be completed in record time. He said that investment potential is available in tourism sector in Pakistan, especially in the Punjab. Tatarstan has an expertise in this field and we can jointly work to promote tourism.

He said that cricket is a popular game in Pakistan, while the game of football is also liked. Tatarstan and Pakistan can also promote cooperation in sports field, and Tatarstan can extend cooperation for promotion of the game of football.

He said that Islam is a religion of peace. It is incorrect to link terrorism and fanaticism with Islam. "We condemn the elements linking terrorism and fanaticism with Islam, as Islam is the religion of peace. Terrorism and fanaticism has no link with Islam; no one is authorized to shed blood of the innocent people."

He said promotion of inter-faith harmony is need of the hour. We will have to work collectively to eliminate terrorism and fanaticism so that this world could become a peaceful and secure place.

The President of Tatarstan, Rustam Minnikhanov said, in his address, that he is pleased to see the wonderful progress in the Punjab. Punjab is the most developed province of Pakistan and the people are known for their hospitality. He said that Tatarstan and Pakistan have economic relations which are needed to be further promoted. He said that cooperation with the Punjab government, in different fields, would be enhanced to work collectively.

Provincial Finance Minister Ayesha Ghous Pasha presented the address of welcome and gave a detail of facilities for foreign investors as well as the opportunities of investment in the Punjab.

The head of Tatarstan's trade agency, Taliya Minullina spoke about prospects of cooperation in different fields between Tatarstan and the Punjab Government. Agreement was signed between Lahore Chamber of Commerce and Tatarstan Chamber of Commerce and Industry.

President Lahore Chamber, Abdul Basit and representatives of Tatarstan Chamber signed the agreement. Similarly, MOU was signed for cooperation in IT.

http://epaper.brecorder.com/2017/03/19/5-page/858630-news.html

NEWS COVERAGE PERIOD FROM MARCH 6TH TO MARCH 12 TH 2017
AUSTRALIAN PM TO CONTINUE FREE TRADE TALKS IN INDONESIA
Dawn, March 7th, 2017

CANBERRA: Australia's prime minister said on Monday that he was looking forward to discussing a free-trade deal with Indonesia while attending a regional forum in Jakarta.

PM Malcom Turnbull on Tuesday will attend the first Indian Ocean Rim Association leaders' summit in the 20-year history of the 21-nation organisation.

Turnbull's one-day visit to Jakarta comes nine days after Joko "Jokowi" Widodo ended his first Australian visit as Indonesia's president. The leaders used that Sydney visit to commit to finalising a bilateral free-trade agreement this year after 17 years of negotiations. Jokowi said the deal must remove all Australian barriers to the importation of Indonesian palm oil and paper.

Turnbull has welcomed trade concessions that Indonesia has already made, including reduced tariffs on Australian sugar and fewer restrictions on Australian live cattle imports.

"We're making very good progress there and I look forward to discussing it further when I'm in Jakarta tomorrow," Turnbull told reporters in Melbourne.

Indonesian trade official Thomas Lembong, chairman of Indonesia's Investment Coordinating Board, told Australia's Fairfax Media that his government wanted to see "concrete proof of unfettered and natural trade" in Indonesia palm oil, paper and wood products.

David Brewster, an Australian National University researcher on Indian Ocean security, said he expected Turnbull would be one of the few national leaders to attend the summit that will be chaired by Jokowi.

"His attendance at the meeting is probably primarily driven by the Jakarta relationship, wanting to show solidarity with Jokowi," Brewster said.

Turnbull later said in a statement that Australia had a fundamental interest in ensuring economic development in the Indian Ocean region and enhancing dialogue on shared security challenges. The summit will agree to a statement on shared values and objectives, including a commitment to international law, and a declaration on countering violent extremism.

Australian interest in the grouping of predominantly developing states on the Indian Ocean fringe has deepened in the past five years, with the economic growth of India and China and a relative decline in influence in the region of the United States, Australia's most important strategic partner, Brewster said.

https://www.dawn.com/news/1318807

FOCUS ON 'TRADE, NOT AID', SAYS CHAUDHRY
The Express Tribune, March 7th, 2017.

LAHORE: Pakistan Ambassador designate to the US Aizaz Ahmad Chaudhry has said that the prime minister has given him the task of "Trade, not Aid" and he has taken this responsibility as a mission.

Speaking at the Lahore Chamber of Commerce and Industry (LCCI), he said, "We would like to come out of the aid syndrome, as Pakistan has all accessories to get maximum share in the international trade."

He said that both, the PML-N and Trump administration, have economic agendas therefore; there should be meaningful talks on trade and investment between the two countries.

"The US is Pakistan's largest trading partner and over 1 million Pakistani expatriates are living there who would be encouraged to work to make Pakistan's perception better."

He particularly mentioned Afghanistan, saying that peace in that country is in the interest of Pakistan.

He said that the overall situation is far better than the past as Pakistan is emerging as a hub of economic activities and gaining the attention of foreign investors, adding that American investors would also be convinced to enhance their investment in Pakistan.

The ambassador said that liaison with LCCI would be top priority of the Pakistani mission in US and all possible facilities would be provided to LCCI delegations.

Also speaking on the occasion, LCCI President Abdul Basit said that rising mutual trade is a good omen and this trend should be continued.

He said that bilateral trade rose to $5.5 billion in 2015 from $4.4 billion in 2013, adding that both countries have the potential to grow mutual trade to $10 billion through joint efforts.

Basit said that the business community in Pakistan also wants of the Trump government to consider allowing duty free access to Pakistani merchandise in lieu of the country's sacrifices in the US war against terrorism.

"Economic stability of Pakistan through prompt direct market access to US is a must to crush the terror in the region effectively," he said.

"Aid or grant is undoubtedly remedy but has never been a substitute to trade," he added. The LCCI president was of the view that market access will help rehabilitate and reconstruct the totally damaged basic industrial infrastructure besides generating jobs for millions of jobless people.

He said that the US happens to be the biggest export market for Pakistan but it has been witnessed that Pakistani exports to US are stagnant. The Pakistani embassy in US would have to ensure dissemination of trade, fairs and exhibitions related information, he added.

"Exchange of trade delegations always helps enhance trade volume," said Basit, adding, "A delegation of LCCI is planning to visit US soon to exploit trade and investment opportunities."
LCCI former president Sohail Lashari, former senior vice president Mian Nauman Kabir, former vice president Saeeda Nazar and other executive committee members also spoke on the occasion.

https://tribune.com.pk/story/1347922/focus-trade-not-aid-says-chaudhry/

NEED TO RAISE BILATERAL TRADE WITH FINLAND STRESSED
Business Recorder, 8 March 2017

FAISALABAD: Pakistan's share in two billion euro textile imports of Finland is very negligible and Pakistan in general and Faisalabad in particular should play its role to increase its share in this well-developed European market, said Ambassador of Finland Rauli Suikannen.

Addressing the business community of Faisalabad in FCCI, he said that Finland is a small country with total population of only 5.5 million. "Its 70 percent area is covered with forests," he said and added that there are water bodies on 10 percent while only 20 percent land is available for population and industrial activity.

He said that Finland has achieved excellence in technological development and Nokia is one example of its cutting edge technologies. He told that Finnish technologies are being used in American spaceships and auto mobiles manufactured by leading brands of Germany.

He quoted ups and down in the economic development of Finland and told that in one year the exports of Finland recorded historic increase of 200 percent. He told that 300 Finnish companies are present throughout the globe. Many new companies have also been cropped up who are intending to invest in South Asian countries.

“These are searching for serious partners”, he said and added that their data is available on the internet. However, they want fine-tuned matchmaking to make these agreements win-win for both countries. He also mentioned various sectors in which Finland has excelled and can help other countries to get benefits of these.

He identified cellular technology, bio energy and recycling industry in addition to many more and told that Finnish companies are offering technology and advisory services to the various partners all over the world. He told that mobile technology is very popular in Finland as its 90 percent population has direct access to the most advanced means of communication through internet.

Earlier President FCCI Muhammad Saeed Sheikh welcomed the Finland Ambassador and congratulated him on the 100th anniversary of his country.

Regarding Faisalabad, he told that it is third thickly populated city of Pakistan while it is second in revenue generation. He told that FCCI has more than 5000 members within its fold who belong to almost all segments of industry and trade. He told that because of the dominating textile sector Faisalabad is also known as textile capital of Pakistan. He said that Faisalabad has unique privilege to contribute 55 percent towards the total textile exports of Pakistan which are around 13 billion dollars.

Continuing, Engineer Muhammad Saeed Sheikh told that Pakistan and Finland has cordial relations and their volume of bilateral trade is increasing at a steady pace. He told that Pakistan made exports worth 52.33 million dollars while imports from Finland were around 90.72 million dollars. Thus the balance of trade is in favor of Finland.

He mentioned various analyses and told that exports from Pakistan have recorded an increase of 10 percent during 2011 to 2015. On the other hand, the imports from Finland are also increasing at the rate of two percent per annum. He said that Finland has unique opportunity to expand its exports to China, India and Central Asian countries through Pakistan.

Similarly, Pakistan can also have access to the other European countries through Finland. He also stressed the need for the exchange of trade delegations and regular organization of exhibitions to give a quantum jump to the bilateral trade. He floated a proposal that Finnish government should allow Pakistani exporters to establish their ware houses in Finland and re-export their textile products after value addition.

The Finnish Ambassador also presented gifts to FCCI President Muhammad Saeed Sheikh, SVP Rana Sikandar Azam and Secretary General FCCI, Abid Masood.
Siv Ahlberg official representative of FINNPARTNERSHIP presented a comprehensive documentary about the business opportunities in Finland.
http://epaper.brecorder.com/2017/03/08/12-page/856121-news.html

‘WILDLIFE OFFICIALS INVOLVED IN MARKHOR HUNTING’
Dawn, March 9th, 2017

CHITRAL: A member of district council has accused the officials of wildlife department of hunting Kashmir Markhor in Chitral Gol National Park.
Riaz Ahmed Dewan Begi told the session of the district council here on Wednesday that hunting of animals and cutting of green wood were banned in a national park.

He said that a markhor was hunted in the national park and the officials of wild life department reportedly shared the meat of the illegally hunted animal.

The councillor demanded a high level probe into the incident to bring to book the culprits, who hunted markhor in the area of national park.

Chaired by its convener Maulana Abdul Shakoor, the house also took up the issue of the mysterious death of four Chitrali girls wedded outside the district in a short span of six months and demanded of the government to investigate it.

Mufti Mehmoodul Hassan, Mohammad Yaqub and Haji Sher Mohammad said that the girls from Chitral married in the down districts met the tragic end of mysterious death, which always remained untraced. “The coffins of four Chitrali girls should give a wakeup call to all of us,” they added.

They said that a proper mechanism should be put in place to check the credentials of the men, who came to Chitral for marrying a girl.

They said that the middlemen, who arranged such matches, should be discouraged.

A resolution was passed later on unanimously to demand of the government to extend all types of assistance and help to a local social organisation, Anjuman-i-Dawat-o-Azeemat as its members strived to check dubious types of marriages of Chitrali girls with outsider men by carrying out proper verification at private level.

The members of the house expressed resentment over the absence of the officers of different government departments devolved to the district government. They said that not a single officer bothered to attend the session of the council during the last three days.

“It is tantamount to mockery of the house,” they added.

Maulana Abdul Shakoor, giving his ruling on the issue, said that salaries of an officer would be deducted for the day of his or her absence from the session of council in future so that their attendance could be ensured.

https://www.dawn.com/news/1319240/wildlife-officials-involved-in-markhor-hunting

‘US ALREADY IN TRADE WAR’
Dawn, March 9th, 2017

WASHINGTON: The United States already is in a trade war with other nations, but only now is beginning to fight back, US Commerce Secretary Wilbur Ross said on Wednesday.

In a continuation of the Trump administration’s aggressive trade policy, which views trade deficits as a national security threat, Ross said, “we’ve been in a trade war for decades, that’s why we have the deficits.” But, “the difference is our troops are now coming to the ramparts,” he said in an interview with Bloomberg Television.

President Donald Trump has threatened to impose unilateral tariffs on goods imported from Mexico and China, criticized Germany for its surplus, pulled out the 12-nation Trans-Pacific Partnership, and pledged to renegotiate the North American Free Trade Agreement. But Ross downplayed the threat of a damaging trade confrontation.

“It’s not going to be a shooting war. If people know you have the big bazooka, you probably don’t have to use it,” he said.

https://www.dawn.com/news/1319242

LOANS TO TEXTILE INDUSTRY SOAR DESPITE FALLING EXPORTS
Dawn,10 March 2017

Shahid Iqbal

KARACHI: Textiles seem to have bounced back as bank advances to the sector were record high in 2016.

The textile industry is the backbone of the economy and generates the highest export earnings. Yet it appears to have failed in coping with the new challenges that emerged in the global textile and fashion industry in recent years.

Under Textile Policy 2015-19, Rs64.15 billion will be spent to increase the exports of textile and clothing items from the existing $13bn to $26bn by 2019. Pakistan is the fourth largest producer of cotton in the world and holds the largest spinning capacity in Asia after China and India.

A recent report issued by the State Bank of Pakistan (SBP) reveals that year-on-year growth in textile sector advances has been Rs90bn in 2016 in contrast to the net retirement of Rs30bn in 2015.

Recently, the government announced a package of Rs180bn that gives several incentives to the textile sector to boost exports. The current export finance rate of 3.5 per cent is the lowest in a decade, especially for the textile sector.

However, another report by the SBP indicates that the textile sector's performance on the export front was worse than the preceding year when it retired debt instead of borrowing.
Exports in the first half of 2016-17 fell to $6.151bn compared to $6.545bn a year ago. The output of the fresh borrowing of Rs90bn by the textile sector in 2016 has yet to be seen.

Experts believe the industry could not adapt to technological changes in the global textile industry. This was in contrast with Bangladesh and Taiwan, which succeeded in making inroads into the global market in a short period of time.

For 2015, garment exports from Bangladesh to the United States grew 12pc to $5.4bn. Vietnam did even better by growing its exports 14pc to $10.6bn. India's apparel exports to the United States in 2015 grew just 8pc to $3.4bn.

Pakistan is the fourth largest producer of cotton in the world. Yet it failed to attract investors to its textile industry. Bangladesh has emerged as an attractive destination for Indian readymade garment manufacturers. Many Indian businesses have set up units in Bangladesh simply because the country offers ease of doing business. Bangladesh does not produce cotton. But it has successfully adopted the latest technology and machines.

Pakistan is going to face a challenge from Vietnam after dealing with similar challenges from China, India and Bangladesh. According to one estimate, Vietnam's textile exports will double to $55bn between 2015 and 2025.

Vietnam is emerging as a world production centre for textile products as major global apparel makers expand their production operations in the country.

https://www.dawn.com/news/1319452

THAILAND DEMANDS ACCESS TO AUTO SECTOR UNDER FTA
Dawn, March 10th, 2017

Mubarak Zeb Khan
ISLAMABAD: Thailand has sought a drastic reduction in the tariff on the auto sector under the proposed Free Trade Agreement (FTA), an official told Dawn.

Thailand follows Turkey in demanding market access for the auto sector in Pakistan. In the last round of FTA negotiations held in Islamabad, Thai authorities conveyed that the agreement's implementation would be linked with access to the auto sector in Pakistan.

To move forward, Pakistan will engage local stakeholders of the auto sector for consultation, the official said. He added that a delegation of the auto sector will also be sent to Bangkok for a meeting with Thai authorities.

"We will facilitate this meeting between the private sectors of the two sides," the official said. In 2006-07, Pakistan carried out a study for the initiation of a Preferential Trade Agreement (PTA) with Thailand. However, no further progress was made and the study remained on paper only.

The formal negotiation on the FTA began on August 13, 2015 after a lapse of over 10 years. Six rounds of negotiations on the FTA have been held so far.

An official said that both sides have almost finalised the text of the proposed FTA. However, negotiations are still under way on the tariff reduction.

Both sides have already shared the request list for the reduction on duties and taxes. However, the offer lists are yet to be finalised, the official said.

In the first phase, both sides will conclude and strike an agreement on trade in goods. The second phase will include discussions on Intellectual Property Rights (IPRs), competition, services and investment.

According to an official study, Thailand has a comparative advantage in around 1,000 commodities, chiefly electrical and electronic appliances, machinery and component, and automobiles and parts.

Pakistan has a comparative advantage in some 684 commodities, including cotton yarn and woven textiles, readymade garments, leather products, surgical instruments and sports goods. Pakistan can only get market access for its textile and clothing sector after giving market access to Thailand in the auto sector.

In addition, there is 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 to the two countries in terms of enhanced competition and efficiency, lower prices and improved product quality and variety.

The trade volume between Pakistan and Thailand was $952 million for 2015-16. Pakistan's exports were $107m while imports amounted to $845m.

https://www.dawn.com/news/1319445/thailand-demands-access-to-auto-sector-under-fta

COMBINED EFFLUENT TREATMENT PLANTS IN KARACHI URGED
Dawn, March 11th, 2017

Parvaiz Ishfaq Rana

KARACHI: The seven industrial estates of Karachi have sought Prime Minister Nawaz Sharif's intervention and help in sorting out the issue of the combined effluent treatment plants (CETP) needed by them to ensure global compliance.

In a letter to the prime minister, the seven industrial zones under the umbrella of Karachi Industrial Forum (KIF) has sought his attention towards a fact that without the CETPs the country's export could suffer in the world market due to non-compliance of World Trade Organisation's (WTO) regulations.

The letter points out that there is a growing fear that industrial activities in the city's seven zones without CETPs for treatment of industrial wastewater and effluents can damage marine life and invite global reaction from individual buyers and regulators.

Pakistan is a signatory to WTO regulations in terms of social and environmental compliance necessitated by increasing industrialisation, urbanisation and other commercial activities around the world. Therefore, it is mandatory to treat hazardous wastewater before its discharge into the sea.

The KIF explains in the letter that due to high running cost of effluent treatment plants individual industrial units could not install these plants. Above all it is also not possible for the industries to create space within their premises for installing effluent treatment plants.

Therefore, according to the KIF, the only way out is to set up a combined effluent treatment plant (CETP) as is in vogue all over the world. Each CETP would cater for the needs of industrial clusters of all the industrial estates of the city and this would also accommodate small- and medium-sized units which could not invest in such huge and costly plants.

The industrial forum says that in the past several evaluation papers with regard to CETPs were prepared but the latest PC-I of 2016 estimates the cost of these plants at Rs11.39 billion.

The prime minister's attention has also been sought towards the fact that it had been decided that 50 per cent of the estimated cost of CETPs would be borne by the federal government and the remaining cost by the Sindh government.

According to the KIF, setting up of the CETPs will not only meet WTO regulations, but also improve confidence of industrialists for investing more in the seven industrial zones where they can set up new industries on vacant plots.

The KIT has requested the prime minister to immediately issue directives for the establishment of CETPs in the seven industrial zones of Karachi.

https://www.dawn.com/news/1319776

TRADING WITH THE NEIGHBOURS
Muhammad Ashraf

The Express Tribune, March 10, 2017

Pakistan exports around $4 billion worth of merchandise to its immediate neighbours China, India, Iran and Afghanistan (CIIA) and imports goods worth $13.3 billion from them. Pakistan's trade with neighbours constitutes 26% of its international trade — 18% of $21 billion exports and 30% of $45 billion imports.

The gravity model of international trade regards trade between two countries inversely proportional to their distance and directly proportional to the size of their economies. Thus, distance being zero, the trade naturally gravitates towards the neighbours. The cultural overlap and consequent similarity of consumption patterns, the natural integration of industrial production due to likeness of demand and factor endowments, low delivery costs and short lead times make the neighbouring markets a natural extension of domestic market.

Trading with the neighbours offers multiple advantages. Firstly, the proximity generates a bilateral monopoly between the neighbours which in turn facilitates an economic integration with deep reciprocation.

Secondly, the neighbours with varied economic development and income levels benefit from one another's comparative strengths — the richer economy provides wider variety of goods and the poorer one provides a cost-effective location for production.

Thirdly the cross-border market is more conveniently accessible, in many cases, than the distant inland markets. For instance, Jalalabad offers a more convenient market for Peshawar-based floor mills than Lahore; conversely, Peshawar offers a better market for Jalalabad's naranji (orange) than Kabul.

Fourthly, the marginalised border communities thrive from the proximity trade as the SMEs find it simpler to trade with the nearby cross-border markets than handling the complex procedures of exporting to the distant destinations. Fifthly, the low transportation expense reduces transaction costs and creates distributional efficiencies whereas short lead time minimises post-production losses especially of perishables.

Lastly, the consumer benefits due to downward shift in price equilibrium and availability of more choices. For instance, despite troubled political environment, in the times of price escalation of a commodity, Pakistan and India open Wagah as the first step to stabilise the prices for consumer.

There is an increasing trend of the vibrant export-led economies trading more and more with their immediate neighbours. Though Chinese exports have nearly swayed the entire globe during the last decade, the share of neighbouring markets in China's global exports has increased from 5.4% in 2006 to 9.1% in 2015.

During this period, a similar trend was evident in other emerging economies — Thailand from 7.4% to 11%, Turkey from 9.2% to 12.5% and Malaysia from 23.3% to 23.6%. Similarly, the share of CIIA in Pakistan's global exports also increased from 11.8% in 2006 to 18.1% in 2015.

Exports to China have increased four times since the signing of much-criticised China-Pakistan Free Trade Agreement in 2006; exports to Afghanistan have nearly doubled during the same period.

Though the share of CIIA in Pakistan's global exports has been increasing, there still remains a huge untapped potential in the neighbouring markets. An import market of $2.15 trillion is available on Pakistan's borders, of which we currently claim a meagre 0.19% share. A penetrating push in the high potential markets in the immediate neighbourhood is, however, thwarted by peculiar impediments in each neighbouring market.

Political environment with India frequently impedes trade relations. Pakistani exports face a virtual closing of border by Indian non-tariff barriers (NTBs), of which 'mind-set' is considered to be the most onerous NTB. So effective are these barriers that Pakistan, despite having MFN status, can barely manage a 0.08% share in $391 billion Indian imports whereas India, without MFN, claims 4% share in $44 billion Pakistani imports.

The exports to Afghanistan have been on a continuous downward slope since 2011 due to the security situation in Afghanistan and shrinking demand in the wake of reduction in international troops; the recent ebb in bilateral political relations has further complicated an already complex environment.

The international sanctions on Iran during the last decade have smothered Pak-Iran trade; the recent optimism kindled by the lifting of UN sanctions has been dampened by the re-escalation of rhetoric in US-Iran relations in the wake of Trump's presidency.

In the north, Himalayas have always made the uphill land route to China costlier than marine shipment around almost half of the Asian continent, thus eroding the proximity advantage; the improved infrastructure under CPEC, however, provides an optimism for enhanced exports to the Chinese market.

To conclude, Pakistan not only finds itself in a high economic growth zone but also has more than one-third of the entire global consumer base on its immediate borders. China and India jointly constitute one-sixth of the world GDP and have been posting a consistent high growth; the trading patterns in the oil-rich Iran, distorted during the sanctions era, are being redefined with Pakistan having the proximity advantage. Afghanistan, as a landlocked country, with strong cultural and ethnic ties with Pakistan is a natural extension of domestic market.

The immediate neighbourhood offers Pakistan huge growth potential for exports, reducing dependence on the distant EU and US markets. Unlocking of the potential, however, depends on (a) de-escalation of political tensions with India which have a history of defining trade relations, (b) improvement in security situation in and bilateral political environment with Afghanistan, (c) up-gradation of connectivity with China under CPEC and renegotiation of market access under China-Pakistan FTA, and (d) removal of economic sanctions on Iran and lowering of tariff and non-tariff barriers, frequently and arbitrarily erected by Iran.

https://tribune.com.pk/story/1352159/trading-with-the-neighbours/

NEWS COVERAGE PERIOD FROM FEBRUARY 27TH TO MARCH 5TH 2017
TRADERS SUFFERING HUGE LOSSES, SAY AFGHAN OFFICIALS
The Express Tribune, February 28th, 2017

Hidayat Khan

PESHAWAR: Traders and transporters have suffered losses worth billions of rupees following the indefinite closure of the Pakistan-Afghanistan border, Afghan officials said on Monday.

According to them, more than 6,000 vehicles carrying goods are currently stranded on both sides of the border.

"The losses are now in billions of rupees … Not only Afghanistan but also the people of Pakistan are suffering because of the border closure," said Mervais Yousafzai, the Afghan trade commissioner in Peshawar.

Yousafzai was accompanied by officials of the Afghan commissionerate, Afghan traders and transporters at a news conference held at the Peshawar Press Club on Monday.

"Pakistani people have incurred at least 80 per cent of these losses because their goods are perishing in these [stranded] vehicles."

Mirvais said that bilateral trade and commerce should be impervious to politics. "Whenever such a situation arises, it must be resolved both politically and diplomatically, instead of punishing the poor people of both countries."

"The closure of border (entry and exit points) is against all international laws," said Yousafzai.

"It is against Afghanistan-Pakistan Transit Trade Agreement … It is against (the rules of the) World Trade Organisation and Saarc … We urge the Pakistan government to open the border immediately."

Yousafzai said that these issues had also been conveyed to the government of Khyber-Pakhtunkhwa without any response.

"Every day, we pay taxes amounting to Rs20 million to the Pakistan government which shows the quantum of loss being incurred by both sides on a daily basis," said Muhammad Rasool Jan, the head of Afghan Traders Association.

Calling for a new trade policy, Rasool Jan said that traders were never involved in the affairs of any country. "Why are we being victimised?" he asked. "At least 6,200 vehicles are stranded on both sides of the border," said Malik Gul Akbar, the head of the Afghan Transporters Association.

"Perishable items are now (fully) decomposed, while non-perishable items are damaging heavy vehicles."

According to him, as many as 2,100 vehicles were carrying perishable items and most of them belonged to Pakistani exporters. He also urged the inspector general of police to take action against the harassment of Afghan transporters at the hands of police officials.

"Between Khairabad and Torkham, all vehicles have to pay at least Rs52,000 to policemen manning various check posts," he said, accusing the K-P police and the political administration of tribal areas.
Stressing the need for solving all outstanding political issues between the two countries at the earliest, Akbar said that traders and transporters should not be targeted.
https://tribune.com.pk/story/1341119/traders-suffering-huge-losses-say-afghan-officials/

ASIA TRADE TALKS RESUME AFTER US EXIT DASHES HOPES FOR TPP DEAL
Business Recorder, 28 February 2017

Negotiators from 16 Asia-Pacific countries on Monday held their first round of free-trade talks since hopes faded of reaching a separate regional deal after the US pulled out. The five-day Regional Comprehensive Economic Partnership (RCEP) talks in the western Japanese city of Kobe are being attended by senior officials from the 16 countries involved, a Ministry of Economy, Trade and Industry (METI) official said.

The United States is not part of RCEP, which has been pushed by China. Apart from Beijing, the planned pact would group the 10 members of the Association of Southeast Asian Nations plus India, Japan, South Korea, Australia and New Zealand. Within days of taking office, President Donald Trump pulled out of the separate Trans-Pacific Partnership (TPP), an ambitious free-trade agreement championed by his predecessor Barack Obama but which Trump claimed was harmful to the US.

The move fulfilled a key campaign promise but left allies in Asia on the back foot. The TPP had been seen as an economic guarantee of US commitment to the region in the face of the growing influence of China, which was not a member.

RCEP is seen as a more modest deal that calls for lower and more limited regulatory standards. During the meeting – the 17th round – participants are aiming to "push negotiations forward broadly in the fields of goods, services, investment, intellectual property, rules of origin, competition and electronic commerce," the METI official said.

"It is important to strike a quality deal in RCEP at a time when protectionism is emerging around the world."
https://tribune.com.pk/story/1341119/traders-suffering-huge-losses-say-afghan-officials/

ECO SUMMIT FOR DOUBLING OF REGIONAL TRADE
Dawn, March 2nd, 2017

Baqir Sajjad Syed

ISLAMABAD: The 13th summit of the Economic Cooperation Organisation (ECO) ended here on Wednesday with calls for doubling intra-regional trade in the next five years and promoting connectivity amid protest by Afghanistan over closure of border crossings by host Pakistan.

The summit was attended by all 10 ECO members, although Afghanistan was represented at a lower level because of tensions with Pakistan over terrorism sanctuaries. The leaders of participating countries, during their discussions, emphasised the importance of connectivity for prosperity of the region and exchanged views on regional and global issues, besides deliberating on ways of making the ECO a more efficient organisation.

“The successful holding of the summit is a manifestation of the desire and commitment of the member states to transform the ECO into a vibrant regional bloc,” Prime Minister Nawaz Sharif, who chaired the summit, said at the end of the session.

The summit adopted Islamabad Declaration and Vision 2025. The declaration calls for development of transport and communication infrastructure, facilitation of trade and investment, promotion of connectivity with other regions, effective use of energy resources and undertaking measures for making the ECO effective and efficient. Vision 2025 underscores promotion of cooperation among member states.

https://www.dawn.com/news/1317903/eco-summit-for-doubling-of-regional-trade

April 2017

NEWS COVERAGE PERIOD FROM APRIL 24TH TO APRIL 30TH 2017

PAKISTAN, SUDAN DISCUSS BILATERAL DRAFT AGREEMENTS

Business Recorder, 25 April 2017

ISLAMABAD: Pakistan and Sudan have discussed a number of draft agreements and Memorandums of Understanding (MoUs) on Trade and Investment, Cooperation between Trade Development Authority of Pakistan (TDAP) and Sudan as well as Visa Abolition Agreement between the two countries.

The issues were discussed during the 5th Round of Bilateral Political Consultations between Pakistan and Sudan held in Khartoum, the Foreign Ministry said on Monday.

The Pakistani side was led by Tasawar Khan, Additional Secretary (Middle East & Africa) of the Ministry of Foreign Affairs while Ambassador Abd Elghani Elnaim Awad Elkarim, Under Secretary of the Ministry of Foreign Affairs of Sudan led the Sudanese delegation.

The talks were held in a cordial and congenial atmosphere. The two sides reviewed the entire gambit of bilateral relations and identified opportunities for further strengthening cooperation, especially in economic, trade, investment, cultural, and educational fields. The possibilities of cooperation in health and agriculture fields also came under discussion.

It was agreed that the third meeting of Pakistan-Sudan Joint Ministerial Commission would be held in Islamabad from November 15-16, 2017. The Sudanese side reiterated its invitation for the President of Pakistan to pay an official visit to Sudan at an early date. The two sides also exchanged views on regional and international issues concerning the two countries. During the visit, Additional Secretary also called on first Vice President and Prime Minister of the Republic of Sudan, Lt Gen Bakri Hassan Salih Khairi and handed over a message of felicitations from Prime Minister Nawaz Sharif upon his appointment as Prime Minister of Sudan.

He also called on the Foreign Minister of Sudan Prof Ibrahim Ghandour. He briefed the Sudanese dignitaries on Pakistan's economic progress and development and the contribution made by China Pakistan Economic Corridor (CPEC) in this regard.

He also briefed them on regional issues and Pakistan's relations with the neighbouring countries. The Prime Minister of Sudan thanked the Prime Minister of Pakistan and extended a cordial invitation for an official visit to Sudan at his earliest convenience.

Pakistan and Sudan enjoy close and cordial relations and consider Annual Bilateral Political Consultations a useful forum to review progress in cooperation in various fields, identify opportunities for future strengthening bilateral relations. —NNI

http://epaper.brecorder.com/2017/04/25/3-page/869780-news.html

GOVT POLICIES HELD RESPONSIBLE FOR EXPORT SLIDE
Business Recorder, 27 April 2017

Zaheer Abbasi

ISLAMABAD: The government policies have been held responsible for a decline in exports from $ 25 billion to $ 20 billion during the last four years and the decline is likely to accelerate if the government does not pay attention to basic causes.

These concerns were expressed by representatives of textile and ginners associations here on Wednesday before the National Assembly Standing Committee on Finance, which met with Qaiser Ahmed Sheikh in the chair to discuss proposals for the next fiscal year's budget.

The representatives of textile sector identified high cost of LNG, non-treatment of package materials under zero-rated regime, non-clearance of refunds and government borrowing as major causes of decline in exports. The government borrows 90 per cent liquidity of banks and leaves nothing for the business, they added.

The meeting was informed that these factors make Pakistani exporters unable to compete with other regional players. The representative of textile sector stated that Gas Infrastructure Development Cess (GIDC) is also a kind of local tax, which increases their cost of production.

The committee also supported the textile industry's proposals that the government should restructure loans of sick units so as to help their revival. The restructuring of loans to the sick industrial units of textile sector would earn $ 1 billion foreign exchange for the country and create five million jobs, according to industry's representatives.

The textile industry wants restructuring of sick units for a period of 8-10 years. The meeting was also informed that exports in Bangladesh have increased from $ 24 billion to $ 34 billion whereas Pakistan's exports have fallen by $ 5 billion during the last four years and no sign of their improvement is in sight.

The chairman Federal Board of Revenue (FBR) has said the government is working to revamp regulatory duties system in consultation with all the stakeholders after various sectors stated that RD imposed by the government on various items of steel and papers was making them uncompetitive.

The committee recommended that representatives/stakeholders of plastic, printing & graphics and textile industries would be called in its next meeting to discuss the rehabilitation of value added textile industry structure.

The committee directed the Ministry of Finance and Federal Board of Revenue (FBR) to make necessary preparations for the said meeting.

The committee discussed the proposals received from Karachi Chamber of Commerce & Industries and other chambers. The committee also discussed the proposals received from real estate stakeholders (PREIF & ABAD). Pakistan Cotton Ginners Associations (PCGA) and Pakistan Renewable Energy Association recommended that the same may be forwarded to FBR for necessary action.

The committee members have refused to endorse the report of Tax Reform Commission while Nafeesa Shah and Asad Umar took strong exception to taking up the recommendations of the report sent to the committee through a third-party, Karachi Chamber of Commerce, instead of coming thorough Ministry of Finance or FBR.

The chairman FBR said that a five-member implementation committee with two chartered accountants and three members of the FBR is being headed by Advisor to Prime Minister on Revenue Haroon Akhtar and the recommendations finalised by it would be implemented in the budget 2017-18.

http://epaper.brecorder.com/2017/04/28/1-page/870240-news.html

NEWS COVERAGE PERIOD FROM APRIL 17TH TO APRIL 23RD 2017
PCGA ASKS FOR BAN ON COTTON IMPORT
The Express Tribune, April 19th, 2017.

Owais Qarni

MULTAN: Pakistan Cotton Ginners Association (PCGA) Senior Vice Chairman Suhail Mehmood Haral demanded on Wednesday that the government does not allow import of cotton till the disposal of current unsold stock.

At present, a surplus of 265,597 bales of cotton is available in the country and if they remain unsold, then the survival of local cotton growers and ginning factories would be at stake.

Speaking to media in Multan, the association’s senior vice chairman, along with other members, said that the government should waive general sales tax and other levies from farm inputs instead of granting subsidies to cut the cost of production.

The government should announce support price for raw cotton and also provide electricity at Rs5 per unit for agriculture,” he said.

“PCGA is mobilising farmers to grow more cotton in order to increase production up to 20 million bales of 170kg each. However, the government is not spending adequate funds on research work, the result of which is that we are moving backwards in the agriculture sector.”

The association claimed that 98% of the funds in research institutes and centres were being spent on the salaries of staff, while only 2% was being injected into research work.

According to the PCGA’s 14th and final fortnightly report, 10.727 million bales of cotton have been processed so far.

Ginning factories in Punjab recorded arrival of 6.94 million bales, an increase of 15.62%. Meanwhile, ginning units in Sindh recorded arrival of 3.78 million bales whereas last year the province had received 3.76 million bales.

The total volume of cotton sold so far was calculated at 10.46 million bales while 265,597 bales were lying unsold.

https://tribune.com.pk/story/1388412/pcga-asks-ban-cotton-import/

PAKISTAN'S DAIRY SECTOR: UAE HIGHLIGHTS EXPORT POTENTIAL
The Express Tribune, April 21st, 2017.

ISLAMABAD: United Arab Emirates (UAE) Ambassador to Pakistan Essa Abdulla Al Basha Al Noaimi said on Thursday Pakistan's dairy sector had the potential to promote Rs20 billion worth of exports to Europe and other countries. Speaking to business community in Islamabad, Noaimi said the UAE considered Pakistan an important country and wanted to further enhance bilateral trade. "Under the UAE's Pakistan assistance programme, 165 projects were launched in the country in the sectors of health, education and infrastructure, which will mitigate problems of Pakistani people," he said.

https://tribune.com.pk/story/1389506/pakistans-dairy-sector-uae-highlights-export-potential/

DESPITE OPPORTUNITIES MEAT EXPORT MARKET IS TINY
Business Recorder, 22 April 2017

N H Zuberi

KARACHI: Pakistani exports of meat, poultry and poultry product have a huge opportunity to fill the gap of meat and poultry products of the United Arab Emirate, which is the second largest meat and poultry imports in the region as the UAE imposed a temporary ban on its imports from Brazil.

The United Arab Emirates has suspended shipments from six Brazilian meat plants and told importers to recall any of their products from local stores.

Importers were told to withdraw these products and destroy them if necessary or return them to the country of origin under the supervision of food safety authorities in each emirate.

According a communiqué of the Embassy of Pakistan in Abu Dhabi to the Ministries of Commerce, the TDAP mentioned that the Ministry of Environment and Water, the UAE has ordered the removal of all Brazil origin products of meat and poultry from shelve in supermarkets and has imposed a temporary ban on import of meat , poultry and related products from Brazil.

The ban has been imposed in the wake of a recent raid by Brazil's Federal Police as part of a probe of food processors accused of bribing regulators to loosen oversight. Serious health and safety concerns have emerged as a result of these investigations.

The allegation include bribing inspectors and politicians to overlook unsanitary practices such as processing rosin meat and shipping exports with traces of salmonella, and evidence that meatpackers falsified documentation (specially of Halal products) for exports to Europe, the Middle East, China, and other regions and countries.

The circular says that if the allegations are found to be true, there could be serious repercussion on Brazil's 16-billion-dollar halal trade with OIC countries.

Specifically, Brazil's 100.98-million-dollar meat and 544.76-million-dollar poultry exports to the UAE would be open to question and may face permanent ban.

Pakistan's exports of meat to UAE have around 70 to 80 million dollars during last two years against the total demand of 921.260 billion dollars.

Similarly, Pakistani exports of poultry and poultry products to the UAE also suffered due to the ban, and thus we cannot get a share in the UAE's poultry and poultry products market of $719.450 million.

Since the ban on Pakistan's exports of poultry and poultry products was lifted recently, Pakistan has a chance to get its due share in that market with better efforts.

It is also worth mentioning that India has been the largest exporter of beef in the world since last year, and it has further widened its lead over second-ranked Brazil, with a projected total of 2.4 million tons exported in 2015 against Brazil's 2 million. But now India's role in the global meat trade sticks out in the largely Hindu country where vegetarianism is widespread.

In the recent past suppliers of buffalo meat have been roughed up by Hindu mobs in India and it may be a permanent setback to trade as some Indian politicians even call for a complete ban on the meat export industry, which generated about $5 billion in sales last year.

Pakistan ranked 18th in the production of Halal Meat Market and its volume is only 2.9 percent of global Halal meat production.

Brazil and India were the largest exporters in the world in 2016 Australia and the United States.

Four countries—India India, Brazil, Australia and the United States—exported more than 1 million metric tons of beef each in 2016. They accounted for roughly 66 percent of the world's beef exports in 2016.

http://epaper.brecorder.com/2017/04/22/5-page/869172-news.html

NEWS COVERAGE PERIOD FROM APRIL 10TH TO APRIL 16TH 2017
IMF, WTO, OECD VOW TO DEFEND FREE TRADE AGAINST PROTECTIONISM
Dawn, April 11th, 2017

BERLIN: The chiefs of the IMF, WTO and OECD vowed on Monday in a joint statement to defend free trade against creeping protectionist trends, amid growing global alarm over US President Donald Trump's "America First" call.

"Disappointing trade growth figures and the danger of increasing protectionist tendencies give us a clear incentive to support the international trading system even more," said the statement, also signed by the heads of the World Bank and the ILO, as well as host of the meeting, German Chancellor Angela Merkel.

The World Trade Organisation has forecasted that global trade would likely grow only within a range of 1.8pc to 3.1pc this year.

But of greater concern is the Trump administration's attitude towards global commerce.

During his campaign, Trump described the WTO as a "disaster" and promised a more aggressive approach to open up foreign markets to US companies, including threatening to unilaterally imposing tariffs.

The US also refused at a G20 meeting in March to renew a long-standing anti-protectionist pledge, to the dismay of the group of top developed and developing nations.

At the meeting in Berlin, the leaders of the international organisations and Merkel also stressed the role of the WTO in creating “new growth, employment and development opportunities”.

In addition, they underlined their commitment to combating climate change — another key issue that was dropped at the G20 meeting because of US opposition.—AFP

‘Workers incomes shrinking’

Anwar Iqbal adds from Washington: Salaries of workers are shrinking across the globe as the advance in technology reduces the jobs available to them, says a study the International Monetary Fund released on Monday.

The IMF World Economic Outlook for 2017 also projects that raise in US interest rates and a rising protectionist rhetoric in advanced economies would slow the growth of emerging economies this year.

“The labour share of income — the share of national income paid in wages, including benefits, to workers — has been on a downward trend in many countries,” the study reports.

The decline in labour’s share of national income was also reported in 29 of the world’s 50 largest economies between 1991 and 2014.

The IMF report identifies technology as “the largest contributor to the change in labour shares in the large majority of countries.”

A blog accompanying the report points out that this growing income inequality is also hurting the workers by concentrating capital in the hands of a few.

The report shows that in advanced economies, labour income shares began trending down in the 1980s and reached their lowest level of the past half century just prior to the global financial crisis of 2008-09. The shares have not recovered materially since.

In more than half of emerging market and developing economies, labour shares have also declined since the early 1990s. The larger economies within this group are the worst affected.

In some economies, declining labour shares result from the failure of product wage growth to keep up with weak productivity growth.

The decline in the labour share is related to income inequality because within the workforce, lower-skilled workers have borne the brunt of the fall in labour shares, the report adds.

https://www.dawn.com/news/1326163/imf-wto-oecd-vow-to-defend-free-trade-against-protectionism

UAE ALLOWS PAKISTAN TO SHIP HALAL PRODUCTS VIA SEA
Dawn, April 12th, 2017

LAHORE: The United Arab Emirates (UAE) has allowed transportation of halal products from Pakistan via sea which would bring down freight cost by one third, Punjab Halal Development Agency (PHDA) Chairman Justice (retired) Khalil-ur-Reman Khan said on Tuesday.

He was addressing foreign delegates and local businessmen in the 6th International Halal Conference held at the Lahore Chamber of Commerce and Industry (LCCI).

LCCI President Abdul Basit, Senior Vice President Amjad Ali Jawa and Executive Committee Members were also present.

The PHDA chairman said the authority was signing MoUs with various countries and authorities to make its certification acceptable for them.

He said the Pakistan Halal Authority has also been operational and the first meeting of its Board of Directors is being held on April 13.

Mr Rehman said the PHDA was also organising training programmes for butchers to create awareness among them about the Sharia requirements and after that they would be issued licences.

He urged the LCCI to appoint a focal person for close liaison between the PHDA and the Chamber.

The PHDA chairman said the 6th International Halal Conference would augment the Halal business in the country.

On the occasion, the LCCI president said halal foods have become a billion-dollar global market today but Pakistan's share is still insignificant.

"It is high time for Pakistan to get a boost not by getting aid from foreign countries, but by exploiting the untapped potential of halal foods," he added.

He said the halal global economy includes all types of food and non-food products ranging from foods and beverages to banking and takaful.

https://www.dawn.com/news/1326387

FTA WITH TURKEY SHOULD BE MUTUALLY BENEFICIAL: EXPERTS
Dawn, April 12th, 2017

LAHORE: A free trade agreement (FTA) with Turkey should be based on mutual benefits and prepared after consulting stakeholders if its full benefits are to be reaped, experts said.

Any such agreement should support the existing players who have invested and brought foreign direct investment (FDI) to the country, set up plants and created hundreds of jobs, they said.

They believed that reducing duties under the FTA on the import of products which are produced locally may benefit importers, but it will hurt the local investors and make thousands of people jobless. "This could discourage FDI and manufacturing and damage industrialisation in the country. It could also discourage other multinational companies planning to invest here," they added.

Sindh Board of Investment has also raised concern on the FTA with Turkey in a letter to Sindh's chief minister and federal ministries of commerce and industries, federal Board of Investment and the Trade Development Authority of Pakistan.

"FTAs are meant to boost trade between countries and open markets for your goods, but unfortunately in Pakistan, all FTAs and PTAs [preferential trade agreements] have only resulted in increase in trade deficit," the letter said. "FTA with China led to an increase in trade deficit from $2.9 billion to $4.1bn, FTA with Malaysia led to an increase in trade deficit from $1.6bn to $1.9bn and PTA with Indonesia led to an increase in trade deficit from $800 million to $1bn approximately."

Ameen Jan, a consultant who has previously worked at McKinsey and the United Nations, suggested that any FTA should support import of raw material instead of finished goods that are already manufactured here because low-priced raw material encourages local investors to maximise productivity.

Mr Jan said industrial, trade and export promotion policies should be the bedrock of economic growth. Trade agreements, he said, should support these policies, and not be unrelated to them. One of the keystones of industrial policy must be to harness FDI and technology transfer from abroad, which will benefit sustainable job creation and export potential in Pakistan.

Meanwhile, the auto industry also fears that the Ministry of Commerce is hastening to sign FTA with Turkey. Other sectors have also expressed reservations.

https://www.dawn.com/news/1326381/fta-with-turkey-should-be-mutually-beneficial-experts

WTO EYES FEEBLE GLOBAL TRADE RECOVERY IN 2017
Dawn, April 13th, 2017

GENEVA: The World Trade Organization said on Wednesday it expected global trade to rebound slightly in 2017 but warned the threat of protectionism and other uncertainties risked hampering the recovery.

The organisation forecast that global trade would expand by 2.4 per cent in 2017, up from just 1.3pc last year.

But it cautioned that "the unpredictable direction of the global economy in the near term and the lack of clarity about government action on monetary, fiscal and trade policies raises the risk that trade activity will be stifled", acknowledging that trade growth this year could fall anywhere between 1.8pc and 3.6pc.

Among the "policy shocks" that could easily send trade growth to the lower end of that range, it said, was the potential effect of Britain's decision to leave the European Union, and a growing trend towards protectionist policies, including in the United States.

"Trade has the potential to strengthen global growth if the movement of goods and supply of services across borders remains largely unfettered," WTO chief Roberto Azevedo said in the statement.

But he warned: "If policymakers attempt to address job losses at home with severe restrictions on imports, trade cannot help boost growth and may even constitute a drag on the recovery."

The WTO, which sets the rules of global commerce, has long been sounding the alarm over the "threat of creeping protectionism", exemplified in a steady flow of protectionist rhetoric from US President Donald Trump's administration.

Trump, who kicked off his presidency in January vowing to put "America First" and has blamed globalised trade for US economic woes and lost industrial jobs, has promised a more aggressive approach to open up foreign markets to US companies and has threatened to slap import duties on certain goods.

The US also refused at a G20 meeting in March to renew a long-standing anti-protectionist pledge, to the dismay of the group of top developed and developing nations.

Azevedo declined Wednesday to comment directly on the US position, saying he was waiting for Washington to appoint a new representative to the WTO to launch a dialogue. “We have to be patient and wait,” he told reporters.

The WTO chief did acknowledge that “trade does cause some economic dislocation in certain communities.” But he stressed that “its adverse effects should not be overstated, nor should they obscure its benefits in terms of growth, development and job creation”.

https://www.dawn.com/news/1326563/wto-eyes-feeble-global-trade-recovery-in-2017

PAKISTAN CAN FILL MEAT EXPORT VACUUM AFTER BAN ON BRAZILIAN MEAT
The Express Tribune, April 13th, 2017.

KARACHI: In a bid to improve Pakistan’s dwindling exports, Federation of Pakistan Chambers of Commerce and Industry (FPCCI) Standing Committee on Horticulture Chairman Ahmad Jawad has stated that since a host of Brazilian meat buyers in the world have either banned or reduced the import of Brazilian meat, Pakistan can capitalise on the opportunity and fulfill the vacuum.

Jawad said this in a statement on Wednesday after learning that Brazilian meat-packers did not have high quality or hygienic standards.

The main buyers of Brazilian meat were China, Chile, Egypt, Saudi Arabia, United Arab Emirates and European Union, he said.

Meat is the third largest export of Brazil, after soy and iron ore. The country sold beef and poultry products worth $12.6 billion in 2016, he said.

“We can tap the buyers through effective planning and support of the government as Pakistan has the potential of 159 million livestock,” he asserted.

Although Pakistan has sold good quantity of beef and mutton to Saudi Arabia and the UAE, yet it could not export to China, which is a big buyer.

Likewise, poultry, which forms the bulk of meat imports in the region, was left untapped by Pakistan. Jawad mentioned that Pakistan had surplus production of poultry over the last five to seven years but the country did not export its poultry.

For qualifying as poultry exporters, he recommended Pakistan’s poultry farmers and traders to maintain hygiene and quarantine standards along with accreditation by the relevant government agencies.

https://tribune.com.pk/story/1382038/pakistan-can-fill-meat-export-vacuum-ban-brazilian-meat/

EXPORTS TO INDIA GROW DESPITE BORDER TENSIONS
Dawn, April 14th, 2017

Shahid Iqbal

KARACHI: Despite mounting tension along the border, the trade between Pakistan and India has remained intact since the beginning of the current fiscal year.

A recent report by the State Bank of Pakistan (SBP) revealed that Pakistan grew its exports to India during the first eight months of 2016-17 while curtailing imports by 23 per cent.

The trade balance, however, remains in favour of India.

The two countries have long been locked in a bitter rivalry. But worsening political relations seem to have little impact on bilateral trade relations.

After growing by 14pc, exports from Pakistan to India amounted to $286 million in July-Feb. Imports from India fell 23pc to $958.3m from $1,244m recorded a year ago.

People who are in favour of better trade relations with India have to face harsh criticism in Pakistan. The same situation prevails across the border.

One reason for Pakistan's improved exports to India is high cement demand in the neighbouring country. This has offset the negative impact of a decline in Pakistan's cement exports to Afghanistan and South Africa.

The SBP said cement exports continued their downward trend, with the largest share in the year-on-year decline in the first half of 2016-17 originating from two markets — South Africa and Afghanistan.

"A slight consolation was continued strong demand for Pakistani cement from India. This partially offset the declines witnessed in the two other major markets," said the SBP report.

For more than five years, the balance of trade has been in favour of India as Pakistan failed to create a market for its products in the neighbouring country. Political resistance to better trade relations continues to exist in both countries.

In the first eight months of the current fiscal year, Pakistan recorded a trade deficit of $672m with India. The deficit was $993m in the same period of the last fiscal year.

Imports from India in 2015-16 were worth over four times the exports from Pakistan. In fact, imports from India were at a five-year high, although political and diplomatic relations with the eastern neighbour were at a low ebb. Pakistan imported goods worth $1.8 billion in 2015-16 compared to the exports of just $400m.

https://www.dawn.com/news/1326877https://www.dawn.com/news/1326877

GOVERNMENT URGED TO GRANT 'ZERO-RATED' STATUS TO HALAL FOOD EXPORT
Business Recorder, 14 April 2017

The Lahore Chamber of Commerce & Industry (LCCI) President Abdul Basit has called upon the government to grant halal meat and food export sector 'zero-rated' status. This would allow players in the sector to bring down costs as part of a serious bid to access the global market, which is estimated to be worth up to 300 billion dollars.

He said that Pakistan with the double advantage of being a Muslim country and being Shariah-compliant in the food sector has enormous potential to gain a major chunk of the international Halal food market. 'We can easily earn up to $30 billion per annum which is 1.5 times the current value of our exports if we could succeed in capturing only 10 percent of the international Halal food trade,' Basit said while addressing the concluding session of the 6th Halal Expo and Conference here the other night.

All Pakistan Halal Meat Exporters & Processors Association (AHMEPA) Chairman Nasib Ahmad Saifi hosted the dinner for the delegates of this conference. Delegates from Iran and Russia were present at the event in addition to local participants and officials from the Punjab Halal Development Agency. The LCCI Chief said that the need of the hour was to coordinate joint efforts in order to penetrate the market. He claimed that even non-Muslims prefer Halal food products. He said that Pakistan was producing food surplus to its requirements and that the sector could become a major contributor of badly needed foreign exchange.

Head of the Punjab Halal Development Agency (PHDA) former Justice Khalil-ur-Rahman Khan underscored the objectives of 6th Halal Expo & Conference. He said that the agency was making all out efforts to increase halal food, especially halal meat, export from Pakistan. He welcomed the participation of the Iranian and Russian delegates in the conference.

All Pakistan Halal Meat Exporters & Processors Association (AHMEPA) Chairman Nasib Ahmad Saifi also urged the government to pay attention towards the plight of meat exporters and said the industry had the potential to be the leading export sector of the country. He urged the government to declare the industry zero-rated, exempt it from power cuts, help to release stuck export bills and the need for the allocation of special room for consignments and promotion of livestock farming in the country.

http://fp.brecorder.com/2017/04/20170414168394/

EXPERTS STRESS USE OF IT FOR TRADE PROMOTION
Dawn, April 16th, 2017

LAHORE: The government should utilise maximum resources for the promotion of information technology while young entrepreneurs should disseminate information about their businesses and find out new partners through digitalisation.

This was the crux of speeches delivered by experts at a seminar on Digital Entrepreneurship at the Lahore Chamber of Commerce and Industry (LCCI) on Saturday.

Ayub Ghauri, Fatima Asad, Dr Ammar A Raja, Syed Sajjad Hussain Kirmani, Attique Ahmed, Mubashar Bashir, Adnan Yousuf Kazi and Asad Bokhari were of the view that young entrepreneurs should learn digital entrepreneurship, which was contributing heavily to the economies of various countries.

Digital marketing could play a major role to increase both small and large businesses so Pakistani entrepreneurs should make the right moves to get results. Young entrepreneurs should have innovative approach and right technology to succeed so that they could harness the power of digitalisation, they said.

Awais Saeed Piracha said that the promotion of information technology could enable the country to join the club of technologically advanced nations. Through information technology, companies could reach a larger group of consumers in the economic marketplace.

Hassan Amjad said that resources like social media networks, e-mail marketing, pop-up banner ads on internet websites and other technology-based items could help companies saturate the economic marketplace.

“Companies may also be able to use these resources to reach a younger target market or demographic group. The younger consumers are often more attached to information technology products compared to older consumers,” he said.

Abdul Basit, president LCCI, said that information technology has transformed the way of doing business. Manual business functions have been automated with the development of personal computers, business software and internet-based intranets.

Different uses for information technology and various computer-related devices could help companies develop a competitive advantage, said Mr Basit while adding that social media allowed a business to promote and market its own brand with a large number of customers.

“Social media being a major element in assisting consumers in their decision-making process also enables customers and entrepreneurs to interact directly,” he said.

Senior Vice-President of the chamber Amjad Ali Jawa, said that digital marketing through personal computers, smart phones, cell phones, tablets and game consoles could help entrepreneurs influence their consumers and convince them to utilise their products.

LCCI Vice-President Nasir Hameed Khan urged the research institutions and researchers to come forward to address the gaps in the current scenario by developing world-class technologies.

https://www.dawn.com/news/1327203/experts-stress-use-of-it-for-trade-promotion

NEWS COVERAGE PERIOD FROM APRIL 3 RD TO APRIL 9 TH 2017
BELARUSIAN ENVOY EMPHASISES TRADE TIES
The Express Tribune, April 5th, 2017.

RAWALPINDI: In a bid to enhance ties with Pakistan, Belarusian Ambassador Andrei Ermolovich has stated that more effort needs to be made to carry out joint ventures in agriculture, pharmaceutical, oil and gas sectors.

The envoy was visiting premises of the Rawalpindi Chamber of Commerce and Industry (RCCI) on Tuesday where he stressed on comprehensive economic relations.

“There is a huge untapped potential in industrial, agricultural, textile, pharmaceutical and other sectors and the two countries can benefit from it,” Ermolovich said. He said Belarus’ Minister for Industries along with a 20-member trade delegation will visit Pakistan next month. The delegation will also visit the RCCI on May 18, he added.

“The prime objective of this visit was to hold business-to-business meetings.”

Ermolovich also highlighted the importance of exchanging trade delegations and said the business community of Pakistan should actively participate in trade exhibitions and fairs being organised in Belarus.

He appreciated the role of RCCI in promoting business activities in the region.

RCCI President Raja Amer Iqbal in his welcome address said the country’s economy offered great potential to Belarusian investors for joint ventures and investment.

“Belarus investors should focus on energy, information technology, agriculture, pharmaceutical, marble, gem and other sectors in Pakistan to reap lucrative returns.”

Belarus can serve as a gateway for Pakistani trades towards Eastern Europe, he added. He assured full cooperation and assistance in organising business-to-business meetings at the chamber premises.

Iqbal also gave a brief summary of RCCI current and upcoming events. In the end RCCI President presented a memento to the ambassador.

https://tribune.com.pk/story/1374425/belarusian-envoy-emphasises-trade-ties/

BILATERAL TRADE: EU NEGOTIATES ‘POLITICAL FRAMEWORK’ WITH PAKISTAN: ENVOY
Zahid Baig

Business Recorder, Apr 5th, 2017

LAHORE: The European Union is negotiating a new ‘political framework’ with Pakistan to promote bilateral co-operation on different subjects including political, security and trade-related issues. Both the sides have already a similar five-year political framework which is expiring during the current year which saw multifaceted co-operation leading to enhanced trust and confidence between the two sides.

This was stated by Jean Franscois Cautain, Ambassador of European Union to Pakistan, while speaking at a luncheon reception arranged by Samee Ullah Naeem, former vice chairman Rice Exporters Association of Pakistan (REAP). Chairman Founders Group of REAP Shahzad Ali Malik, LCCI President Abdul Basit, Pir Nazim Hussain Shah, Ali Hussam, Chaudhry Shafique and a large number of rice exporters attended the event.

Jean Franscois Cautain said that Pakistan is a very important country for the EU when it comes to regional stability. He admitted that Pakistan has rendered precious sacrifices in the war against terrorism and the EU wanted to continue its co-operation with Pakistan against terrorism. The issue of illegal migrants is another important factor which the block wants to tackle with the co-operation of Pakistan.

He said the EU awarded GSP plus status to Pakistan which saw an increase of 78 percent in exports in the EU countries. As a new framework is being negotiated, the rice exporters should urge their government to include the matter of giving quota-free and duty-free access to its white-milled rice to the EU. He made it clear that duties on milled rice were not specific to Pakistan but many countries came under its ambit. He appreciated the compliance by Pakistan of different conventions like labour and environment and hoped it would continue to comply with core human rights.

The EU ambassador to Pakistan said he would take up the issue with his colleagues for permitting Pakistani Basmati rice a quota-free access to the EU but again opined that the demand should come from the government side. He also advised the rice exporters to go for export of organic rice which was in huge demand in the EU.

Earlier, REAP former vice chairman Samee Ullah Naeem in his welcome address said that Pakistan was the 4th largest rice exporting country with a 15 percent share in the global rice trade. “We don’t only export rice. We lovingly export a piece of our original heritage as Basmati rice. Pakistan is the original home to extra-long grain Basmati rice which doubles in elongation during cooking and is famous world over for its exquisite aroma and fluffy cooking,” he added.

He said the European Union buys 80,000 tonnes of Basmati every year but complained that it was just a fraction of what was imported overall by the EU. He pleaded for doubling the exports from Pakistan which, he opined, would create more rural employment and benefit hardworking farmers. The Pakistani rice industry meets all the stringent requirements of food security, quality assurance, authenticity and also give these factors highest importance in planning and production.

“Pakistani rice has to face the least number of alerts at EU entry points compared to our competitors. If others have 50 percent prohibited pesticide contamination, we achieve as low as 2.6 percent and we continue to improve further. The

European companies such as SGS, Cotecna, Euro fins do third party inspections prior to shipment as a routine," Samee Ullah Naeem added.

He appealed that the Pakistani-milled white rice should be given quota free/duty-free access into the European Union as is available to the Least Developed Countries (LDCs) under the EBA terms.
http://fp.brecorder.com/2017/04/20170405164305/

PM PROPOSES TRADE CHAMBER WITH GERMANY
Dawn, April 7th, 2017
ISLAMABAD: Vowing to enhance economic ties with Germany, Prime Minister Nawaz Sharif proposed on Thursday the establishment of a bilateral chamber of commerce.

Talking to Dr Gerd Muller, German federal minister for economic cooperation and development, the prime minister said the two countries enjoy friendly relations.

Mr Sharif told the German minister that Pakistan's economy is showing visible improvement as the security situation is far better than it was four years ago. "Our emerging democratic character is evident from the handling of all political issues by my government in accordance with the democratic principles and law," the prime minister said.

The German minister thanked Mr Sharif for the warm hospitality extended to his delegation in Pakistan. He vowed to further strengthen cooperation with Pakistan in a number of fields.

The visiting delegation includes German Ambassador Ina Lepel, BMZ Director General Dr Bernhard Felmberg and Head of Cooperation Dr Zoll Juergen.

Finance Minister Ishaq Dar and Special Assistant to Prime Minister on Foreign Affairs Tariq Fatemi also attended the meeting.
Separately, Mr Dar met Dr Muller to discuss matters of mutual interest. In his meeting with the German minister, Mr Dar highlighted the historic ties between Pakistan and Germany while appreciating the German government for supporting various development projects in Pakistan.

In particular, he showed appreciation for the recent equity participation by a German development bank, KfW, in the Pakistan Microfinance Investment Company (PMIC).

Having achieved macroeconomic stability in Pakistan, the government is now focused on attaining higher, sustainable and inclusive economic growth, Mr Dar said.
He said Pakistan is focused on the promotion of financial and digital inclusion in the country. Pakistan has a liberal investment regime, he said, while inviting German companies to invest in the country, particularly in the automotive and photovoltaic (PV) cell sectors. He said German companies should explore the opportunities available in the Special Economic Zones (SEZs).

The German minister acknowledged Pakistan's economic success over the last three and a half years. He appreciated Pakistan's efforts to overcome the challenges of terrorism and extremism.

He said that Germany is going to continue its economic and development initiatives in Pakistan. The German minister invited Mr Dar to his country for meeting European business leaders to promote investment in Pakistan.

Following the meeting, Pakistan and Germany signed a Joint Declaration of Intent (JDI) that aims to strengthen development cooperation between the two countries.

The JDI, signed between the Ministry of Finance and the German Ministry for Economic Cooperation and Development, focuses on three areas: governance, energy and sustainable economic development.

The volume of funds for bilateral development cooperation between Germany and Pakistan is expected to reach 109 million euros in 2017 and 2018.
https://www.dawn.com/news/1325409/pm-proposes-trade-chamber-with-germany

DAR APPROVES CROSS-BORDER TRADE REFORMS
Dawn, April 7th, 2017

Mubarak Zeb Khan

ISLAMABAD: Finance Minister Ishaq Dar has approved reforms in the Customs Department to facilitate cross-border trade under the Trade Facilitation Agreement (TFA).
The reforms will be carried out in six to 24 months, a source told Dawn on Thursday. Earlier, the Federal Board of Revenue (FBR) had committed to carrying out customs reforms in three to five years.
"We have sent the revised reforms commitment to the Ministry of Commerce," the official said, adding that the authorities concerned will further discuss the reforms with stakeholders before notifying them.

The TFA was launched in 2013 as a global agenda to ease border trade. Pakistan ratified the TFA in October 2015. The agreement came into effect on February 22 after its ratification from 110 members of the WTO.

As part of the agreement, member-countries committed reforms to the WTO in A, B and C categories. All reforms that Pakistan committed in the A category have already been implemented after the ratification of the agreement. The proposed revised commitment is mostly related to the customs and will be placed under B and C categories.

On March 15, Commerce Minister Khurram Dastgir Khan announced reforms commitments after receiving the same from the FBR.

According to a source, bureaucrats were resisting reforms as the FBR was earlier reluctant to ratify the TFA. However, the agreement was ratified after the intervention of the prime minister's secretariat, the source added. Similarly, the FBR in consultation with the Ministry of Commerce was making conservative commitments in B and C categories, which were overruled by the finance minister, the source said.

"The revised commitment for reforms will give a positive message to the local and international business community," the source said, adding that countries lock their reforms and voluntarily commit to change by making international multilateral commitments.

The FBR has committed that in six months it will establish a help desk to provide trade-related information and ensure the segregation of customs duties, taxes, fees and charges.

Moreover, the FBR will put in place a system to accept paper or electronic copies of supporting documents required for import, export or transit formalities. Earlier, these reforms were to be carried out in five years.
The reforms that will be implemented in one year include the standardisation and upgrade of existing procedures and setting up of software for electronic payments. Earlier, the country was to put in place the electronic payment system in five years.

The period for the implementation of reforms in other areas was reduced to two years from three and five years. These are related to risk management, post-clearance audit and trade facilitation for authorised operators. The only reforms that will be carried out in five years are related to the establishment of a single window for trade.

OECD studies suggest that the implementation of the TFA will reduce trade costs by 14.5 per cent. It will help developing countries like Pakistan diversify their exports and enter new markets.
https://www.dawn.com/news/1325403

INDIA STANDS IN THE WAY OF CHINA'S FREE TRADE AMBITIONS
Dawn, April 9th, 2017

A China-backed trade deal meant to cement Beijing's dominance in Asia has veered off course because India is hesitant to open its borders to cheap Chinese goods.

Without the participation of India, the third-largest Asian economy, the free-trade zone China hoped to create might still happen, but it won't carry the same economic heft, depriving Beijing of the chance to set the trade rules for the region.

The missed opportunity puts China on much the same footing as the United States, as Chinese President Xi Jinping and US President Donald Trump continue their first face-to-face meeting Friday at Trump's Palm Beach, Fla. club, where the trade tensions between their two countries will be a major point of discussion.

Trump withdrew from the sprawling Trans Pacific Partnership with 11 other countries as one of his first acts in office, squandering a chance for the United States to steer trade in Asia.
Now China looks like it may lose its chance as well, over Indian Prime Minister Narendra Modi's refusal to open its borders.

"India is reasons one, two and three why the deal might not get done," said Douglas Paal, vice-president for studies at the Carnegie Endowment for International Peace and a former adviser to Taiwan on trade. "There's a strongly-held belief that this will bring in unwanted competition."

The China-backed Regional Comprehensive Economic Partnership is currently being negotiated between the 10 members of the Association of Southeast Asian Nations (Asean), plus six other Asian nations — Australia, China, India, Japan, South Korea and New Zealand. If approved, it would cover 46 per cent of the world's population and 24pc of global GDP. It would also leave the United States on the sidelines, as Washington is not a signatory on the deal.

India, though it is participating in the trade talks, is balking at opening its market to Chinese products. Like the United States, India's trade deficit with China is big: $52 billion.

Modi doesn't want lower cost imports to compete with ones made in India even if it means opening foreign markets to Indian companies.

"The Modi government — one of the most pro-business in India's history — is not necessarily pro-trade," Rick Rossow, the Wadhwani Chair in US-India Policy Studies at the Center for Strategic and International Studies, said. "He's still very uncomfortable with really deep trade integration."

The Indian prime minister has made growing his country's manufacturing sector a priority. In September 2014, he launched the "Make in India" initiative in an effort to expand manufacturing after growth there fell to its lowest level in a decade. The goal is to make the sector more efficient and attractive for foreign investment.

And it appears to be working. GE, Siemens, HTC, Toshiba, and Boeing have either established or are in process of setting up manufacturing operations in India, according to the Indian Brand Equity Foundation. Modi's hope is to grow manufacturing to represent 25pc of Indian GDP by 2025. Right now, it accounts for 16pc.
Still, the RCEP is likely to be agreed to in some forms, multiple trade experts said. Asean, which is celebrating its 50th anniversary this year, has pledged to finalise the deal before the end of the year to mark the occasion.
The next round of negotiations are set to take place in the Philippines in May.

"RCEP is a diplomatic exercise," said Derek Scissors, a resident scholar at the American Enterprise Institute who studies the Indian and Chinese economies. "It's gotten more attention since TPP died, but diplomatically it's important" to agree to something by the end of the year.

Any deal will be a watered-down version of the original plan to create a free-trade zone, which is something India would never agree to, Ross said.

The current deal also lacks the protections for labour, human rights and the environment that were contained in the TPP.
"It's a low grade deal as it is," said Andrew Small, a China expert at the German Marshall Fund.

"Whatever results form this is not going to be a free trade agreement that we would have seen with TPP. For India to agree, there would have to be even a lower bar than there is right now," he said.

Edmund Sim, a trade lawyer who has worked throughout Asia, said it's misleading to compare the two deals because the regulatory, environmental, and worker standards were so much tougher in the TPP.

"RCEP had lower ambitions. Completing it will be less of a milestone that TPP would have been," Sim, who is a partner at the Washington law firm Appleton Luff, said.

https://www.dawn.com/news/1325835

May 2017

NEWS COVERAGE PERIOD FROM MAY 29TH TO JUNE 4TH 2017

MANGO EXPORT TARGET MAY NOT BE ACHIEVED

Business Recorder, June 6, 2017

Rizwan Bhatti

KARACHI: Pakistan is unlikely to achieve mango export target of 100,000 as crop is facing challenges of climate changes.

During current mango season, the crop of mango is sustaining huge losses due to unexpected climatic changes and ahead of this factor, All Pakistan Fruit & Vegetable Exporters, Importers & Merchants Association (PFVA) fixed the export target at 100,000 metric tons compared to 128,000 metric tons was exported during the last season.

Patron in Chief of PFVA, Waheed Ahmed, terming the current mango season worst in the history of Pakistan, told Business Recorder that as per initial reports major crop damaged has been reported in Punjab and some 50-60 percent of the mango crop has been badly affected in Punjab due to severe climatic conditions, Whereas, some 15-25 percent decline is expected in Sindh.

He said that the collective production of mango is also anticipated to decline due to prolonged winter season, hail storm and strong winds. Pakistan's mango production is expected to decline from 1.8 million tons to 1.2 million tons during this season. However the extent of damage can only be ascertained by June when crop would be available in the market, he mentioned.

“In this scenario, PFVA’s target of 100,000 tons mango export is seems difficult to achieve due to bad weather conditions”, he added.

He said that around the world the governments are working on the food security, however in our country nobody in taking this issue serious. There is no planning on food security at provincial and federal level, he added.

Waheed urged the government for working on technology, research and development to overcome expected food security crisis. The climatic changes are big challenge for the entire agriculture sector including horticulture sector and government can find appropriate solution by using technology, he added.

“With use of modern technology the damage caused due to hail storm can be avoided and losses can be greatly minimized, he mentioned.

He informed that mango export from Pakistan have already been commenced from 20th May 2017. Waheed shared that Pakistani mango is exported to 50 countries in the World, however during the current season; special attention would be focussed to China, USA and South Korea.

“China can emerge as a big market where with the assistance of Govt special events would be organized in context with advertising and marketing of Pakistani mango”, he added. Last year export value of mango was between $680-700 per metric ton, however during the current season this value would be $650 per metric ton, he informed.

http://epaper.brecorder.com/2017/06/04/3-page/879664-news.html

NEWS COVERAGE PERIOD FROM MAY 22ND TO MAY 28TH 2017
BUSTLING FOOD TRADE ACTIVITY AHEAD OF RAMAZAN
Dawn, The Business and Finance Weekly, May 22nd, 2017

Mohiuddin Aazim

JODIA Bazar and its adjoining wholesale markets of spices and food items are bustling with activity ahead of Ramazan.

Most importers have augmented stocks of Iranian dates, Indian spices, Australian and Canadian chick peas and pulses, Canadian pulses and Chinese and American sauces, food colours and preservatives.

Supplies to about 30 secondary wholesale and semi-wholesale markets in Karachi and also to main markets of interior Sindh, Balochistan and lower Punjab are also growing.

Flour millers are reporting higher off-take of super fine wheat flour (Maida) to bakeries and sweet makers for preparation of khajla, pheni and other Ramazan food specialties.

“For several years, the routine drop in sales of average quality of wheat flour during Ramazan has been somewhat compensated by pre-Ramazan higher off-take of maida, the use of which increases not only for preparation of Khajla and Pheni but also for production of branded readymade “parathas”.

Dawn, Wonder and Man-o-Salwa are known for making large sales of ready-to-bake parathas during the holy month.

Normal sales of coarse rice to semi-wholesale markets are somewhat slipping due to an anticipated decline in demand during Ramazan. But the sales of basmati varieties to eateries that remain open at iftar and sehri are on the rise, traders say.

Superstores selling ready-to-cook branded meat and chicken are busy making big purchases ahead of Ramazan as families switch over to them to save time spent on cooking.

A senior executive of a Karachi-based edible oil manufacturing company says that his company has recorded 15pc sales growth in Sindh and Balochistan between April 15-May 15.

“As we get closer to the holy month, the growth rate will further increase,” he hoped.

Far from the bustling physical trade activity, which involves rolling over of billions of rupees, the online food markets are inducting more riders in their delivery teams.

People associated with online food trading and retailing say, the existing desk-staff handling online customer traffic and back-end IT staff are being offered incentives as online retailing of ready-to-cook and prepared food is expected to increase manifold.

Muhammad Irfan, an independent researcher on food retail marketing, says the recruitment of riders by hotels, restaurants and eateries registered with Foodpanda alone has gone up by an estimated 10pc between mid-April and mid-May.

Traders at Jodia Bazar say anticipating a manifold increase in consumption of gram flour and chickpeas from the last week of May (when Ramazan will begin), semi-wholesalers and shopkeepers are buying these items in big quantities.

They say that wholesale sales of packaged milk, imported and local juices, lemon squash and sherbet of various brands particularly Jam-e-Shereen and Rooh-Afza are also on the rise as the holy month is arriving in summer season.

Sugar dealers say sales of sugar for home consumption are slightly higher already, which should compensate the fall that might occur due to lower demand by hotels and eateries in the month of fasting.

A couple of aspects of Ramazan-related food items trade merit a deeper analysis, but due to poor documentation and difficulty in data collection even for non-tax purposes, these aspects remain professionally unexplored.

“Our food trade deficit has been on the rise for years. It would be interesting to know how food imports behave one or two months ahead of Ramazan. That can help us take a more informed view of food trade movement and plan accordingly to keep a check on deficit,” says a senior central banker.

There is a need to examine how the cost of domestic food trade increases when inter-provincial and inter-city movement of lots of food items accelerates.

This can help identify structural flaws in domestic trade systems and will eventually make markets more efficient. And above all, ‘some proxies can and should be used carefully to reach a range of estimates for Ramazan-related expenses so as to monitor annualised changes using a baseline data that is closer to reality’.

Whereas such proxies like additional inflow of home remittances or short-term money withdrawals from banks apparently look suitable for estimating pre-Ramazan spending, their application involve lots of complexities. But an initiative can be taken to come up with some estimates with the help of fintech and modern analytics, central bankers say.

Food market analysts say online food trade is no more limited to cooked food delivery. “Online presence of all leading importers and a vast number of Jodia Bazar traders is changing pre-Ramazan food trading dynamics,” says Raza Imam who works at one of the business houses at Jodia Bazar.

“Instead of getting orders on phones or via fax, we now receive confirmed orders on our website and our mini-trucks loaded with imported and local food stuff rush to the semi wholesale markets at Water Pump in Gulberg and Aligarh market in Qasba colony, Orangi Town.

In last two weeks we’ve dispatched tonnes of chick peas, gram flour and dates to these two markets.”

At the semi-wholesale markets, smart-phones are at work. “Just a week ago, I’d booked 25 orders for packaged Iranian dates (of 100 packets each) from smaller markets in Orangi, North Karachi and Surjani Town.

As I talk to you I’ve showed availability of dates at my godown in Gulberg. Now, shopkeepers from those areas (members of online buyers group) will come one by one and pick up dates from my place.”

This, analysts say, is another area of pre-food Ramazan trade that needs attention for market analysis. “Gone are the days when shopkeepers had to travel long distances to the khajji (dates) market in Lea Market area to replenish their stocks ahead of Ramazan,” remarked Muhammad Irfan, a dealer in khajji market. “Tonnes of dates now move from one place to another without a buyer-seller meeting in person.”

https://www.dawn.com/news/1334576/bustling-food-trade-activity-ahead-of-ramazan

POTATO’S HUGE EXPORT POTENTIAL
Usman Hameed, Abdul Ghafoor

Dawn, The Business and Finance Weekly, May 22nd, 2017

POTATO is the most important crop in Pakistan after cereals with a potential of earning a significant amount for foreign exchange.

After meeting the domestic consumption and procurement of seed for the next growing season, the marketable surplus averages well over 1m tonnes, with a potential to generate revenue of around Rs20bn.

Russia, Sri Lanka, Malaysia, Central Asia and the Middle East are big markets for the Pakistani potato, whose quality and shelf-life is better than the Indian variety.

Unfortunately despite the crop’s great potential the local potato farmers are often unable to recover their production costs. The average price of potato in last two years remained Rs1,000/bag, which is much below the production cost of Rs1,350/bag.

This excludes the storage cost of around Rs400/bag and the commission that growers have to pay at the rate of 5-10pc of a bag’s price to the middlemen besides transportation and marketing costs.

The current price of a potato bag is around Rs1,700-1,800 while all the cold storages in the area are booked to capacity. If the surplus is not exported a price crash looks imminent.

Abdul Hameed, a progressive potato grower and director of the Potato Growers’ Society of Okara expressed his concern over the government’s insensitivity towards the crop’s pricing.

He said the quality of agriculture data is poor and the government should consult the farmers before announcing a policy. The growers may switch to other crops if they cannot get a reasonable price for their produce,.

There is a need for introducing support price for potato. The proper compilation and dissemination of relevant data to farmers should also be managed for making informed decisions on the choice of crop.

Another important area to improve is the provision of quality local potato seed. Currently, a major chunk of potato seed is imported from other countries including the Netherlands and India.

This escalates production costs and makes the business more susceptible to market vulnerabilities. Research institutes and agricultural universities should be tasked with producing quality, affordable potato seed. A marketing board should be set up to keep a check on the activities of commission agents.

https://www.dawn.com/news/1334570/potatos-huge-export-potential

ASIA MINISTERS IN PUSH FOR CHINA-LED FREE TRADE PACT
Dawn, May 23rd, 2017

HANOI: Asian trade ministers met Monday to hammer out the terms of a massive China-led pact that has taken centre stage as Washington pulls away from regional free trade deals in favour of bilateral agreements.

The 16-nation Regional Comprehensive Economic Partnership (RCEP) is poised to become the largest free trade agreement in the world, covering about half of its population.

It notably excludes the United States, which had been leading another regional trade pact — the Trans-Pacific Partnership (TPP) — until US President Donald Trump abruptly abandoned it in January after calling it a “job killer”.

At a meeting in Hanoi on Monday, the 19th time RCEP negotiators have met, the rhetoric in favour of free trade stood in stark contrast to Trump’s “America First” campaign speeches.

“In the context that protectionism is emerging in a number of major economies in the world, we believe that the conclusion of the RCEP Agreement negotiations will convey a clear and consistent message of the opening-up and economic integration-enhancing policy of the countries in the region,” said Vietnam’s Trade Minister Tran Tuan Anh, who was chairing the meeting.

Apart from Beijing, the planned RCEP pact would group the 10 members of the Association of Southeast Asian Nations plus India, Japan, South Korea, Australia and New Zealand.

The deal has gained attention since the US pullout from the TPP, which was billed as the world’s biggest trade pact when it was signed in February 2016 following years of negotiations.

Under then-US president Barack Obama it was sold to American allies as a unique opportunity to seize the initiative on worldwide trade — and ensure China does not get to dictate global terms of commerce.

On Sunday in Hanoi the 11 remaining TPP nations vowed to resuscitate the deal without the US. They are eager to lock in future free trade and strengthen labour and environmental rights despite the loss of the world’s number one economy.

https://www.dawn.com/news/1334823

PAK TRADE TEAM TO VISIT CHINA IN JULY
Business Reorder, 24 May 2017.

LAHORE: Pakistan China Joint Chamber of Commerce and Industry (PCJCCI) and Custom Syndicate are jointly organizing a high profile trade delegation and study tour to Kashgar-China by road.

The delegation will depart Lahore to Kashgar on 15th of July 2017. The purpose of the delegation is to study the facilities available and opportunities of connecting markets in Western China.

This tour will cover the major cities like Gilgit, Sust (Pak border), Tashkurgan County–(China border) and Kashgar city.

The delegates will get the opportunity to discuss the business and trade prospects, exchange information and relish the melodious culture of Kashgar, Xinjiang Autonomous Region of China.

President PCJCCI Wang Zihai informed that the tour will assist business leaders from a diverse group of companies to select locations for investment and market development.

The delegation is aimed to link business leaders, researchers and investors of both countries, he added. The tour will enable investors to identify potential organizations to partner and developing successful regional economic strategies and support regionally vital businesses, he added.

Wang Zihai identified that the multi-billion dollar's CPEC project starts from Kashgar and on other side ends at Gwadar thus covers the whole Pakistan. He said that Lahore, being in the centre of CPEC routes, acts as a major node that is open to the opportunities to attract Chinese businessmen and investors.

Muhammad Anwar, CEO Custom Syndicate, told that this high-level trade delegation and CPEC route study tour to Kashgar-China will enable the relevant stakeholders understand how to do business with Chinese, what business environments are, what opportunities are available, what are the infrastructure needs and what sort of socio-economic relations need to be developed.

He informed that interaction with business organizations from the public and private sectors of China will open vistas of opportunities for delegates that will ultimately boost cross-border business and trade collaboration.

http://epaper.brecorder.com/2017/05/24/8-page/877222-news.html

NEWS COVERAGE PERIOD FROM MAY 15 TH TO MAY 21ST 2017
A STRATEGY FOR MEAT EXPORTS
Dawn, The Business and Finance Weekly, May 15th, 2017

Ahmad Fraz Khan

THE Centre for Applied Policy Research in Livestock has come up with a policy paper, called 'Pakistan meat exports: strategising productivity enhancement'.

The paper defines the 'unique moment' that it says has arrived for Pakistan's halal meat market and the meat export potential. It lists factors which, if properly dealt with, could open huge vistas for Pakistani meat.

First, the international market is expanding at a very brisk pace, having grown from $0.5bn to $1.5bn over the last five years. Second, Pakistan sits in a region — from the Middle East to the Far East — that is a huge importer of meat, with next-door China emerging as the biggest buyer.

The CPEC, when developed, could take Pakistani meat directly into China.

Though India has emerged as the biggest exporter, its current internal social strife over the sacred cow has led to the closure of over 50pc slaughter houses in Utter Pradesh (UP), which had been leading the exports drive. With the Indian exports window closing, Pakistan with the right policy choices could fill the void.

To realise the export potential, the paper suggests short-, medium- and long-term plans. In the short-term, it, however, proposes de-capping domestic meat price, coupled with standardisation of meat and meat products.

It also suggests tagging the source of meat — cattle, buffalo, sheep, goat and age of the animal etc. Traceability — backwards linkages right up to farm — is still another suggestion.

Efficient customs and quarantine services, credit insurance for exporters and developing data base of feedlot farmers are other policy measures.

In the medium-term, the paper advocates measures for the eradication of the foot and mouth disease (FMD) at national and provincial levels.

Developing, registering and documenting disease-free zones in a way that inspires international confidence and enhances Pakistani exports competitiveness in the world market is essential.

Easy loans for the sector could help develop the launching pad for increasing export.

In the longer run, the paper thinks a meat products development centre could be set up to keep the domestic market abreast with international trends and demands. Breed improvement and relaxed taxation regime are also essentials for the meat market.

Pakistan, along with geographical advantages, has cheap labour as compared to competing exporting countries. It could help develop export market quickly. But Pakistan has to change its business model.

Currently, it has 17 meat processing units — nine of them in Sindh and eight in Punjab — and all of them are owned by the private sector (read butcher families, who also has relatives in the Middle East selling meat).

There are only 35 exporters, mainly sending meat to the Middle East. The total volume of Pakistani exports, out of $1.5bn global market, is $244m.

Pakistan has a reasonable number of animals but suffers from ineffective marketing and supply chain. A regular business requires quality products, consistent supply of goods and a very vigilant supply chain in which Pakistan lags.

For competing in the world market, all government institutions, universities, research and development organisations and industry have to synchronise their efforts towards one goal: claiming more shares in the world market over the next five years.

“The current meat business model is weak as the entire process is personalised within the families that have been dealing in meat and its products for generations and are content with meeting small demand of their own outlets in the Middle East,” explains Muhammad Zubair, who is trying to set up his own business.

The inherent weakness of this personalised model is that it cannot go beyond a certain point. The statistics prove the point: the entire country has 17 processing units, 35 exporters and total volume increasing from $123m in 2010 to current $244m.

If the government thinks that it can earn through meat exports, it, it should open up the business for investment — making it financially lucrative for all stakeholders. The current model needs some very basic policy improvements that only the government can provide, he suggests.

https://www.dawn.com/news/1333262

BILATERAL TIES: NEPAL SEEKS INVESTMENT OPPORTUNITIES IN PAKISTAN
The Express Tribune, May 16th, 2017.

PESHAWAR: Ambassador of Nepal to Pakistan Sewa Lamsal Adhikari invited Pakistani business personnel to explore investment opportunities in her country.

Speaking during a meeting with traders of the Sarhad Chamber of Commerce and Industry on Monday, she said that both nations have tremendous potential in the areas of trade, tourism, investment and cultural promotion. “Pakistani people are vibrant and innovative in business enterprises with an established tradition, proven skills, innovation and craftsmanship in the region,” she said.

Adhikari invited the Pakistani business community, especially those based in Khyber-Pakhtunkhwa [K-P], to visit Nepal and explore the vast investment opportunities in diversified fields. “Nepal has a friendly visa policy for tourists and business personnel and Pakistanis can easily get tourist visa upon arrival,” she said. “Trade is an important aspect of bilateral relations in today’s interdependent world and it is an integral part of sustainable development.”

The ambassador said that Nepal was well-known for its organic tea, coffee, pashmina products, woollen carpets, handicrafts, jewellery, optical lenses, paper products and mechanical herbs, among other things.

Meanwhile, she added that Pakistan was famous for products like leathers, textiles, machinery, medicines, footwear and dried fruits. She emphasised that leather and textile products were very popular in Nepal and both the countries could take advantage of each other’s potential by increasing volume of their exports.

The diplomat said her country is offering special incentives and tax exemption packages to foreign investors and Pakistani companies reap full benefits from the policy. “At present, hydropower is one of the most attractive and commercially rewarding sectors for investment in Nepal. The availability of abundant snow-fed water resources place the country in a unique position in generating commercially lucrative hydropower,” she said.

“Additionally, the agriculture and herbal procession industries could be other areas of interest where the Pakistan companies can invest their knowledge and expertise and technology,” she added.

https://tribune.com.pk/story/1410620/bilateral-ties-nepal-seeks-investment-opportunities-pakistan/

‘BUDGET TO BOOST EXPORT SECTOR’
Dawn, May 17th, 2017

Mubarak Zeb Khan

ISLAMABAD: Special Assistant to Prime Minister on Revenue Haroon Akhtar Khan said on Tuesday the Federal Board of Revenue (FBR) is considering proposals to rehabilitate the export sector.

Mr Khan also noted that life will not be easy for those who avoid paying taxes. “I urge all honest people to contribute their due share of taxes to the national kitty,” Mr Khan said while addressing a single-day pre-budget seminar organised by the Ministry of Commerce.

Mr Khan said the FBR’s revenue target for the next year will be over Rs4 trillion, up from the current year’s target of Rs3.6tr. He said the issue of refunds will be considered in the next budget.

At the outset of the seminar, Commerce Secretary Younus Dagha shared the budget proposals, which the ministry had received from stakeholders. The proposals revolved around tariff reduction, sales tax refunds and customs rebates.

These budget proposals will be submitted to the finance ministry and the FBR in the next couple of days.

The proposals call for the release of pending refunds of around Rs150-200 billion, which can lead to a boost in exports. The Refund Payment Orders (RPOs) have recently been rolled back on the grounds that the refund of sales tax on packaging material was claimed in violation of the understanding that exporters reached with the government when the prime minister announced a relief package for them.

The stakeholders demanded that RPOs should be reapproved expeditiously after deducting the disputed amount, which may be settled separately.

To avoid the piling up of refunds, it has been proposed that the targets of tax officers should be fixed on a gross collection basis. Currently, the deduction of refunds from their collection performance encourages tax officers to delay refunds.

The stakeholders demanded that the zero-rating facility should continue for the five export-oriented sectors in the next budget. It was proposed that the coverage of the facility should be expanded to other export-oriented sectors, such as rice milling and processing, fish packaging and processing, meat and meat processing and pharmaceuticals.

The stakeholders have also demanded that the zero-rating facility be extended to cover packaging material, which is an essential input in value-added exports.

All raw materials used in export goods – or in local goods that have to compete with the zero-duty imported goods – should be allowed without any import duty or other taxes. It is high time such anomalies were removed from tariff lines to encourage export competitiveness and discourage imports of goods produced locally, the proposals state.

The stakeholders pointed out that goods imported by Afghanistan from other countries pass through Pakistan’s territory duty-free as per the transit trade facility. But exports from Pakistan’s bonded warehouses to Afghanistan are subject to 15pc general sales tax (GST). The proposals suggest that this anomaly should be removed. Any misuse should be stopped through a robust countercheck system rather than stopping all exports, they said.

It is proposed that duty rebates under all schemes should be paid in the same manner by the bank at the time of remittance, and not processed at the FBR.

During the seminar, exporters submitted budget proposals that called for the removal of duty on the import of primary raw material and machinery, increase in duty on the import of finished items, abolition of regulatory duty on the import of certain items, zero-rating of sales tax on all inputs, including packaging material, suspension of export development surcharge for three years, withdrawal of the gas infrastructure development cess, coverage of the prime minister's export package to non-textile sectors, export incentive bonus in the exchange rate, clearance of refunds and opening up e-commerce payment gateways in Pakistan.

https://www.dawn.com/news/1333641

SAB RECOMMENDS EXPORT OF 1.2M TONS OF SUGAR
Business Recorder, May 18, 2017

Mushtaq Ghumman

ISLAMABAD: Sugar Advisory Board (SAB), an inter-provincial body, headed by Secretary Industries and Production, Khizer Hayat Gondal, on Wednesday recommended export of additional 1.2 million tons of surplus sugar with appropriate subsidy to be determined by the committee headed by Commerce Minister, well-informed sources told Business Recorder.

According to the final figures presented to the meeting, total production in Punjab stood at 4.327 million tons, Sindh 2.230 million tons, KPK 0.490 million tons, totaling 7.047 million tons and with addition of carryover stock of 0.950 million tons, total stock will be 7.997 million tons. However, after excluding sugar export of 0.425 million tons and annual consumption of 5.100 million tons, balance would be 2.427 million tons. The Board was informed that after excluding strategic reserves of 0.630 million, total surplus will be 1.8 million tons. The sources said Javed Kayani, Chairman PSMA, presented a detailed report at the SAB meeting relating to issues of sugar industry. The meeting was well represented by all three zones of PSMA: Punjab, Sindh and KPK. PSMA gave final production figures and insisted that the permission to export 1.5 million tons must be given to the sugar industry without any limitation of timeframe. The issue was also brought to the notice of Secretary Commerce in his meeting with PSMA and he agreed that export of sugar should not be time bound.

Sugar industry also contended that permission to export sugar should have been given at the beginning of the season when international market was around $540 and the industry could have exported the entire quantity without seeking any subsidy. Twice the Commerce Ministry without understanding the repercussions curtailed the quantity of export to the detriment of growers and member mills lost the opportunity to avail good rates to sell sugar.

Sugar industry argued that due to a decline in the international market the industry should be given export rebate and an incentive like SRO 77, which was to encourage export and to avail reduced rate of sales tax of 0.5% against corresponding local sales.

It was also proposed that a cascading mechanism may be adopted in view of the international market with a benchmark price of $530, and $10 reduction in the export price should warrant a subsidy of Re. 1 per kg; similarly for the current level of $450 the subsidy amount comes to Rs.8 per kg which can be reviewed every month. Sugarcane price is fixed at Rs180 and the industry is bound to crush the entire sugarcane crop; therefore it is the responsibility of the government to facilitate resultant surplus to ensure payment to sugarcane farmers.

The issue of assessable value at 60 rupees per kg was also discussed with a request to FBR to rationalize the sugar rate for purposes of sales tax. Currently, the sale to registered individual's is subject to 8% i.e., Rs 4.80 per kg and for unregistered person it is 10% i.e., Rs 6.00 kg which the industry is finding difficult to pay in view of the reeling local market price. After defraying the amount of sales tax from the current sale price of 51/- industry is left with Rs.45 which does not even cover the amount of sugarcane content in the price of sugar.

The industry's break-even is Rs 64/kg, it is therefore imperative that surplus sugar is exported to reduce the over-supply. Chairman also mentioned that due to this situation in the past few years nine bankruptcies were reported. Therefore, government must address the problems of sugar industry. It was also stated that there is going to be an even bigger sugar production next year which may be around 8 million tons so the government must take a rational decision to ensure the surplus is exported.

After a detailed discussion, SAB recommended export of 1.2 million tons with an appropriate subsidy to be determined by the committee headed by the Commerce Minister.

Sugar industry also requested Secretary Industries and Production to release TDAP rebate as industry is facing a liquidity crunch.

http://epaper.brecorder.com/2017/05/18/22-page/876013-news.html

STRATEGY FOR IMPROVING EXPORTS
Business Recorder, May 19 2017

At a seminar on "Strategies for Improving Exports with special attention to CPEC and Regional Trade" organized by PIDE and CE-CPEC, the issue of declining exports was thoroughly discussed, with a special reference to the measures to propel country's exports. It was highlighted that there were deep structural problems due to which Pakistan had performed extremely poorly in exports over the past several decades.

Our pattern of exports was not aligned with the current configuration of global trade. For instance, while textile and garments constitute 70 percent of Pakistan's exports, these form only 4 percent of global exports. Cost of doing business was high, competitiveness was low, tax policies were not business-friendly and energy shortages were common. Other significant factor was the absence of Direct Foreign Investment (DFI). Another negative was the lack of friendly relations with the neighbours which created major impediments towards exports.

So far as DFI was concerned, CPEC, according to the participants of the seminar, represents a big step forward. Not only would China be investing in Pakistan, this initiative would also have a strong crowding-in effect. However, deep structural problems will take a longer time to be resolved, especially because the way forward is blocked by powerful vested interests.

The policymakers, nonetheless, could find several methods to work around these obstacles. Firstly, the nine Special Export Zones (SEZs) would bypass most of the structural problems.

The fears that these would compete with local industry are unfounded because SEZs will build industries in areas where nothing exists and will manufacture for exports in areas where there are no exports. A significant jump in the exports of rice, soybean, dairy products, marble, granite and mushroom to China is expected.

Fears about the burden of debt created by the FDI are largely misconceived. While there will be short-term stress on the balance of payments, a substantial easing within two years is expected, significantly reducing our import bill. And finally, there is empirical evidence to show that depreciation of rupee will not have a favourable impact on our balance of payments. This will increase country's import bill by more than export revenues and increase the burden of debt.

We feel that it was an excellent idea to organise a seminar on strategies for improving exports at this critical juncture when country's exports are declining rapidly, imports are increasing, C/A balance is fast deteriorating and there is a great risk of depletion of foreign exchange reserves held by the SBP. It was also good to see that deep structural problems, creating major barriers to export promotion, were rightly recognised.

As shown by various studies and identified by multilateral agencies, cost of doing business in our country is quite high, competitiveness is low, energy shortages are rampant, tax policies are not business-friendly and neighbouring countries are not happy with Pakistan. All these obstacles have tended to depress our exports and increase imports to meet the domestic requirements. However, while forwarding the proposals, the participants of the seminar have gone out of their way to appreciate the likely favourable impact of CPEC on our exports and offered certain suggestions which are contentious.

For instance, the participants have projected a significant jump in exports of rice, marbles, mushrooms, etc., to China. Although the exports of these commodities could be facilitated by CPEC, the hope for a “significant jump”, in our view, is far-fetched though. It is only natural that China will buy these commodities from sources which would be the cheapest and Pakistan would already be selling these commodities to the rest of the world if it could produce them at competitive rates.

High hopes attached to the nine SEZs, as suggested by the past experience, also seem to be misplaced. The suggestion that our exports are depressed because their pattern is not properly aligned with world configuration is also not correct. Pakistan has to rely on textile and garments in which it has a comparative advantage in production. It cannot rely on the exports of engineering goods, chemicals, plastics, metals and minerals which constitute more than 60 percent of global trade because the country cannot produce these goods at competitive rates due to lack of natural endowment and low level of technology available to the country.

To say that FDI would not be a cause of stress on the external sector of the economy also does not seem to be true. It could definitely be a source of stress if such an investment is used to promote consumption industries in the country. Therefore, it would be better to keep track of FDI with a view to ensuring that it is optimally used to enhance productive and export capacity of the country.

We don’t want to say anything on the observations of the participants that depreciation of rupee does not have a favourable impact on the balance of payments. Such statements are against the fundamental rules of economics and a poor reflection on the understanding of this subject.

http://epaper.brecorder.com/2017/05/19/20-page/876241-news.html

PKI SEEKS COMPLETE BAN ON AGRICULTURE TRADE WITH INDIA
Business Recorer, May 5 2017

Muhammad Saleem

LAHORE: The Pakistan Kissan Ittehad (PKI) has urged the government to abolish GST and GDIC on input and output of all types of fertilizers in the federal budget 2017-18 and announce supporting prices for cotton, rice, potato and corn crops besides putting a complete ban on agriculture trade with India.

PKI president Khalid Khokhar told Business Recorder that the Punjab government has endorsed their demands and also approached the federal government in this regard in black and white. Even the Punjab Agriculture Commission (PAC) in its meeting held the same day, supported these demands, he told.

Khokhar warned that the farmers would be forced to commit suicides if immediate steps are not taken to address their economic worries. In India, he said, support prices of all the 27 crops have been fixed by the government but in Pakistan supporting price of only wheat crop has been fixed. He asked the government to announce supporting price of cotton in budget 2017-18 as Rs 4,000 per 40/kg cotton bales, Rs 2,200 per 40/kg for rice, Rs 2,500 per 120/kg for potato and Rs 1,500 per 40/kg for corn crop.

In order to safeguard interests of farmers, Khokhar suggested that the Trading Corporation of Pakistan (TCP) must be made functional by the government by appointing efficient officers.

The PKI president raised serious concerns over agriculture trade with India and said potato worth Rs 15 billion were imported from India in 2015-16. In India, farmers are getting free electricity while urea bag is available at Rs 425 against Rs 1,400 in Pakistan and DAP at Rs 1,200 against Rs 2,700 in Pakistan.

Due to Indian agriculture trade, he said there was significant decline in tunnel farming. In 2010-11, total area of tunnel farming was 70-80 thousand acres in Lahore and other adjoining districts which has now reduced to 10 thousand acres mainly due to agriculture trade with India.

Khokhar also slammed the decision to entrust Wapda arrears recovery from farmers in Okara and Kasur districts to Rangers. Instead, he suggested, Rangers should have been entrusted the task of recovering the arrears of farmers from sugar mills. Citing an example, he said Brothers Sugar mills owe arrears of Rs 1 billion to farmers.

He also demanded that agriculture arrears of electricity must be waived off while agri electricity tariff be fixed at Rs 4 per unit.

Khokhar said that the PKI is going to stage a sit-in, in front of Parliament House on May 27 to press the government for acceptance of their demands. He invited representatives of all the political parties to join their sit-in to express solidarity with farmers facing worst situation in the country.

He said the government should facilitate the farming community being the lifeline of national economy; otherwise, the situation would lead towards serious situation.

http://epaper.brecorder.com/2017/05/20/9-page/876357-news.html

TPP MEMBERS AIM TO REVIVE DEAL AFTER US PULLOUT
Business Recorder, 20 May, 2017

HANOI: Asia-Pacific nations will try to rescue a massive trade deal scuppered by the pullout of the United States, a source involved in discussions told AFP Friday, as delegates meet in Hanoi for key talks this weekend.

US President Donald Trump abandoned the 12-nation Trans-Pacific Partnership (TPP) in January calling it a “job killer” and throwing the pact’s future into doubt. The deal covered 40 percent of the world economy before the US withdrawal, and with its notable exclusion of China was intended to counter Beijing’s economic prowess in the region. Several remaining members have championed its revival, namely New Zealand and Japan, the only two countries that have formally ratified the deal.

Trade ministers from the 11 remaining TPP countries will meet on Sunday, where they are expected to agree to keep the deal alive. “The big announcement if it all holds together will be that there will be agreement to move forward as TPP 11,” the source said.

The door would “absolutely” remain open for the United States to return to the agreement in the future, the source added.

TPP members are expected to make an announcement Sunday on the sidelines of a meeting of trade ministers from the Asia-Pacific Economic Cooperation (APEC) bloc, which will also be attended by newly appointed US trade chief Robert Lighthizer.

Japan has also lobbied for the so-called TPP 11, and the minister in charge of the deal said Friday Tokyo was seeking its implementation. “TPP has not only economic benefits but also strategic significance. We will firmly seek its realisation,” Japan’s minister in charge of TPP, Nobuteru Ishihara, told reporters Friday, according to state media.

Under the original terms of the TPP the deal could not come into effect unless ratified by six countries accounting for 85 percent of the group's combined GDP. Without the US, the deal cannot be ratified.

To move ahead without the US, members will have to agree to amend the ratification clause, but reopening talks could risk unearthing what were years of gruelling negotiations. "The challenge will be if you start adjusting the balance within the agreement others will also need to take things out and then at what point does the agreement lose its relevance for the 11?" the source said. The aim is to come to a final agreement by November when APEC leaders meet in Hanoi for a summit, which Trump is scheduled to attend. The Republican leader has vowed to focus on bilateral deals and push for "free and fair" trade with its partners, a message Lighthizer is expected to carry with him at the two-day APEC meeting that kicks off in Hanoi Saturday.—AFP

http://epaper.brecorder.com/2017/05/20/15-page/876408-news.html

GOVT EXPENDITURE ON AGRICULTURAL SECTOR FAR LOWER IN PAKISTAN: WB
Dawn, May 21st, 2017

Amin Ahmed

ISLAMABAD: Government expenditure on agriculture sector, both as a percentage of total outlays and as agricultural GDP, is far lower in Pakistan than other countries in South and Southeast Asia, the World Bank said in a report.

There is limited diversification in crop agriculture across all farm sizes. The major focus is on cotton, rice, sugarcane and wheat rather than on value-added products such as orchards, pulses, vegetables and expanding cropped areas under cotton.

About 70 per cent of farms with fewer than five hectares grow grains, compared with 55pc of farms of 20 hectares and above. Likewise, 45pc of small farms grow wheat, compared with closer to 40pc of medium to large farms. About 10pc of small farms grow cotton, compared with 14pc of medium to large farms.

Diversification on farms of 20 hectares and above seems to be slightly higher than on farms with fewer than 5 hectares. Over-reliance on the traditional four crops reflected government support including subsidies, procurement politics, research and extension, that is heavily focused on the major crops, inefficient markets for non-major crops and livestock products, insufficient technical knowledge regarding on-farm production and post-harvest handling of high-value commodities, and difficult and costly access to finance.

The World Bank report suggested that there is substantial scope for accelerating broad-based agricultural growth by stimulating productivity, technology and innovation, better water management, an improved regulatory regime and agricultural trade policies, and a smarter subsidy regime.

Fundamental reforms in agricultural research and extension systems, marketing of crops and livestock products (market reforms) as well as water management policies and institutions, could provide greater efficiency to the sector.

Apart from water stress, productivity is also considerably lower in Pakistan than in other countries. Crop yields, both per hectare and per cubic meter of water, are much lower than international benchmarks.

This is due to excessive reliance on traditional irrigation methods (flood irrigation) combined with the basic absence of pricing of surface water, which together cause huge water losses due to overuse, excessive run-off, deep percolation and evaporation.

Yield growth of the four major crops has slowed since the 1990s. Rice yields grew at an average annual rate of 5.6pc in the 1960s, falling to 2.9pc in the 1990s and just 1.7pc in the period 2000-10.

A similar pattern can be observed in wheat, with average annual yield growth of 3.6pc in the 1960s, 3.1pc in the 1990s, 0.9pc in the period 2000-10, and negative 0.4pc in the period 2011-15.

For sugarcane, the decline was from 3.6pc in the 1960s, 1.2pc in the 1990s, 1.4pc in the period 2000-10, and negative 0.3pc in the period 2011-15.

The story of cotton is no different, with average annual yield growth of 2.7pc in the 1960s, 2.8 pc in the 1990s and 1.3pc in the 2000s. Moreover, average yields tend to be below the achievable upper bound of progressive farmers' yields.

The national average yields of major crops such as rice and wheat are about 45pc of progressive farmers' yields. The yield gaps are even greater for some cash crops, such as sugarcane in Sindh (73pc) and Punjab (62pc). Likewise, the yield gap for cotton and maize is 31pc and 58pc, respectively.

https://www.dawn.com/news/1334379

MANGO EXPORT BEGINS
Business Recorder, 21 May 2017

N H Zuberi

KARACHI: All Pakistan Fruit & Vegetable Exporters, Importers & Merchants Association (PFVA) has set export target of 100,000 metric ton for this year.

Last year mango export target was set at 100,000 ton, however by conclusion of the season the export of mango stood at 128,000 metric ton fetching valuable foreign exchange of US$ 68 million, said Patron –in –Chief of PFVA, Waheed Ahmed.

He said that the mango export from Pakistan is due to commence from 20th May 2017.

During current mango season, the crop of mango sustained huge losses due to unexpected climatic changes and thus keeping this factor in view, an export target of 100,000 metric ton has been fixed as precautionary measure, according to Waheed Ahmed.

Due to prolonged winter season, hail storm and strong winds in Punjab, the collective production of mango is anticipated to decline and from total estimated production of 1,800,000 metric tons about 600,000 metric ton could be damaged due to climatic changes. Punjab shares 67% of the total production of mango in Pakistan and due to severe climatic conditions 50% of the mango crop has been badly affected. However the extent of damage can only be ascertained by June when crop would be available in the market.

Waheed shared that Pakistani mango is exported to 50 countries in the World, however during the current season; special attention would be focused to China, USA and South Korea.

China can emerge as a big market where with the assistance of Govt. special events would be organized in context with advertising and

marketing of Pakistani mango.

The export of Pakistani mango to European countries would further be enhanced, Waheed expressed confidence.

Last year export value of mango was between USD 680 -700 per metric ton, however during the current season this value would be USD 650 per metric ton, he added.

This year the export season of mango and holy month of Ramzan commence simultaneously and hence export of mango to Muslim countries and Muslim population in the Western countries would provide bright scope of substantial enhancement in export volume, however prolonged strike of transporters and abnormal congestion at the sea ports' terminals the export is under high pressure at the commencement of export, Waheed expressed concern.

According to Ahmed, the climatic changes are big challenge for the entire agriculture sector including horticulture sector and by use of technology we can find appropriate solutions.

With use of modern technology the damage caused due to hail storm can be avoided and losses can be greatly minimized.

The Provincial Govt. of Punjab and Sindh must reserve funds in the forthcoming budget to encounter menace of the hail storm by use of technology so that likely financial losses, running in billion of rupees can be averted.

Waheed impressed upon the Federal Govt. to fulfill it's firm commitment of cost reduction by extending 7% financial assistance on export of fruits and vegetables in the forthcoming budget with enforcement of 1% withholding tax on FOB price instead of C& F value, since freight cost is much higher than actual cost of fruits and vegetables.

Ahmed further emphasized that the Govt. must take serious notice of discriminatory policy of freight cost by the foreign carries to Pakistan and the carriers must be bound to charge appropriate freight rate.

Foreign carriers are charging freight cost of USD 1.26 per kg from Bombay to London where as USD 1.70 per Kg is being charged for the sector KHI – London which is a serious issue making it difficult for Pakistani mango to compete in International market due to relatively high cost factor.

http://epaper.brecorder.com/2017/05/21/17-page/876697-news.html

NEWS COVERAGE PERIOD FROM MAY 8TH TO MAY 14TH 2017
CONSEQUENCES OF FODDER EXPORTS
Dawn, The Business and Finance Weekly, May 8th, 2017

Ahmad Fraz Khan

An almost 20pc rise in domestic prices of fodder following exports from Pakistan, especially of Rhodes grass and wheat-straw, to the Middle East, over the last two years has awakened all stakeholders to its serious consequences.

The process that was largely restricted to upper Sindh because the freight factor has now reached right up to central Punjab, where wheat straw has seen its prices skyrocketing to Rs400 per maund right in the middle of wheat harvesting.

The emerging issue is: Whether these increasing exports are good for farmers or if they can further hit the already under-nourished livestock?

For the last 70 years neither agriculture nor livestock departments ever took an interest in the sustainability of fodder supplies. For the first time, investment has started coming in because of export potential.

In the last two years, two new plants have been set up near Lahore and more are on their way in the central Punjab area. The farmers are beginning to take it as a cash crop because of quick and assured returns.

Traders and middle-men are entering the market as the trade potential increases. “What is wrong with that,” asks an official of the Punjab Livestock and Diary Development Board.

The process should not cause alarm because exports are restricted to the Middle East only, especially to Saudi Arabia and the UAE. Both are small markers, with their own saturation point that may be reached quickly.

Instead of worrying, the process should be encouraged because it is good for the crop and farmers, he thinks.

This attractive picture, however, does not lessen the worries of those who think that the process would not only hit the livestock but soil as well. Given the rising local demand and wide ownership pattern of the livestock, the only persisting worry has been availability of fodder.

Around 40pc of livestock farmers are landless, who totally depend on market for feeding their animals. They are the most vulnerable lot.

“The fodder prices would also have a multiplier effect in both meat and milk sectors — taking their prices up,” fears an official of the Punjab Agriculture Department. One may not have to wait for long as the approaching Eid-ul-Azha would clarify the impact: the cost of fodder will reflect in the prices of animals being reared for the eid, he explained.

According to the farmers, an un-intended victim would be the soil. The conventional wisdom is: grain for the farmers and straw for the soil. The straw rejuvenates soil after an exhaustive crop.

With the increase in prices of wheat straw, the farmers are taking out even the residues of wheat and selling them, leaving the soil totally dependent on chemical fertilisation. This is a dangerous process for sustainable agriculture, given the state of the country’s soil fertility position.

Taking into account the arguments on both sides, Muhammad Jamshid, an exporter, thinks that the government, needs to regulate the exports. It should not ban fodder exports because of the positive impact this investment and trade is bringing to the sector.

The impetus for exports came when Saudi Arabia, given its water scarcity, banned the domestic production of fodder two years ago. On the other hand, with the import of herds from all around the world, Pakistan had also started growing and exporting Rhodes grass.

The government should carefully assess and then allow a certain quantity of fodder for export while ensuring the domestic market does not suffer. Mr Jamshed suggests a regulatory mechanism, without disturbing the trade.

https://www.dawn.com/news/1331729/consequences-of-fodder-exports

PAKISTAN FAILING TO MAKE MONEY FROM HALAL GOODS TRADE
Naveed Ahmad

Dawn, May 8, 2017

DOHA: By 2018, the halal food trade market will soar beyond $1.6 trillion. Halal products beyond food such as cosmetics and pharmaceutical nearly double this trade figure. Every study on halal product trade potential of Pakistan places it among top five Muslim countries.

The abysmal reality on the ground is just another matter, though. A 2016 study by the KCCI placed Pakistan as the 19th largest meat exporter with beef being a preferred commodity.

It also claims that meat industry here has grown at an annualised rate of 27% from $14 million in 2003 to $244 million in 2015 with 708,968 tons of meat exported. New Zealand, remote and much smaller in size compared to Pakistan, is the world leader in the halal export market.

The challenges facing the halal food sector stem from a lack of broader vision in Pakistan to play its rightful role. The country has a less productive system with primitive processing system working in the absence of a value chain besides the very obvious quality control issues.

Nonetheless, not everything is going down the hill. The law to create an authority to regulate trade in food products as per Islamic laws has been enacted. The board of governors of Pakistan Halal Authority (PHA) will comprise stakeholders both from the federal and provincial governments, Shariah scholars and chambers of commerce.

Now, the provinces must come up with their respective halal authorities. For now, Punjab is the only province with existing legal and prescribed standards and processes for certification of halal products.

Months after the law came into force, the authority is nowhere to be seen. All that exists is the Halal Research Council, which was mandated to issue halal certification. Parliament could not fix a structural flaw in the authority’s draft that instead of being independent of any ministry, the science and technology ministry will run the authority.

Take the example of Malaysia owing to almost similar conditions. The southeast Asian country has its own halal standards, recognising some 100 organisations across the world as halal certification bodies. Jamia Markaz Uloom Islamia in Lahore is the sole Pakistani on the list.

Malaysia can be a model and partner of Pakistan in establishing protocols for guidance for halal meat and poultry preparation. Punjab has been trying to follow the Malaysian model.

The halal food industry has a compound annual growth rate of about 7%, which can be only exploited if Pakistan implemented regulations in sync with international standards.

Even if stringent quality controls on hygiene, quarantine, animal’s health, packaging and refrigeration are put in place, Islamabad needs a few years of concerted efforts to exploit its projected potential of multi-billion halal trade.

Like fruits and vegetables, Pakistan leaves much to be desired in its capability and technical know-how in processing, storing, transporting and marketing of meat.

Neither have there been capacity building programmes for farmers nor butchers and meat transporters. Luckily though, there exists income tax exemption for investors installing modern meat processing plants.

For that matter, Fauji Group’s Fauji Meat Limited installed a state-of-the-art plant last year with capacity for 85 tons of beef and 15 tons of mutton in both frozen and chilled categories per day. However, the fledging brands like K&N and Dawn Foods have not really exploited export potential yet.

Interestingly, Zebu breed of cattle from central and southern Punjab has lower levels of fat and serve as flag carrier of Pakistan in the beef export segment. Yet, at least 6 million male calf are slaughtered in the first month of age.

Demand for mutton and poultry aside, import of beef in the Middle East and North Africa alone surpasses $2 billion. Egypt is one of the top beef importing countries, followed by Algeria, Saudi Arabia and the United Arab Emirates.

Moreover, Turkey and Indonesia are huge markets for halal products in the Muslim world. Media reports indicate that Fauji Meat has been pursuing key importers in Saudi Arabia, Malaysia, Egypt, Qatar and the UAE.

The increasing appetite for halal meat is an interesting phenomenon. Though slaughtering process being 10 times slower than stunning, the halal and kosher meat is clean and healthy.

Add to the equation surging Muslim population with better living standards. For instance, the Muslim population in North America alone exceeds 5 million who predominantly opt for halal food.

Europe has a similar story too. An average Muslim, according to French surveys, consumes meat three times more than his other neighbours, according to conservative estimates.

In stark contrast to the outside world, meat industry hardly gets the attention it deserves owing to it being their staple food.

Meat is an industry run for profit, which like any other in its league would cut corners to save expenses and maximise profits. The oversight of the state and the civil society can't be absolved of their vital role while anticipating immense dividends.

https://tribune.com.pk/story/1404007/pakistan-failing-make-money-halal-goods-trade

MANGO EXPORTS AT RISK OF DISRUPTION AS SEASON CLOSES IN
Farhan Zaheer

The Express Tribune, May 14, 2017

KARACHI: Pakistan's mango exports, which will start next week this season, are at increasing risk from the ongoing strike by goods transporters in Karachi.

Fruit exporters fear a disruption to mango shipments, beginning May 20, as talks between the Sindh government and associations of transporters have reached a deadlock.

The goods carriers' strike entered the fifth day on Saturday. They were protesting against the 24-hour a day restriction imposed by the Sindh High Court (SHC) on the movement of heavy vehicles within Karachi's jurisdiction

"Perishable fruit and vegetable exports are taking a severe hit due to this strike. Now mango exports are also under threat," commented Ahmad Jawad, Regional Chairman of the Federation of Pakistan Chambers of Commerce and Industry's (FPCCI) Standing Committee on Horticulture Exports.

Annually, Pakistan exports mangoes worth about $70 million, but a lot depends on the quality of fruit and the price it fetches in international markets. About 70% of Pakistani mangoes are exported to Dubai from where the fruit is shipped to other destinations in Gulf countries.

Afghanistan's border was closed that had already created problems for the fruit and vegetable exporters. If the transporters' strike continued for a few more days, it would spark serious trouble for mango growers, exporters and the whole supply chain, he added.

All Pakistan Fruit and Vegetable Exporters, Importers and Merchants Association former chairman Waheed Ahmed voiced fears that the situation could particularly harm the crop of Sindhri, a popular mango variety grown in Sindh orchards, which was in the middle of its season.

The strike has also badly disrupted ongoing exports of garlic and potatoes. According to fruit exporters, it has created congestion of containers at Karachi Port and their clearance will take a long time even after the end of the strike. They urged the Sindh government to immediately intervene and end the strike at the earliest.

The FPCCI – apex body of all chambers of commerce in the country – also urged the provincial government to immediately resolve the matter with the transporters.

"We will go to the Supreme Court if the strike does not come to an end immediately," FPCCI President Zubair Tufail told The Express Tribune from China, where he had gone as part of delegation of Prime Minister Nawaz Sharif to attend the Silk Road conference.

Exporters and importers were facing losses of billions of rupees, but nobody cared because people did not know the gravity of the situation, he added.

https://tribune.com.pk/story/1409305/mango-exports-risk-disruption-season-closes/

GRANT OF $300M CONTINGENT ON KEEPING NEPRA'S POWERS
Salman Siddiqui

The Express Tribune, May 14, 2017

KARACHI: International donor agencies may withhold a grant of $300 million for power infrastructure if the government compromises on independence of the National Electric Power Regulatory Authority (Nepra).

According to an official, donor agencies, which include the Asian Development Bank, International Monetary Fund and Japan International Cooperation Agency, are to give the grant before the current fiscal year ends on June 30. However, for that to happen, Nepra's powers need to be kept intact.

"The agencies have categorically said they will withhold the grant if the government incorporates the proposed amendments in NEPRA Act 1997 which suggests clipping the regulator's powers to issue energy generation, transmission and distribution licences and determine tariffs," said the official.

Earlier, in a joint letter to the Ministry of Water and Power, the donors said it was imperative to retain and not dilute the independent mandate of the regulator for all tariff matters.

"Although improvements can be made in the implementation of the NEPRA Act, the independent regulator has been one of the strengths of the Pakistani power sector in attracting investors including ourselves," the letter read.

The NEPRA Act 1997 has empowered three core functions to the authority which includes licensing, setting tariff and proposing rules.

Meanwhile, the official added that the proposed amendment has either taken away completely these functions and powers or made the regulator's function subject to federal government's policies, guidelines or directives.

The amendments would provide the government with the power to levy surcharges over and above the tariffs determined by Nepra to be charged to consumers.

"International donors believe that this could be used to further burden consumers and the public for the purposes of financing inefficiencies and political endeavours of the government, such as financing politically motivated projects or the circular debt," said the source.

https://tribune.com.pk/story/1409296/grant-300m-contingent-keeping-nepras-powers/

NEWS COVERAGE PERIOD FROM MAY 1ST TO MAY 7TH 2017
MEAT EXPORTS ON THE DECLINE
Dawn, The Business and Finance Weekly, May 1st, 2017

Amjad Mahmood

PAKISTAN'S meat exports are on the decline despite a global trend of rapid growth.

The Trade Development Authority of Pakistan (TDAP) figures that the country's meat exports have dropped to $140.345m in the first eight months of the ongoing year, from $188.345m a year ago.

International meat trade on the other hand has risen by 16pc to touch the $700bn mark.

A look at the country's monthly exports are decelerating. In February 2017, the meat exports dropped 42.67pc as compared with the figures in the same month of the last fiscal year.

The decline is despite the fact that the country has taken measures to regulate, facilitate and bring the halal business in line with the internationally acceptable standards. It has also signed MoUs for supply of halal meat to the Gulf states.

Those in meat business believe that Pakistan's meat export volumes can be tripled with the right policies and incentives within a couple of years and they blame the government for its failure to maintain a smooth and reliable supply chain.

The number of cattle should be double the number of the human population to enter the meat export trade, says Naseeb Ahmed Saifi, one of the major players in halal meat exports.

Presently, the country has over 169m heads of quality livestock with 74m cows and buffaloes and 95m sheep and goats. It is producing 73,000 tonnes buffalo meat, 70,600 tonnes cow meat, 270,000 tonnes goat meat and 154,000 tonnes sheep meat every year.

Mr Saifi claims that the government is cautious in supporting the export of meat fearing shortage in the local market.

But an official of the Punjab Livestock Department argues that the number of animals is not less than what is required for smooth supplies for meat exports. Over 80m or almost half of the country's total animals population is hosted by Punjab.

This official, however, admits that there are issues with genetic pollution, nutrition and vaccination of the animals.

He says only 7pc buffaloes and 26pc cows are genetically pure (not mixed breeds), while 71pc farmers are either landless or each owns less than five acres of land. They don't have land to grow fodder for their cattle. And only 16pc animals have vaccination cover, thus ailments reduce their weight.
Ban on slaughtering of female cows and goats and consequently a rise in the prices of male animals in the province is being presented as another reason behind the declining exports.

"The ban has resulted in at least Rs100/kg increase in mutton's prices," says Agha Naimat, another meat exporter. "We cannot compete in the mutton export market against India and other international players."

Mr Saifi also says that, unlike India, where meat exporters are being offered Rs3/kg rebate through one-window operation, as and when an exporter submits an invoice; here we have to run from pillar to post to get a rebate.

The UAE's allowing transportation of halal products from Pakistan through the sea has also failed to stir enthusiasm among meat exporters, though the measure will cut freight charges by at least one-third.

Mr Saifi says this facility carries risk since chilled meat does not have more than four days of shelf life. "Most of the meat exports to the UAE and other Gulf countries are in chilled form and not frozen. The export through ships will take at least a day and a half leaving only almost the same period for its onward supply and consumption. In case of any accidental delay in transportation, the consignment will run its shelf life and will be rejected."

Optimistic about the future of the halal food exports, Justice Khan says some quarters are not aware that the UAE authorities have agreed to accept two-week shelf life of chilled meat." From the UAE, he says, a Pakistani businessman is ready to airlift the consignment for onward delivery to Europe.

Being a Muslim-majority country and with almost a 100pc halal food chain, he says, Pakistan has an edge over the non-Muslim players, particularly India whose meat is of inferior quality than that of Pakistan's.

The halal certification and safety regulations, complying with international standards, are set to strengthen Pakistan's position in the meat export business, he adds.
Though his organisation has nothing to do with marketing, he added, it is working to promote halal food through awareness campaigns and trainings of potential investors and butchers.
By getting affiliation with Jakim — a halal food certification company of Malaysia — the PHDA has helped in sending the first consignment of 2,550 tonnes of mutton and 34,794 tonnes of beef to Malaysia last year.

It is also coordinating with the federal authorities for organising a visit of local meat and chicken plants by Chinese officials and businessmen in June, hoping opening of the Chinese market for local halal foods.

https://www.dawn.com/news/1330201

ZERO-RATING FACILITY MAY BE WITHDRAWN: EXPORT-ORIENTED SECTORS FACE GRIM PROSPECT
Business Recorder, May 1 2017

The government is likely to withdraw sales tax zero-rating facility granted to five export-oriented sectors in federal budget 2017-18 as revenue loss has been calculated at Rs 15 billion during the last nine months (July-March) of current fiscal year, well informed sources told Business Recorder.

The government had issued revised sales tax zero-rating regime for five export oriented sectors, i.e. textile, leather, carpets, surgical and sports goods from July 1, 2016 under which 5 percent sales tax is chargeable on supplies of locally-made finished articles of textile and leather products including finished fabrics to retailers or any other category of persons.

“FBR is facing revenue loss of Rs 15 billion in just nine months as the volume of claims is the same as during the same period last year which is very serious,” the sources added.

The government, sources said, had withdrawn zero rating on export oriented scheme a couple of years ago because the number of claims had increased manifold.

The facility of zero-rating has been misused and volume of sales tax refunds has not been reduced as promised by textile sector during the current fiscal year. The refund payment orders (RPOs) issued to the textile sector is being verified to check the authenticity of the claims.
Former Chairman FBR, Nisar Mohammad Khan had anticipated that reinstatement of zero rating for five export-oriented sectors would not have any impact on growth of exports and exporters would soon invent further excuses for the decline in exports.

The significant features of the scheme under SRO.491 (I)/2016 were: zero rating facility was extended on imports to both manufacturer and commercial importers for import and supplies of industrial raw material (128) listed in Table-1. Earlier there was different treatment of tax for these two categories which was causing problems to genuine commercial importers.

Zero rating facility was extended on local supplies of industrial raw material (128) listed in Table-1 (excluding finished fabric). The facility was made available to both registered and unregistered persons operating within the five sectors. Zero rating facility on import and supplies of industrial raw material listed in Table-1 was also extended to registered manufacturers who manufacture goods listed in table-I or table-II.

Zero rating facility was also extended on processing of goods owned by other persons. Zero rating facility on supplies of finished fabric is restricted to the extent of registered manufacturers only. Supplies to other categories are chargeable to sales tax at 5 percent. Reduced rate of Sales Tax @ 5 percent is chargeable on supplies of locally made finished articles of textile and leather including finished fabrics to retailers or any other category of persons, experts said.

However, standard rate of sales tax @ 17 percent remained intact on import of finished textile and leather articles along with value addition sales tax @ 2 percent. The subsequent supplies of these goods are also chargeable @ 17 percent. Provision for zero rate purchase and supplies of furnace oil, diesel and coal to the registered manufacturers is also provided subject to issuance of general order by the board. Experts argue that the refund is admissible on sales tax paid on any input under this scheme, excluding packing material of all sorts, subject to provision of post refund audits as per past practice.

The sources said, government is also likely to withdraw fixed amount of sales tax on textile related finished products at retail stage.

According to sources, five percent sales tax is applicable on textile related finished products at the retail stage. The FBR has collected Rs 5 billion sales tax from this stage of textiles during the first nine months of 2016-17 as compared to Rs 11 billion during the comparable period of 2015-16, reflecting a decrease of Rs 6 billion.

http://fp.brecorder.com/2017/05/20170501175093/

‘RUSSIA WANTS TO INITIATE TRADE WITH PAKISTAN’
Dawn, May 4th, 2017

LAHORE: Russia wants to develop trade ties with Pakistan, like China, and can be instrumental in eliminating joblessness in Pakistan in a few years, said Russian Business Council for Cooperation Pakistan chapter Vice Chairman Noor Habib Shah.

Speaking at a reception hosted in his honour by former Pakistan Tehreek-i-Insaf Punjab president Ejaz Chaudhry at a local hotel on Wednesday, Mr Shah said Pak-Russia trade could open new opportunities for businessmen from both countries.

Mr Shah, who is also chairman of the Russian-Pakistani community and resides in Moscow, announced joining the PTI and claimed that party Chairman Imran Khan’s untiring struggle against corruption and corrupt rulers was being valued at the international level.

He said Russia-Pakistan cooperation could help eliminate joblessness in a few years. Russia wanted to develop trade ties with Pakistan like China, he said, adding that some 6,000 containers daily entered Russia after 45 days of travel. However, through Pakistan, he said, containers could reach different Russian states within a few days. The Pakistan route could help reduce time and investment drastically besides earning substantial foreign exchange. Pakistan could import diyar wood, which was abundant in Russia, he added.

He also said that Islam was the second official religion in Russia, adding that Europe’s biggest mosque was situated in Moscow and a large proportion of the Russian army comprised Muslims. With the changing geo-political situation, he said, Pakistan had earned an important strategic position in the region.
Mr Chaudhry welcomed Mr Shah in the PTI fold and claimed that a massive number of Pakistanis serving overseas supported the party. He said overseas Pakistanis were earning and sending billions of rupees in foreign exchange to Pakistan. However, he said, the incumbent government had not taken required steps for the welfare of overseas Pakistanis.

He stressed that traders in both countries should pay exchange visits and expand their businesses.

PTI Lahore urban president Waleed Iqbal, Ghulam Mohyuddin Dewan and others were also present on the occasion.

https://www.dawn.com/news/1330958

PAKISTAN-IRAN TRADE: PM FOR ACHIEVING $5 BILLION TARGET
Dawn,May 4th, 2017

Prime Minister Muhammad Nawaz Sharif Wednesday underlined the need for concerted efforts to achieve the target of $5 billion in the bilateral trade between Pakistan and Iran as soon as possible. He was talking to Iranian Foreign Minister Dr Javad Zarif.

The Iranian foreign minister arrived in Islamabad to discuss bilateral relations and regional issues, PM office media wing said in a press release. The prime minister expressed satisfaction at the increasing high level exchanges between the two countries to strengthen bilateral co-operation in diverse fields.

He hoped that the two sides would continue to expand economic interaction for promoting mutually beneficial co-operation in the areas of trade, investment, energy and connectivity. The issues of peace and stability in the region also came under discussion during the meeting. On the tragic incident that took place in the Iranian province of Sistan and Balochistan involving the martyrdom of 11 Iranian border security guards on April 26, the prime minister conveyed Pakistan’s condolences to the government and people of Iran.

The Iranian foreign minister thanked the prime minister and the government of Pakistan for the continued efforts for strengthening bilateral relations and enhancing interaction in all areas, including trade and economic co-operation as well as border and security issues. He also conveyed the desire of the Iranian leadership and the government for continued efforts for growth in bilateral ties.

http://fp.brecorder.com/2017/05/20170504175569/

IRAN FOR BETTER TRADE TIES WITH PAKISTAN
Dawn, May 5th, 2017

Muhammad Akbar Notezai

Consul General of the Islamic Republic of Iran Mohammad Rafiei has said that Iran and Pakistan enjoy cordial relations in different fields since long and “we are mainly focusing on strengthening ties with Pakistan in the field of trade and economic cooperation”.

Addressing a press conference at his office here, he said peace in areas bordering Pakistan’s Balochistan was significant to Iran.

In recent high-level meetings, his country had pledged to further improve its relations with Pakistan, especially in trade.”

He said that Iran was keen to join the China Pakistan Economic Corridor (CPEC). “Since CPEC originates from Balochistan, therefore, we also mainly focus on Balochistan in terms of trade and economics.” “Chabahar and Gwadar are two sister ports and these are not rivals to each other,” he added.

Talking about recent tragic incident in Mirjaveh in which 10 Iranian border guards died and one of them was still missing, he said a role may be played to bring perpetrators to book.
“The Iranian public put pressure on the government after the recent tragic incident in Mirjaveh as a result of which Foreign Minister Mohammad Javad Zarif held six meetings with Pakistan’s civil and military leaderships in a couple of hours.

So much so, Pakistan’s interior minister also said that his visit was a clear message to those who did not want positive relations between Pakistan and Iran.”
The Iranian diplomat said: “We further hope that militants of Jaish-ul-Adl will either be killed or arrested who, he believed, had targeted our security guards.

https://www.dawn.com/news/1331193

PAK-IRAN BANKING CHANNEL TO BOOST TRADE UP TO $5BN: FPCCI

Business Recorder, May 5 2017

M Rafique Goraya

Lahore: The State Bank of Pakistan will soon select some Pakistani banks to facilitate bilateral trade with Iran to the level of US$ 5 billion in a year, President Federation of Pakistan Chambers of Commerce and Industry (FPCCI) Zubair Tufail, told Business Recorder after his meeting with the Iranian Ambassador Mahdi Honar Doust on Thursday

It may be recalled that Pakistan and Iran signed Banking and Payment Arrangement (BPA) last month towards opening of banking channels between the two countries to provide a trade settlement mechanism for promoting bilateral trade.

This mechanism will be used for the payment of trade conducted via letter of credit (L/Cs) and in accordance with international laws and regulations. In the next step, both the central banks will invite banks in their respective jurisdiction to act as authorized banks for undertaking trade transactions under the newly signed BPA.

Expressing satisfaction over his talks with the Iranian Ambassador as a follow up of the Iranian Foreign Minister’s recent meeting with Prime Minister Muhammad Nawaz Sharif, the President FPCCI said we are pinning high hopes to the second round of FTA talks with Iran scheduled in July. He said despite many commonalities the volume of bilateral trade is unsatisfactory but resumption of the banking channels will boost trade to five billion dollars per annum as desired by Prime Minister Nawaz Sharif while meeting Iranian foreign minister.

Zubair Tufail said that business can bring people of both countries together and that Iran can become a major exporter of petroleum products to Pakistan.

Pakistan can import quality pharmaceuticals and steel from Iran and export rice, meat, mutton, fruits and vegetables while chances of barter trade can also be explored.

Zubair Tufail said that a delegation of FPCCI will visit Tehran soon to explore business opportunities and that both the governments should take steps to make business easy. He also called for improved air links as many Pakistani businessmen go to Iran through Dubai.

Iranian ambassador Mahdi Honar Doust assured the FPCCI that he would take up this matter with the Iranian airline that runs only one flight weekly to Pakistan. He noted that trade between Iran and Afghanistan was three times greater than Pak-Iran trade while now it is double that of Pak-Iran bilateral trade. He said that we want to improve trade relations and a monthly meeting will be held between representatives of FPCCI and the Embassy officials to find ways and means to improve the trade and overcome hurdles.

http://epaper.brecorder.com/2017/05/05/13-page/872571-news.html

June2017

NEWS COVERAGE PERIOD FROM JUNE 26TH TO JULY 1 ST 2017

KARACHIITES YET TO GET WATER TANKERS AT OFFICIAL RATES

The Express Tribune 26 June 2017

Water rates have been fixed by the KWSB as per the government’s official rates of Rs1,000 per 1,000 gallons of water, Rs1,300 for 2,000 gallons and Rs1,700 for 3,000 gallons.

However, residents have complained that they are unable to obtain water at government rates and have been forced to purchase water from private tanker suppliers.

According to a resident of North Karachi, Zain Ali, they have been informing the KWSB about the shortage of water at their mosque for the past three days but no one from the water board has paid them any heed. “We are being forced to purchase a water bowser for Rs10,000,” he lamented, adding that if they did not purchase the water, then residents of the area would not be able to perform ablutions and offer Eid prayers today.

Arbab Khan, a resident of Korangi, complained that they have not been able to get any water, despite a number of reminders sent to KWSB officials. The water board just says that their water bowsers are on duty to supply water to the residents, he said.

On the other hand, Shoro, who is also the KWSB chairperson, has directed water board officials to address the residents' complaints regarding water shortage and sewage on an emergency basis.

During a meeting, it was decided that during the Eid holidays all water tankers will be sold at government rates. The residents of districts West and Central will be supplied water from the Sakhi Hassan hydrant and in this regard an official of KWSB, Riaz Qadri, can be reached at 03328053213.

Residents of District East can contact Shahbaz Bashir on 03118203942 and residents of District Korangi can contact Tariq Shah on 03312435582. The residents of Malir and South can contact the focal person of the Future Colony hydrant, Shahbaz at 03002532690, to get water tankers at government rates and in case of complaints can contact the revenue department's deputy director of hydrants at 03337507873.

In case of any sewage-related complaints, residents can register their complaints by calling 99245138-40.

https://tribune.com.pk/story/1444672/karachiites-yet-get-water-tankers-official-rates/

MEASURES ORDERED TO COMBAT 'BRAIN-EATING' AMOEBA AMID MONSOON
Dawn, June 30th, 2017

Hasan Mansoor

KARACHI: The Sindh health ministry has warned the local authorities to expedite their efforts to thwart possible dangers of Naegleria fowleri, commonly known as 'brain-eating' amoeba, as water in most parts of the city contained little or no chlorine, it emerged on Thursday.

Officials said the ongoing monsoon could be heavier, thus potentially pose greater dangers to human life by providing breeding grounds to lethal Naegleria germs. Ironically, the provincial government itself has not released funds and resources required for efficient functioning of a committee formed last year to check the spread of Naegleria. The committee eventually went dormant when it found no support from the government.

Initially, the committee worked on its own and shared its primary findings with the media, which shockingly revealed that most neighbourhoods of the city were being supplied with water not chlorinated at all.

Chlorination is the key method to kill the organism and keep the deadly disease at bay. Another way is to use boiled water while cleaning nose as the germ enters through the nasal cavity of its victim and attacks the brain.

The lethal disease killed three people last year while it has caused a death already in the city this year, said the officials. They warned that with the monsoon picking up pace, its germs had got breeding grounds in the shape of stagnant rainwater and water stored in tyres at shops and threatened life as it did in 2015, when more than a dozen people died because of it. The disease killed 14 people in 2014.

The committee, called the focal group for Naegleria, during its initial activities in 2015 collected samples of water and results showed that more than half of the city was supplied with water chlorinated much less than the desired level. The teams even found no chlorination at all at more than 90 per cent of the pumping houses of the Karachi Water and Sewerage Board risking the lives of millions in the teeming metropolis.

Officials said the committee was provided with no funds for the vehicles and fuel required for its mobility to collect water samples from the length and breadth of the metropolis. The work has virtually come to a halt because of such resource constraints.

Officials earlier said the organism could potentially approach the victim's brain through the nose during ablution at home or in mosques where water supplies were not safely chlorinated or boiled.

The dangerous amoeba, which survives on the bacteria in warm waters and enters human brain through the nasal cavity and eats up its tissues, could only be decimated by proper chlorination or boiling of water.

Primary amoebic meningoencephalitis is defined in medical literature as a rare but typically fatal infection caused by Naegleria fowleri, an amoeba found in rivers, lakes, springs, drinking water networks and poorly chlorinated swimming pools.

The disease attacks a healthy person three to seven days after exposure to contaminated water with symptoms of headache and slight fever, in some cases associated with sore throat and rhinitis (commonly called stuffy nose).

https://www.dawn.com/news/1342165

NEWS COVERAGE PERIOD FROM JUNE 19TH TO JUNE 25TH 2017
TRADE AGREEMENTS AND EXEMPTION WITHDRAWALS
Dawn, The Business and Finance Weekly, June 19th, 2017

Mubarak Zeb Khan

After realising that free and preferential trade agreements are not a panacea for export growth, the government resorted to trying to minimise their impact by withdrawing, in phases, duty free exemptions on import of certain items.

This strategy, put in effect last year, had a two-pronged objective — to provide protection to local industries and to minimise loss in revenue. The net revenue impact of preferential trade deals in 2016-17 is estimated to be Rs41 billion.

In the 2017-18 budget the government has withdrawn exemption on certain items in a bid to provide a level playing field to domestic industries. The objective is to achieve import led industrialisation.

Independent economists blame fault lines in bilateral trade agreements for the persisting problems and stress the need to assess the situation realistically and reset direction to reverse this trend.

Evidently, the trade diplomacy strategy pursued so far has not helped minimise the external sector's vulnerability. Policymakers have 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?

Most of Pakistan's trade deals were probably concluded in haste as they generally benefit the trade partners. Trade data also confirms that these agreements have led to negligible gains in exports while increasing imports notably.

In the budget 2017-18, the government has identified certain products which were importable duty free under FTAs from China, Sri Lanka and others PTAs. In this case, Pakistan has imported duty-free import of 24.3 million mobile sets from China in 2016-17, while 1.7m mobile sets were sourced from non- FTA countries during the year under review.

As a result, Pakistan lost over Rs6bn in revenue because of duty free mobile imports from China. To reverse the trend, the FBR has imposed a regulatory duty at the rate of Rs250 per mobile-set that will now be applicable to imports from all countries including China, even if they are covered by trade deals. Earlier, almost all types of telecom equipment were cleared at zero per cent duty under the FTA. Now a regulatory duty of 9pc has been imposed on telecom equipment.

Last year, the government also imposed regulatory duty on alloy steel to curtail its duty free import from China under the FTA.

The import of synthetic filament yarn is subject to a 5pc duty under the South Asia Free Trade Area (Safta). The normal duty on synthetic filament yarn was 11pc. To incentivise local production, a regulatory duty was imposed at the rate of 5pc.

Metalised yarn is importable at 5pc under Safta. The normal rate of duty is 11pc. A regulatory duty of 5pc was imposed on metalised yarn to provide protection to its local producers. Similarly, the duty on its raw material, uncoated polyester film and aluminium wire, was reduced to 11pc from 20pc.

Under the FTA with Sri Lanka, the import of sacks and bags is exempted from customs duty. The normal customs duty on the import of sacks and bags is 20pc. To restrict flows under the FTA, the government has imposed a 10pc regulatory duty on it.

Similarly, parts of electro-thermic domestic appliances, like coffee-makers, tea-makers, dryers and irons, are imported under the FTA at reduced customs duty of 3pc and zero per cent. However, all these finished products imported from non-FTA countries are subject to 20pc customs duty and 15pc regulatory duty.

Under the China FTA, commercial importers prefer to import electric appliances in semi-assembled conditions as partial shipments of parts. To control this, a regulatory duty of 10pc was imposed on parts, excluding imports by local assemblers/manufacturers of these items.

The rate of regulatory duty on betel nuts has been increased to 25pc from 10pc while that on betel leaves stands at Rs200 per kilogramme. This decision is aimed at discouraging imports under the FTA from Sri Lanka.

Despite the adverse impact on the economy, the Ministry of Commerce intends to sign FTAs with Turkey and Thailand. But, a report by the Pakistan Business Council has raised questions over the validity of these agreements in terms of boosting exports.

According to the report, for every additional dollar increase in Pakistan's exports to Turkey, Turkish imports to Pakistan would increase by roughly $3. Similarly, for every potential dollar increase in Pakistan's exports to Thailand, imports from Thailand would increase by $4.

Both countries want to get market access to Pakistan's automobile, autoparts, chemicals, plastics and rubber markets which, if granted, would undermine the existing industry.

Turkey is one of the highest users of trade defences, even against its FTA partners. Presently, it has antidumping, countervailing and safeguard levies on Pakistan's cotton yarn, madeups and PET.

Pakistan's trade deficit has reached an all time high of $30bn in 11 months. It seems these FTAs have not only failed to extend protection to local industries but also failed to secure terms for Pakistan's exports while undermining tax revenues.

https://www.dawn.com/news/1340443

MINISTERIAL BODY ADVISES MORE SUGAR EXPORT
Dawn, June 21, 2017

ISLAMABAD: The Inter-Ministerial Committee (IMC) on Tuesday decided to recommend exports of 0.6 million tonnes of sugar to the Economic Coordination Committee (ECC) of the Cabinet.

The committee, led by its chairman Minister for Commerce Khurram Dastgir Khan, said the fresh quantity of sugar export will be in addition to the 0.425m tonnes already allowed subject to the condition of price stability in the domestic market is maintained.

An official statement issued after the meeting, quoting the commerce minister, said that in case of any abnormal increase in the domestic price of sugar, the committee would recommend to the ECC to halt further exports.

Once 0.45m tonnes out of the allowed quantity of 0.6m tonnes are exported, the IMC will meet again to review the stock/export situation and recommend enhancement of export quantities, if deemed appropriate.

"There has been a record sugar production this year and commerce ministry is striving for maximum exports of sugar after fulfilling domestic needs," claimed the commerce minister.

The IMC was tasked by the ECC of the cabinet to monitor the supply, price and export situation of sugar.

To review the situation, the committee noted with satisfaction that the strategy of the ministry of commerce to allow exports of surplus sugar while keeping a strict check on the prices in the domestic market has remained successful and the sugar price in the country has declined for the first time in the month of Ramazan, contrary to the trend during the previous years.

"In 2016, the sugar prices reached up to Rs70 but in this Ramazan the prices are stable at Rs56, which is benefiting consumers throughout the country and has helped in controlling inflation," the commerce minister said.

The committee was briefed that the sugar price in the domestic market according to the Sensitive Price Index for the week ending June 15 was Rs56.30 per kg which was 11.1pc lower than the level of December 15, 2016 when the export of sugar was allowed by the ECC.

The committee also observed that out of the total quantity of 0.425m tonnes allowed for export by the ECC during the current crop year, a total of 0.391m tonnes sugar quota has, so far, been allocated by State Bank of Pakistan and around 0.348m tonnes has been exported.

https://www.dawn.com/news/1340731

MINISTRY ALLAYS FEARS OVER AMENDMENTS TO POWER ACT
Dawn, June 21st, 2017

Khaleeq Kiani

ISLAMABAD: The Ministry of Water and Power said on Tuesday that the proposed amendments to the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997 were being made through a consultative process with the provinces.

In a statement, the power ministry also allayed fears that the reduction in age limit for members and chairman of the National Electric Power Regulatory Authority (Nepra) would not be applicable to existing members but come into force with prospective effect on the day of approval of the amended law.

The ministry claimed there was no protest letter from any provincial government over the proposed changes in Nepra law as referred to Khyber Pakhtunkhwa by an official of the Nepra. “There was no protest letter from any provincial government and it is a totally baseless notion. In fact the provincial governments’ point of views on proposed amendments were conveyed and duly incorporated,” the ministry added.

It may be noted that Chief Minister KP Pervez Khattak had alleged at the public hearing of Nepra a few days ago that decisions of the Council of Common Interests (CCI) were changed repeatedly through minutes of the meeting.

Soon after the hearing, he said at a news conference that he did not give consent for curtailing powers of the regulator.

The ministry said the CCI in its meeting had decided on agenda that a meeting of all the federating units and federal government’s concerned ministries be held immediately to finalise the proposed amendments so that the final draft is submitted to the parliament for due process.

The ministry recalled that “a meeting of all the provinces and the federal government was subsequently held under the chairmanship of federal minister for water and power” which took in-depth stock of the proposed amendments and approved it with necessary modifications. A press release was also issue, the ministry claimed. The said meeting was attended by two chief ministers. “The meeting of the chief ministers was followed by a series of consultative meetings between the provinces and the federal government.

The ministry said the draft bill has to go through the prescribed process under the existing lego-parliamentary set up and it would not have been accepted in the first place for introduction if not approved by the forum competent for it – the CCI.

The ministry said the Nepra official should not have talked about the issue or produced documents in pick and choose manner that may cause damage to the national cause.

The ministry said facts had also been distorted in the briefing. For example, it was totally missed that new powers have been added in the draft amendments for the regulator to have an effective control of the sector and no existing powers of the regulator have either been curtailed or removed. The new amendments also aim to bring qualified and relevant person to the regulator with rich power sector background and experience.

The ministry claimed that proposed amendments were based on detailed deliberations spanning over a year with the regulator, the provincial governments and international legal experts and international assistance partners.

“It is unfortunate that despite most of the regulators comments and inputs being included in the draft submitted to Parliament, Nepra repeatedly distanced itself from the proposed amendments,” the ministry concluded.

https://www.dawn.com/news/1340728/ministry-allays-fears-over-amendments-to-power-act

LCCI URGES GOVT TO ENSURE BALANCE BETWEEN IMPORTS & EXPORTS

Business Recorder, June 21 2017

LAHORE: The Lahore Chamber of Commerce and Industry (LCCI) Tuesday took a strong exception to the historic trade deficit during the last eleven months and urged the ministries of finance and commerce to take measures to ensure balance between imports and exports.

LCCI Acting President Amjad Ali Jawa in a statement on Tuesday said that the issue of trade deficit must be controlled immediately otherwise this important economic indicator would shatter the confidence of investors. Pakistan's trade deficit has sharply swelled by around US $30 billion or 42.12 percent during first 11 months of current fiscal year as compared to the deficit of $21.1 billion in the corresponding months of the last fiscal year.

The widening of trade deficit is due to significant increase in imports by 20.6 percent to $48.53 billion during July – May 2016/2017 as compared to $40.25 billion in the same period of the last fiscal year. On the other hand, he said, exports came down by 3.13 percent to $18.54 billion during the period under review as against $19.14 billion in the same period of the last year.

He said that rising imports and declining exports are developing a perception that Pakistan is becoming a trading place instead of a hub of industrialization. Apart from cutting the cost of doing business in Pakistan, the government needs to evolve a long-term strategy to make its products attractive in the global market to increase its exports, he said.

Jawa said the growing trade deficit, led by sharp slowdown in exports growth, is posing a key challenge to the macroeconomic stability of the country besides converting it into a consumer society. He said galloping trade deficit might dent country's debt payment capacity that ultimately would not be a happy sign for the overall economy. The LCCI Office-bearers suggested that the concerned government quarters should join heads with the private sector for finding out a methodology for increasing the exports of the country that is a prerequisite to control trade deficit.

He said that major issues like huge delay in release of refunds, continuous power supply to the industrial sector, high input cost and large number of duties and taxes should be resolved on priority to give a relief to the export-oriented sectors,. Pakistani Mission abroad should also be given task to explore new markets and new buyers for Pakistani merchandise besides convincing foreign investors to invest in Pakistan, he added.

http://epaper.brecorder.com/2017/06/21/13-page/884109-news.html

EXPORTS TO S. AFRICA GOING DOWNHILL
Dawn, June 23, 2017

ISLAMABAD: Pakistan's exports to South Africa fell 38 per cent over the past couple of years due to many obstacles to the expansion of bilateral trade.

Pakistan's exports to the African nation declined to $184m in 2015-16 from $294m in 2013-14. Pakistan has a share of 0.3pc in the total imports of South Africa.

South Africa's total international trade in 2015 was $172bn, consisting of $85bn exports and $87bn imports.

The reasons for the increase in Pakistan's trade deficit given by the Ministry of Commerce were a slowdown in the South African economy and a sharp depreciation in the rand, the South African currency.

Pakistan's major exports to South Africa are cement, cotton fabric (woven), made-up articles of textile materials, synthetic fabrics, leather, iron and steel manufacturing. To increase access to the South African market, according to an official source, the commerce ministry prepared a trade expansion road map, which has been submitted to the premier's office.

Major components of the road map include taking part in leading trade fairs and exhibitions in South Africa and organising business forums in Karachi and Johannesburg.

According to the commerce ministry, South Africa applies high customs tariff on products that are of export interest to Pakistan.

Currently, the customs tariff rate is 95pc on textile made-ups, 42pc on knitted garments, 28pc on articles of leather, 28pc on footwear, 42pc on woven garments, 22pc on carpets, 27pc on sugar and confectionery, 22pc on cotton fabrics and 25pc on meat.

The African market was never on the priority list of either the government or the private sector. Instead, export promotion efforts have largely focused on the North American and European Union markets.

https://www.dawn.com/news/1341169

PAKISTAN'S RICE EXPORTS SUFFER AS GOVT LOOKS THE OTHER WAY
The Express Tribune, June 24th, 2017.

Farhan Zaheer

KARACHI: Pakistan's share in overall basmati export has gradually decreased compared to India, mainly due to the bigger crop size in the neigbouring country, and government support to farmers to keep growing the variety while focusing on crop yield with subsidised inputs, said Engro Corporation CEO Ghias Khan.

India is more organised, while in Pakistan individual millers try but remain inconsistent either due to lower international prices, product quality and lack of support from the government to establish brand image, he said in an emailed response on why Pakistani rice exporters continue to face challenges.

The situation of falling exports is especially acute since Pakistan is currently facing record high trade and current account deficits, increasing concerns that it may need another bailout from the International Monetary Fund (IMF).

With focus primarily on textiles, many believe that a diverse product range, including the export of rice, would help Pakistan tap international markets and increase its foreign exchange earnings.

However, it seems the road is not so easy.

"Due to better crop economics and support of research institutions in India, their crop keeps a consistent quality most of the time," said Khan.

He says government's support and investment in holding foreign exhibitions should be made a policy to brand Pakistani basmati rice the world over.

Engro Eximp Agri Products (EEAP), a wholly owned subsidiary of Engro Corporation, entered the rice business in 2010 but has had a path different from that of other arms of the conglomerate.

It posted a loss-after-tax of Rs478 million in 2016, significantly lower than the loss of Rs4.52 billion in 2015.

While the cash flow statement may have eased a little, EEAP's challenges remain in abundance, and Khan said that the rice industry, particularly Pakistan's, is mainly contingent on international and local stock levels.

"It's a volatile market in terms of pricing, varying crop characteristics and illegal trade channels among many other factors for which credible data is not available to extract the required information for efficient decision making.

"Because of this, the rice trade in Pakistan is very unpredictable and procurement strategies have to be revisited more frequently than usual and inventory limits have to be redefined from time to time.

"As a result, the entire value chain in this industry becomes vulnerable," he added.

Pakistan rice exports have been facing serious challenges for the last few years. In 2015-16 (FY15-16), the value of Pakistan's rice exports witnessed a decrease of 8.6%, down to $1.86 billion compared to $2.04 billion in FY14-15.

The situation has worsened in the first 11 months (July to May) of the ongoing fiscal year 2016-17 (FY16-17) as rice exports stood at $1.46 billion, down by a massive 17% compared to the already low benchmark of $1.72 billion in the same period of the previous year.

Khan said that increasing consumer awareness and molding perception are imperative elements to develop a brand but it requires significant time and capital.

"Firstly, given the instability of rice as a commodity, investors are hesitant to inject capital on the brands side. Secondly, rice paddy and semi processed rice (the two raw-materials for processed rice) are biotic in nature and generally have an erratic set of quality parameters that vary from region to region and supplier to supplier. Resultantly, maintaining consistent quality throughout the year is a big challenge which is critical to brand sustainability and growth," he added.

Khan said that Pakistani rice as a consumer-level retail product has very low domestic and international presence. "Domestically, rice as a consumer brand is still in its developing stages as it is one of the most expensive options in the staples family with wholesale and bulk sales being the dominating category."

Consumer perception regarding rice as a brand is still unclear due to which retailers demand excessive product placement fees on top of exaggerated commissions to place the product on the shelf owing mainly to a slower off-take, he added.

The few brands that do exist have been established decades ago, but usually remain an insignificant source of revenue to their respective organisations.

https://tribune.com.pk/story/1443539/pakistans-rice-exports-suffer-govt-looks-way/

NEWS COVERAGE PERIOD FROM JUNE 12TH TO JUNE 18TH 2017
MANGO EXPORTS IN FULL SWING
Dawn, The Business and Finance Weekly, June 12th, 2017

Mohiuddin Aazim

Last year's mango exports were worth $68 million (128,000 tonnes). Exporters say if they end up exporting the same volume this year, they could earn $68-$70m again, as no big change in export pricing is in sight.

They are, however, getting large orders for mangoes not only from western and Middle Eastern markets, but also from Hong Kong, Singapore, Indonesia, Japan, Malaysia and South Korea.

"I think mango exports this year should be equal to, or even greater than, last year's on higher demand from the Far East in addition to our traditional Middle Eastern and western markets," says an official of the Pakistan Fruit and Vegetable Exporters Association.

He says that for the first time Indian mango exporters have also entered South Korean markets but "their feedback suggests that importers have issues with Indian quality and packaging," according to a local exporter who has been exporting fruits to South Korea for a few years.

Moreover, chances of exporting more mangoes to traditional buyers like the UK, the UAE and Canada, and the relatively newly explored US and Australian markets, have become brighter with some exporters entering into partnership with these country's airlines and using e-commerce to explore and exploit their markets.

Last year, one leading exporter had sold 55 tonnes of mangoes to the US alone by partnering with two airlines in the US and through speedy order bookings via his website farmfreshshop.com.

This year he has set a target of 80 tonnes, according to a report in a local daily. Some other exporters, too, are making a similar attempt to reach out to European and Middle Eastern markets, market sources say.

In May, the association however, fixed the export target at 100,000 tonnes on anticipated fall in production due to strong winds in Sindh and prolonged winter with hail storms in Southern Punjab. No upward revision has so far been made in the target.

But exporters say the association normally fixes the target on the lower side to avoid embarrassment if it is not met and also to invite policy makers' attention, at the beginning of the export season, towards exporters' issues.

They, however, say if mango output in the country declines — as is being speculated in media reports — and strong domestic demand continues then exports might suffer.

Records of Ministry of National Food Security and Research show that after hitting an all-time high of 1.9m tonnes in FY11, mango output has ranged between 1.7m and 1.8m tonnes.

Reports from Sindh and Punjab suggest that production this year can be in the same range despite shortages being reported from orchards in some areas of both provinces.

Exporters, however, complain of higher air cargo rates that can have a dampening impact on mango exports, more so because of growing domestic demand.

The cash-on-delivery culture is catching up in the country, thanks to the entry of hundreds of e-trade web portals. Income levels are growing and people are getting fonder of sending mango packs as gifts to their loved ones within the country.

Besides, the traditional local network of fruit sellers is also doing a better mango business this year because the arrival of the fruit has coincided with the eve of Ramazan.

"Under these circumstances, the government should consider giving a subsidy on air freight charges which are 30-35pc higher here than in India. If that's not done, exports might suffer," says a leading Karachi-based fruit exporter.

This year, Pakistan can easily penetrate deeper into the EU market where demand for Indian mangoes is on the decline following growing complaints about India's famous Alphonso variety there, exporters point out.

And such positive developments like establishment of the Mango Research and Development Board (MRDB) in Punjab, registration of 10 known varieties at the Federal Seed Certification and Registration Department and higher demand from the Far Eastern markets can give this year's exports a real boost.

According to a press report, the Punjab government's 17-member MRDB will provide one-window support to mango growers in orchard management and disease fighting and will also help them explore and exploit new markets.

Besides, it will coordinate with farm research institutions to conduct specific research for boosting mango yields.

The board headed by a progressive mango grower has already started working and can be helpful in boosting mango exports right from this year, exporters say.

https://www.dawn.com/news/1338927

TRADE AND PRODUCTION LINKAGES – A CRITICAL RELATION FOR ECONOMIC GROWTH
The Express Tribune, June 12th, 2017

The Trade and Development Report 2016, published by the United Nations Conference on Trade and Development (Unctad), warns of 'premature de-industrialisation' across several developing countries as the profit-investment nexus, which typically increases productive investment, has decreased in recent years.

The report suggests that proactive industrial policies must be pursued, which not only focus on upgrading the economy, but also promote the development of production linkages to improve productive capabilities within an economy.

Therefore, it is essential that exporting industries in Pakistan develop strong production linkages with the rest of the economy and that profits generated by exporters are re-invested in such a way that they drive the profit-investment nexus.

For instance, the growth in modern services must complement the growth in the primary and manufacturing sectors through the enhancement of production and knowledge linkages.

As uncertainties have increased in trading patterns due to slower economic growth and preference for restrictive trade policies across developed trading partners, it is essential that developing countries shift towards production of value-added goods and rely on establishing long-term trading contracts with their buyers and suppliers.

Exports of Pakistan have fallen from over $25 billion in 2013 to less than $22 billion in 2015. Data from the State Bank of Pakistan (SBP) predicts a further slowdown in FY17. On the other hand, the import content of investment spending in Pakistan is increasing, which is widening the trade deficit.

The World Trade Organisation's (WTO) World Trade Outlook, published in May 2017, indicated a moderate expansion in global trade in the second quarter of 2017 as trade recovered from the slump of 2016.

However, it is even more essential that Pakistan policy-makers take major action to develop and enhance production linkages across different sectors of the economy in order to reverse the falling trend in exports. As record levels of investments flow into Pakistan through CPEC, the policy-makers must ensure that new investments contribute to generating value addition as well as improving production linkages within the economy.

According to the International Trade Centre's Trademap.org, the global trade increased to a peak of $19 trillion in 2014 and plummeted to $15.9 trillion in 2016.

Exports of Pakistan peaked at $25.3 billion in 2011, but decreased to $22 billion in 2015. The SBP reported a decrease of 1% in exports for July to April FY17 compared to the corresponding period of FY16.

Although all major groups, namely food group, textile group, petroleum group, and other manufactures have reported a decline in export value, the largest decline was in exports of products such as surgical instruments, cement, engineering goods and petroleum products.

Readymade garments were the only products within the textile group to consistently report positive export growth between FY10 and FY16. On the other hand, exports of raw cotton fell 47%, cotton yarn 14% and cotton cloth 8% for July to April FY17.

One of the major concerns today is the bulging trade deficit as the gap between export receipts and import payments widens. Total import payments for July to April FY17 were $37.8 billion, up 15.5% compared to the corresponding period in FY16.

The increase in import value was reported for all products, including machinery, transportation equipment, textile products, petroleum products and food products.

However, the largest increase was in transportation equipment, followed by food products and petroleum products. There has been a surge in imports of several products that are commonly imported such as textile machinery, power generating machinery, motor vehicles, petroleum products and iron and steel scrap.

Pakistan exported $13.7 billion of textile product in FY15 and $12.76 billion in FY16. Export receipts from cotton, which topped at $479 million in FY12, were only $39 million for July to April FY17.

On the other hand, more than $1 billion worth of raw cotton was imported in FY16, which was twice more than the reported amount in FY15. According to the Pakistan Central Cotton Committee, the lowest domestic production of cotton crop since 1999 was reported in 2015.

The fall in cotton production accompanied by an increase in imports of raw cotton suggests lack of production linkages between domestic farmers and textile producers.

Furthermore, it also suggests that the Pakistani variety of raw cotton is likely becoming redundant in the production of textile products as domestic producers are increasingly becoming dependent upon imported varieties.

Although the textile industry faces numerous challenges in terms of energy shortages and lack of cost competitiveness, it is imperative to develop and enhance the production linkages that can contribute to value addition within Pakistan..

https://tribune.com.pk/story/1433026/trade-production-linkages-critical-relation-economic-growth/

PAKISTAN'S TRADE DEFICIT WIDENS TO RECORD $30BN
Dawn, June 13th, 2017

Mubarak Zeb Khan

ISLAMABAD: The country's trade deficit ballooned by 42 per cent year-on-year to an all-time high of $30 billion in the first 11 months of the current fiscal year on the back of falling exports and a sharp increase in the import bill.

The country's annual trade deficit was $20.435bn when the PML-N came to power in 2013. It has been on the rise since then due to rising imports and falling exports.

Trade deficit stood at $3.465bn in May, a rise of nearly 61pc compared to the same month a year ago, according to the data released by the Pakistan Bureau of Statistics on Monday.

Two reasons explain the trade deficit: rising import bill of capital goods, petroleum products, and food products; and a steep fall in exports despite prime minister's support package to boost exports. The trade deficit is said to be posing a serious threat to external balance of payment.

In July-May, the overall import bill rose 20.6pc year-on-year to $48.54bn. In May alone, it increased 28pc to $5.09bn.

In the year 2012-13, the import bill was at $44.950bn. It is expected to reach over $53bn this fiscal year.

Exports fell 11pc year-on-year to $1.627bn in May after witnessing paltry growths in the previous two months. Export proceeds grew 5pc in April and 3pc in March.

Exports are in decline despite government claims of providing the industry with round-the-clock power supply since November 2014. Similarly, the government was also providing Rs3 per unit concession in electricity tariff since 2016 to export-oriented industries.

In the 11 months through May, the export proceeds fell to $18.54bn from $19.14bn a year ago.

Under a three-year Strategic Trade Policy unveiled last year, the government set an annual export target of $35bn by 2018. To boost exports, the prime minister announced a subsidy package of Rs180bn for textile, clothing, sports, surgical, leather and carpet sectors. The impact of this package on exports has yet to be seen.

The government has recently removed the commerce secretary, Azmat Ali Ranjha, for failing to promptly implement the trade policy. He was replaced by Younis Dagha, who was shunted out from the Ministry of Water and Power for his alleged failure to manage power load-shedding issues.

Under the Strategic Trade Policy 2015-18, the Ministry of Commerce notified five cash support schemes to improve product design, encourage innovation, facilitate branding and certification, upgrade technology for new machinery and plants, provide cash support for plant and machinery for agro-processing and give duty drawbacks on local taxes.

Exporters have yet to submit claims for the subsidy due to "flaws in these schemes".

https://www.dawn.com/news/1339120

'CRISIS IN GULF WON'T AFFECT LNG IMPORTS FROM QATAR'
Dawn, June 13th, 2017

Khaleeq Kiani

ISLAMABAD: Pakistan said on Monday the diplomatic crisis in the Middle East would not affect its Liquefied Natural Gas (LNG) imports from Qatar.

Speaking at a news conference, Minister for Petroleum and Natural Resources Shahid Khaqan Abbasi said Pakistan was currently importing 600 million cubic feet per day (mmcfd) of LNG from Qatar. “This is a commercial contract. It is binding and will not be affected” by the ongoing tension between Riyadh and Doha.

He said only a force majeure event that is beyond the control of the two parties and international sanctions, particularly on gas sales, could affect LNG imports from Qatar. “There are no such apprehensions on both counts,” he said. He said Pakistan was importing 2.7m tonnes of LNG whereas neighbouring India was importing 9m tonnes and South Korea, Japan and China were importing 60m tonnes of LNG from Qatar.

He said the imported 600mmcfd of LNG, which was being supplied to the industry, captive power plants, Independent Power Producers (IPPs) and CNG sector. He said Pakistan used to import 1m tonnes of fertiliser before the import of LNG. The country will export 0.6m tonnes of fertiliser this year due to the supply of LNG to the fertiliser industry.

He said that Pakistan was building deeper relations with many countries through oil and gas deals on a government-to-government basis after the successful model of oil imports from Kuwait. In this context, LNG import deals with different countries, including China, Turkey, Russia, Malaysia and Oman, were being negotiated. Pakistan will strike an LNG deal with potential exporters, he added.

He said the government was now focusing on private investors who were interested to set up LNG terminals in Pakistan and had their own supply chain and direct sales to clients. That means the government will not have any liability in this regard. He said there would be good news in the next few days about expected terminal deals.

Responding to a question about the Iran-Pakistan (IP) gas pipeline project, Mr Abbasi said Pakistan had conveyed to Iran that it could not implement the gas pipeline project due to the involvement of dollar transactions. He said there was another issue of the snapback clause. International financial institutions will not be ready to finance this project because sanctions can be revived against Iran in the case of violation of its nuclear deal with the west.

He said Pakistan could not lay a $2bn pipeline that might remain unutilised. Secondly, even if gas is delivered through the pipeline, Pakistan cannot make foreign exchange payment. He said Iran and Pakistan were in contact on the subject.

: The minister said Sindh appeared to be the richest among the provinces in oil and gas reserves. Energy companies have discovered five oil and gas reserves during the last few weeks, enabling the addition of 70mmcfd gas and 600 barrels of oil per day.

He said Oil and Gas Development Company, Pakistan Petroleum, Mari Petroleum and OMV have made five oil and gas discoveries in Sindh and 70mmcfd gas would be added to the system of Sui Southern Gas Company. He said gas discovered from new fields amounted to $150m per annum at the current gas price.

He said oil and gas companies had made 98 discoveries since the present government came to power and added 944mmcfd gas to the national system. However, he said the same volume of gas was depleted from the existing gas fields.

He also dispelled the impression that the federal government was not implementing Article 158 under the 18th Amendment. He said gas on the system of Sui Northern Gas Pipelines (SNGPL) had dropped 35 per cent from 1,665mmcfd to 1,120mmcfd since 2010 when the amendment was implemented.

However, he said that gas supply on the network of Sui Southern Gas Company had increased 3pc from 1,174mmcfd to 2,017mmcfd since 2010 despite depletion in gas reserves.

Mr Abbasi said SNGPL was still facing Rs6-8 billion gas theft in Khyber Pakhtunkhwa, but the local administration was not cooperating in tackle this issue.

He said 2m gas connection applications were pending with SNPGL when the present government came to power. He said the government had formulated a merit-based policy and those who applied first were getting connections. He said 1.5m gas connection applications were pending now with SNPGL.

He said the government had no plan to increase gas prices from July 1. He said that despite an increase in gas connections, the situation would be normal in the coming winter season.

https://www.dawn.com/news/1339113

TRADE DEFICIT SOARS TO $30 BILLION, MORE BORROWING LIKELY
Shahbaz Rana

The Express Tribune, June 13, 2017

ISLAMABAD: For the first time in history, Pakistan's trade deficit has widened to $30 billion with one month still remaining before the close of ongoing fiscal year as the government could not find a solution to the burgeoning imports and a constant contraction in exports.

The gap between imports and exports stood at $29.99 billion from July to May in fiscal year 2016-17, which was 42.1% or $8.9 billion more than the comparative period of previous year, Pakistan Bureau of Statistics (PBS) announced on Monday.

For the third straight month, the trade deficit breached the previous highest record and reached $30 billion.

Imports remained at high levels and were valued at $5 billion for the third consecutive month – the sole reason behind the uncontrollable trade deficit. The 11-month trade gap was $9.5-billion higher than the annual target of $20.5 billion, which was set by the Ministry of Finance at the beginning of FY17.

The fresh statistics have deepened concerns about long-term sustainability of the external sector, which the government is maintaining by borrowing from foreign countries and commercial banks.

Cheap imports have started hurting the import-substitution industries, according to experts. A strong rupee against the US dollar has made the imports cheaper.

Owing to the swelling trade deficit, the balance of payments of the country is now projected to worsen to levels never anticipated by the finance ministry. In its budget documents, the ministry has now revised the current account deficit projection to $8.4 billion for the outgoing fiscal year, which again appears to be at the lower end.

Exports fell 3.1% to only $18.5 billion in July-May FY17, which were $591 million less than the goods shipments reported in the comparative period of previous year.

Compared to this, the import bill fattened 20.6% to $48.53 billion in July-May FY17. In absolute terms, imports were $8.3 billion higher than the previous year.

Another worrying indication was that the 11-month import bill was 260% higher than exports of the country. The import bill was equal to 108% of the annual import projection made by the finance ministry. Contrary to this, exports in 11 months were only three-fourth of the annual target of $24.8 billion.

Independent economists say the ballooning trade deficit has finally exposed vulnerabilities of Pakistan's economy as financing such a huge gap in the midst of slowing foreign remittances and low foreign direct investment has become a challenge for the government.

It will be the fourth consecutive year when the PML-N government will miss its annual export target, though Pakistan enjoys duty-free status for its exports to the European Union. Exports were only 6% of the estimated size of Pakistan's economy called the gross domestic product (GDP).

Exports are not picking up despite offering two incentive packages to the exporters. However, these packages have remained partially funded, causing resentment among exporters.

There is a consensus among government and independent economists that exports must be at least 10% of GDP for sustainability of the country's external sector.

Owing to lower exports, one-fourth of the export receipts went for external debt servicing in July-March FY17.

On an annual basis, the trade deficit in May was 60.8% more than the comparative period of previous year and the main reason was record imports worth $5.1 billion in the month, showed PBS data.

The trade deficit stood at $3.5 billion in May, which in absolute terms was $1.3 billion higher than the deficit in May 2016. Exports in the month dropped almost 11% to only $1.63 billion.

On a month-on-month basis, exports in May slumped almost 10% over exports recorded in April. In absolute terms, the exports were down $178 million. There was a marginal growth in imports on a month-on-month basis.

https://tribune.com.pk/story/1434023/trade-deficit-soars-30-billion-borrowing-likely/

NA PASSES FINANCE BILL 2017: GOVT TAKES STEP TOWARDS ARRESTING EXPORT SLIDE
NAVEED BUTT & AAMIR SAEED

ISLAMABAD: The National Assembly on Tuesday passed the Finance Bill 2017 without participation of the opposition parties by decreasing sales tax rate further from 2 percent to 1 percent on supplies to unregistered persons in five export-oriented sectors, and announcing new tax concessions for agriculture, Islamic banking, e-commerce, oil marketing companies, mutual funds, IT services, stock market, listed companies and entertainment industry.

Concluding the budget debate in the Lower House, Finance Minister Senator Ishaq Dar said that tax rate on five export-oriented sectors is decreased from 2 percent to 1 percent on suggestions from the Federation of Pakistan Chambers of Commerce and Industry and All Pakistan Textile Mills Association.

He said the exporters were given a subsidy under the Prime Minister's Export Package for the first six months as per volume of their exports while majority of them have already been paid subsidies and the remaining will be given during the next financial year as already Rs 15.5 billion have been allocated in this regard.

The minister said the government has linked the export package from the next financial year with an increase in export volume to 10 percent with consent of the exporters. He said the Tamarind Gum is also being zero rated to facilitate the export-oriented sectors.

He also informed the house that limit of agriculture loan for small farmers is being increased from Rs 50,000 to Rs 75,000 for one crop and the total volume of the loan could be Rs 150,000 for two crops in a year.

The sales tax on peter engine of 3 to 36 horsepower has been abolished, he said, adding that customs duty on spare parts of the engines has been reduced to 3 percent from 20 percent.

The minister said that to promote Islamic banking several steps are taken as investment in Sukuk has been exempted from tax if investment reaches up to Rs 2 million.

He said the government is exempting the goods including plant machinery under Murrabaha, Musawamah, Bai Muajjal, Bai Salam, Istisna, Tijarah, Istijrar from dual payment of sales tax.

The minimum wage has also been increased from Rs 15,000 announced in the budget to Rs 15,400, he said.

The minister said that all oil marketing companies approved by Oil and Gas Regulatory Authority could avail income tax-free imports.

On Senate's suggestions, dealers and wholesalers of batteries are exempted from WHT of 0.2 percent and 0.5 percent.

The minister said that for promotion of agriculture sector, the sales tax on feed gas has been reduced to 10 percent from 17 percent and sales tax on feed gas driven from LNG has been reduced to 5 percent from 17 percent.

To promote poultry industry and value addition in the sector, customs duties on different products has been reduced to 16 percent and 11 percent from 20 percent and 16 percent respectively, he said.

The minister said the sales tax on fishing feed has been reduced to 10 percent to encourage investment in fisheries.

The government has also abolished the customs duty on permanent magnets used in DC fans to further promote the renewable energy.

The tax rate on dividend income up to Rs 2.5 million from mutual fund investments has been decreased from 12.5 percent to 10 percent, he said, adding that new rates of capital gains tax shall not apply on securities purchased before July 1, 2016.

The tax on services of Pakistan Stock Exchange and Pakistan Mercantile Exchange is reduced from 8 percent to 2 percent, he said, adding that for secondary market development, tax on listed derivatives is reduced from 15 percent to 5 percent for a period of 3 years.

The minister said the tax on importers of raw plastic is being reduced to 4.5 percent from 6 percent to avoid evasion while for industrial units tax rate has been reduced to 1.75 percent from 6 percent.

In case of listed companies payout of less than 40 percent, tax on surplus reserves shall be taxed at 7.5 percent as against earlier proposed rate of 10 percent, he said.

To promote e-commerce or electronic business or trading entities to get cut in turnover tax and commission turnover tax for e-commerce entities have been reduced to 0.5 percent from 1.25 percent and tax on commission will be reduced to 5 percent from 12 percent, he said.

He also promised to present a special package in the house soon for restoration of drama and film industry.

Regarding non-profit organisations, the minister said that they are being exempted from 15 percent tax on their administrative expenditures in the first three years of their establishment, provided their turnover does not exceed Rs 100 million.

The minister also claimed that foreign debt was $ 48.1 billion in June 2013 when the PML-N assumed charge of the government while the total foreign debt in March 2017 was $ 58.4 billion.

He also claimed that public debt to GDP ratio was 60.2 percent in June 2013 that was reduced to 59.3 percent in March 2017.

The minister informed the house that Senate proposed 276 recommendations on the budget, out of which 147 were related to the PSDP and have been sent to the Planning Commission for further deliberations.

He said the government has accepted 75 out of 129 Senate recommendations partially or completely.

Later, the finance minister presented the Finance Bill 2017 for its passage in the National Assembly in the absence of the opposition parties that had staged a walkout from the house. The house approved the Finance Bill with some amendments moved by Law Minister Zahid Hami

MANGO EXPORTS EXPECTED TO INCREASE IN 2017-18
The Express Tribune, June 18th, 2017.

ISLAMABAD: Pakistan can potentially earn $68-70 million through mango exports to Western and Middle Eastern markets this year, according to Federation of Pakistan Chambers of Commerce and Industry (FPCCI) Regional Chairman of Horticulture Exports Committee Ahmad Jawad.

“I think mango exports this year should be equal to, or even greater than, last year’s due to higher demand from the Far East and our traditional Middle Eastern and Western markets,” Jawad predicted.

Mango exports from India made their maiden entry into South Korean market but received poor reception due to complaints of quality and packaging.
Complaints over India’s Alphonso variety were also raised in the European Union (EU), which can further boost sales of Pakistani mangoes in European markets.

Mango exports during 2016-17 totalled 128,000 tons valued at $68 million, according to a statement.

Jawad also highlighted the adoption of innovative business practices by local exporters such as forming partnerships with local airlines of target countries and using e-commerce to explore and exploit those markets.

Such steps have already yielded results with a prominent exporter selling 55 tons of mangoes in the US alone due to improved supply and distribution by partnering with a local airline and taking orders via website farmfreshshop.com.

Such steps require government support according to Jawad since exports become highly sensitive to transportation rates.

“Under these circumstances, the government should give a subsidy on air freight charges,” he proposed.

Appreciating the establishment and role of Mango Research and Development Board (MRDB) in Punjab, he said that registration of 10 known varieties at the Federal Seed Certification and Registration Department would further boost mango exports in the years to come.

https://tribune.com.pk/story/1438495/mango-exports-expected-increase-2017-18/

July 2017

NEWS COVERAGE PERIOD FROM JULY 24TH TO JULY 31ST 2017

GLOBAL USE OF TRADE BARRIERS SLOWS, SAYS WTO

Dawn, July 25th, 2017

GENEVA: More steps to free up trade globally have been taken since Donald Trump was elected than measures to restrict it, the World Trade Organisation said, despite concerns his administration would introduce a raft of punitive rules to protect US jobs.

The WTO's global monitoring report, debated at a trade policy review on Monday, covers October 2016 to May 2017.

"The report shows an encouraging decrease in the rate of new trade-restrictive measures put in place hitting the lowest monthly average since the financial crisis," WTO Director-General Roberto Azevdo said in a statement.

The semi-annual report, largely coinciding with the period since the election of US President Donald Trump, showed that the 164 WTO members put 74 new restrictive measures in place, including tariffs, customs regulations and quantitative restrictions, with an impact of $49 billion of trade.

At the same time, they took 80 steps to help trade, such as cutting tariffs or simplifying customs procedures, affecting a much bigger $183 billion of trade.

Trade-restrictive steps peaked at 22 per month in 2011, roughly twice the level in the period of the latest report.

During the period under review, the United States introduced new restrictions including a provisional duty on Canadian softwood lumber, suspecting it of being unfairly priced.

It also brought in "Buy America" provisions to ensure that, subject to some conditions, state loan funds are not used for water infrastructure projects unless all the steel used in the project was produced in the United States, the WTO report said.

Trump had also liberalised trade by scrapping broadband privacy rules, allowing Internet service providers to commericalise user data without explicit permission from the US Federal Communications Commission, the report said.

China, routinely the WTO member most often accused of unfair pricing and illegal subsidies, had introduced new restrictions with a cybersecurity law, requiring data generated in China to be stored in China, and a film production law, requiring Chinese movies get two-thirds of the screen time at Chinese cinemas.

But it also eased approval requirements for foreign-owned banks to invest in Chinese banks and to supply some investment banking services in China, the WTO report said.

https://www.dawn.com/news/1347399

MEETING SOUGHT: MILLERS PRESS GOVT TO ALLOW SURPLUS SUGAR EXPORT

The Express Tribune, July 25th, 2017.

LAHORE: The Pakistan Sugar Mills Association Punjab Zone (PSMA), while not agreeing with the government's policy that does not allow further export of surplus sugar, has asked authorities to call an immediate meeting in order to address concerns of the industry.

This year, the country has recorded a sharp rise in sugar production with surplus estimated at 1.8 million tons before end of the current crushing season.
In a statement, the association argued that unless the surplus was disposed of through exports, the industry would be unable to pay sugarcane growers.
Already, protests have erupted in some parts of Punjab where mills have failed to clear their dues and the situation will worsen at the start of new crushing season in November when another bumper crop is expected.

"The government has direct control over the major cost component of production along with sugar output and for this reason the industry always depends on policies that are being framed by the authorities," the PSMA said.

It insisted that despite permission for export of 300,000 tons – a small quantity in the face of a huge surplus, it was impossible for the industry to make shipments without subsidy, keeping in view the current world commodity prices.

The association pointed out that world sugar prices, similar to other commodities, followed a cyclical pattern and in early part of the current calendar year, prices were at a level where industry would have exported the surplus quantity without any subsidy.

However, at that time, the authorities refused to allow exports despite repeated requests by the industry.

It emphasised that not many options were available with the industry to manage the situation and the government should come up with corrective measures by either buying the surplus stock as strategic reserves or subsidising exports in order to support the industry along with thousands of farmers.

"If necessary steps are not taken, mills will not be in a position to pay sugarcane growers the price anything more than Rs120 per 40kg," it warned.

Government officials, however, fear that if sugar export is allowed without any check, it will spark instability in the domestic market and prices will shoot up, which will not bode well for an already troubled PML-N administration ahead of general elections next year..
https://tribune.com.pk/story/1465904/meeting-sought-millers-press-govt-allow-surplus-sugar-export/
NEWS COVERAGE PERIOD FROM JULY 17TH TO JULY 23RD 2017
DAR URGED TO MAINTAIN CASH SUBSIDY ON EXPORTS
Dawn, July 18th, 2017

Mubarak Zeb Khan

ISLAMABAD: Commerce and textile ministries have urged the Ministry of Finance to allow the continuation of an unconditional cash subsidy on exports in 2017-18 under the prime minister's Rs180 billion support package.

"We have approached the finance ministry several times for a policy change," an official source in the commerce ministry told Dawn on Monday.

The prime minister announced on Jan 11 a subsidy package of Rs180bn to boost exports.

The package promised the unconditional cash subsidy in the first six months (January-June). Exporters agreed to avail the same subsidy by achieving an incremental increase of 10 per cent in export proceeds in 2017-18.

Pakistan's overall exports fell 1.63pc to $20.45bn in 2016-17 from $20.78bn in the preceding year.

Data shows that results of the premier's export package in the first six months do not support the continuation of the unconditional cash subsidy in the current fiscal year.

In January-June, export proceeds stood at $10.54bn against $10.48bn over the corresponding period a year ago. This means no tangible growth took place in exports in the second half of 2016-17.

According to the official source, the finance ministry has so far released Rs4.5bn against claims submitted by exporters under the support package. Total submitted claims were of more than Rs15bn, the official said, adding that the remaining amount would be released soon.
The finance ministry expects to receive claims in the range of Rs30bn and Rs35bn for the first six months of the package. The total amount of subsidy projected for the first six months was Rs60bn. The government projected Rs120bn in the cash subsidy for 2017-18.

The official source said exporters are not willing to honour their commitment about claiming the subsidy in the case of an incremental increase in export proceeds. "We are trying to convince the finance minister to change his policy and continue the package on the pattern of the first six months."

According to the official, no final decision has been taken so far in this regard.

Under the package, the government offered a 7pc rebate in the shape of cash support on the exports of all types of garments and 6pc on those of home textiles. The rate of cash support is 5pc for fabric exports and 4pc for yarn and grey fabric exports.

For non-textile sectors, the package offered cash support of 7pc on the exports of finished leather goods, including garments, and 5pc on those of finished leather.

It offered cash support of 7pc on the exports of sports goods, 5pc on cutlery and surgical instruments and 6pc on carpets.

Customs duty and sales tax on the import of raw cotton have been abolished. The duty on manmade fibre imports has been waived. A 10pc sales tax on textile machinery imports has also been done away with.

https://www.dawn.com/news/1345951

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https://www.dawn.com/news/1345951

TPP, THE TRADE DEAL TRUMP KILLED, IS BACK IN TALKS WITHOUT U.S.
MOTOKO RICH
International New York Times, July 14, 2017

TOKYO — When President Trump pulled out of his predecessor's signature trade deal on his first full weekday in office, the 11 other countries that had negotiated the pact were left wondering if years of work had just gone down the drain.

This week, those countries indicated that they wanted to press ahead with the so-called Trans-Pacific Partnership, or TPP, a sweeping multinational trade agreement that had originally been sold as a way to tether the United States more closely to East Asia and to create an economic bloc capable of standing against an increasingly muscular China.

At a meeting in Hakone, a resort town south of Tokyo, Japan led trade negotiators from the 11 countries — including Australia, Canada, Malaysia and Vietnam — in discussions about reviving rules that would improve labor conditions and increase protections for intellectual property in some countries, while opening more markets to free trade in agricultural products and digital services around the region.

Japan’s effort to salvage the deal reflects a growing recognition that countries that have previously counted on American leadership will have to forge ahead on their own.

In Japan, officials are particularly eager to pre-empt China’s attempt to forge a rival trade pact, the Regional Comprehensive Economic Partnership. That deal would bring together 16 countries, including the ones in the TPP, albeit under considerably less stringent rules.

Kazuyoshi Umemoto, Japan’s chief negotiator, told reporters that the group of 11 “achieved mutual understanding on a path forward” without the United States.

“We need a new international agreement,” Mr. Umemoto said. “I think we have reached a rough picture of what it will be like.”

Momentum for such deals has built in recent weeks, as big American allies have pledged their commitment to globalization.

On the eve of the Group of 20 summit meeting in Hamburg, Germany, last week, Japan and the European Union announced the outlines of a broad agreement that would create a trading bloc encompassing $20 trillion in combined economic output. The deal was announced as the United States appeared increasingly isolated on issues like free trade and the environment.

President Trump has repeatedly made clear his antipathy toward free trade, vowing to protect American workers and rebalance trade deficits with other countries. On Wednesday, the United States trade representative, Robert E. Lighthizer, sent a letter to the South Korean government saying that the administration was eager to revise a trade agreement between the two countries that has been in force for five years.

If Japan and the 10 other signatories are to keep the TPP alive, they would need, at the very least, to revise a clause that says the deal will come into effect only when ratified by six countries representing 85 percent of the combined economic value of the 12 original members. Without the United States, that threshold cannot be reached.

Japan, which has the largest economy among the remaining trade partners, is pushing to preserve most of the ambitious rules that negotiators originally hammered out, as are Australia and New Zealand.

“The hope, of course, of Japan is to maintain the status quo of the already agreed framework, including the details,” said Tomohiko Taniguchi, a foreign policy adviser to Prime Minister Shinzo Abe.

While optimistic that Japan could lead the group toward consensus, Mr. Taniguchi, who referred to the remaining TPP countries as the “Ocean’s 11,” acknowledged that the discussions would be challenging.

Negotiations, once started, could turn in all sorts of different directions,” he said. “It’s a gathering of 11, after all, self-centered, even selfish countries. All sorts of negotiations are likely happening.

Developing countries such as Malaysia and Vietnam may want to renegotiate some of the tougher requirements that they accepted in exchange for the promise of access to American markets.

The agreement, for example, requires developing nations to reform child-labor laws as well as to improve the transparency of state-owned companies, and it permits drug makers in the large economies to extend patent protection on many pharmaceuticals that the smaller countries want to manufacture. Some of the developing countries may protest that such requirements are too onerous without the incentive of being able to export to American consumers.

“The problem is, when you take the United States out, the United States is two-thirds of the TPP,” said Jeffrey Wilson, a research fellow at the Perth U.S.-Asia Center at the University of Western Australia. For developing countries being asked to make expensive overhauls, Mr. Wilson said, “What is the point of the deal anymore?”

Japan’s goal is to preserve as much of the original deal as possible in the hope that the United States will eventually rejoin.

“We should welcome the United States when the United States decides to come back at some time in the future,” said Ichiro Fujisaki, a former Japanese ambassador to Washington.

Some observers see those hopes as naïve. “I think it’s simply wishful thinking that the Trump administration will change its mind about the TPP,” said Takuji Okubo, managing director and chief economist at Japan Macro Advisors. “So long as he remains the president, I don’t think he will actually make that turnaround.”

Others suggested that advisers to Mr. Trump might try to change his mind once he sees how difficult it can be to negotiate bilateral trade agreements. But in that case, they say, the 11 remaining countries should not alter the TPP.

“If they try to renegotiate the rules or lower the standards, it will make it harder for the U.S. to rejoin the agreement down the road,” said Bruce H. Andrews, deputy secretary of the Commerce Department in the Obama administration and now a managing director at Rock Creek Global Advisors, a consulting firm.

And there is another reason the TPP countries should maintain the tough trade rules, Mr. Andrews said: to push China toward reform.

“If TPP had gone into force, the Chinese, by necessity, would eventually have wanted to be part of it to enjoy its benefits,” Mr. Andrews said. “In order to get into TPP, China would have had to do some serious economic reform and open their market from their current closed state. If TPP does not go forward as the model, China will likely get better terms from other countries without having to open its market.”

In Japan, Mr. Abe has his own political reasons for wanting to push ahead with the TPP. Mr. Abe expended considerable political capital for the deal, going up against farmers who have traditionally supported his Liberal Democratic Party. The agreement would require Japan’s closed agricultural sector to accept imports of rice, pork and other products.

Mr. Abe has also recently been dogged by influence-peddling scandals, and his party suffered a resounding defeat in a recent local election in Tokyo. By agreeing to the trade deal with the European Union last week, he was able to score a quick victory.

“I think it’s important to keep that momentum,” said Jun Saito, a senior research fellow at the Japan Center for Economic Research.

Japan has indicated that it wants to secure an agreement between the remaining 11 countries in the Trans-Pacific Partnership by November, when many of them will gather at a summit meeting in Vietnam.

Most analysts say any agreement is unlikely to be completed that quickly. Still, said Shumpei Takemori, a professor of economics at Keio University, the reopening of negotiations allows Japan and its allies to “show the U.S. administration that we have alternatives.”
https://www.nytimes.com/2017/07/14/business/trans-pacific-partnership-trade-japan-china-globalization.html

300,000 TONNES OF SUGAR EXPORT APPROVED
Dawn, July 19th, 2017

Khaleeq Kiani

ISLAMABAD: The government on Tuesday allowed exports of 300,000 tonnes of sugar provided the industry maintains stable domestic prices.
The decision was taken at a meeting of the Cabinet’s Economic Coordination Committee (ECC) presided over by Finance Minister Ishaq Dar.
The committee rejected a call for the export of 600,000 tonnes of sugar recommended by the ministries of commerce and industries. Instead it decided that sugar exports would be immediately stopped in case of abnormal increase in domestic prices.

The exports would entail no rebate or subsidy, an official said.

He said the finance minister had postponed the decision for sugar export about two months ago to avoid price surge in Ramazan as demanded by the Sugar Advisory Board (SAB), a body comprising the Ministry of Industries and Production (MoIP) and the sugar industry.

The official said sugar exports are allowed even now on the written assurance provided by Pakistan Sugar Mills Association (PSMA) that the instructions of the government regarding price stability of sugar will be adhered to in letter and spirit.

The meeting was told that the ECC had allowed export of 250,000 million tonnes of sugar on Dec 28, 2016. On March 28, 2017, the ECC allowed an additional export of 200,000m tonnes of sugar up to May 31, 2017 subject to the condition that a committee constituted by the prime minister would immediately recommend halting further export to the ECC if domestic price stability – as prevailing on Dec 15, 2016 – was not maintained.

The above exports were to be completed within 60 days of allocation of quota or May 31, 2017 whichever comes earlier.

The PSMA again approached the commerce ministry on May 6 and reported to have produced a record quantity leading to a surplus of 1.475m tonnes, resulting in delayed payments to the sugarcane growers. It called for a meeting of the SAB for verification of overall availability and stock position of sugar and being allowed further exports.

The SAB meeting, held at the MoIP on May 17, 2017, recommended allowing exports of 1.2m tonnes sugar in view of the available surplus. An inter-ministerial committee meeting was held on May 25 and on its recommendations the ECC decided on June 7, 2017 decided to defer the sugar export in order to maintain the price stability during Ramazan.
It was decided that the matter be taken up in the last week of Ramazan with the direction that PSMA may be asked to express their “firm resolve in writing to maintain price stability”. The inter-ministerial committee reviewed the sugar

supply and stock position again on June 20, 2017 and noted that the price of sugar in the domestic market remained stable which benefited the consumer.

The price in the domestic market according to the Sensitive Price Indicator (SPI) for the week ending June 15, 2017 was Rs56.30 per kg which was 1.1 per cent lower than the level of Dec 15, 2016 when the export of sugar was allowed by the ECC, it was noted.

The committee also observed that out of the total quantity of 0.425m tonnes allowed for export by the ECC, a total of 0.391m tonnes sugar quota had been allocated by Sate Bank of Pakistan (SBP) and around 0.348m tonnes had been exported.

The ECC decided to allow only 300,000 tonnes of sugar export and directed that the committee constituted by the prime minister to meet in the first week of every month to review sugar stock, export and price situation and recommend stoppage of further export to ECC.

It was also decided that export quota will be approved and monitored by the SBP on first come first serve basis and the exports would be completed within 60 days of quota allocation by the SBP.

The ECC also approved a proposal of the MoIP to grant Belarus exemption from value-added tax as required under a provision of a proposed agreement between the Pakistani and Belarusian governments on industrial, scientific and technical cooperation.

Once the agreement is signed, both governments will mutually exempt value-added tax when importing goods supplied on cooperation base, as well as under grant-in-aid, an official statement said.
https://www.dawn.com/news/1346122/300000-tonnes-of-sugar-export-approved

SWITCHING TO EU'S REX: TDAP ISSUES DIRECTIVES TO EXPORTERS
The Express Tribune, July 21st, 2017.

ISLAMABAD: The Trade Development Authority of Pakistan (TDAP) has said that all current as well as potential exporters to European Union are informed that as per EU regulations for GSP plus beneficiary countries, Pakistan is required to completely switch to the EU's REX (Registration of Exporters) System for origin certification by December 30, 2017.

Accordingly, issuance of certificate of origin by TDAP for the EU-GSP+; which is being actively progressed by the Authority, will cease after this date (30th December, 2017) and only REX registered exporters would subsequently by able to issue Statements On Origin (SOO) in respect of their EU shipments.

In the light of above, you are advised to get yourself registered in the REX system as soon as possible. TDAP is organizing seminars in major export cities to explain the details of the registration process.

https://tribune.com.pk/story/1462768/switching-eus-rex-tdap-issues-directives-exporters/

'PAPERLESS TRADE' AGREEMENT SIGNING IN AUGUST
Dawn, July 23, 2017

ISLAMABAD: The new 'Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific' will be opened for signature at the United Nations Regional Commission for Asia and the Pacific in Bangkok on August 29.

Once ratified, the treaty already adopted by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), will be the first regional agreement of its kind to focus on implementing digital trade facilitation measures to specifically achieve paperless trade across borders. It is expected to provide countries in Asia and the Pacific with a new tool and "digital" complement for better implementation of the WTO Trade Facilitation Agreement (TFA).

Open to all 53 member states of ESCAP, the new treaty will support the WTO Trade Facilitation Agreement, which entered into force in February this year. The treaty is also expected to harmonise the growing number of bilateral and sub-regional paperless trade initiatives in the region.

ESCAP research indicates that region-wide implementation of cross border paperless trade in Asia and the Pacific could lead to export gains of $257 billion annually. Even partial implementation of cross-border paperless trade measures could lead to an export increase of $36bn annually, and the time required to export could decrease by as much as 44 per cent and reduce costs by up to 31pc.

Pakistan has informed the third meeting of the interim intergovernmental steering group on cross-border paperless trade facilitation that it was at the final stage of inter-agency consultations and shared information on its activities related to trade facilitation.
https://www.dawn.com/news/1346959

NEWS COVERAGE PERIOD FROM JULY 10TH TO JULY 16TH 2017
NEPALESE ENVOY STRESSES TRADE, INVESTMENT TIES WITH PAKISTAN
Dawn, July 10th, 2017

BAHAWALPUR: Nepalese Ambassador to Pakistan Sewa Lamsal Adhikari, while stressing the need for close cooperation between Pakistan and Nepal, suggested introducing PIA flights from Bahawalpur to Nepal for opening new trade and investment vistas to local capitalists and entrepreneurs.

She was addressing members of Bahawalpur Chamber of Commerce and Industry (BCCI) on Saturday evening.

Impressed with the development in agriculture sector and peaceful conditions in Bahawalpur, the ambassador remarked that the city offered a wide range of opportunities of foreign investment and Nepal was ready to cooperate with Pakistan in this connection. She said that for the promotion of investment and trade, Nepal had recently signed memoranda of understanding with some big chambers in Pakistan and in the next phase more agreements would be signed.

She said her country could initiate trade activities with Pakistan in the agriculture sector and the country should export its capability in this sector to Nepal so that it could also progress.
The ambassador added that Nepal excelled in textiles, medical equipments, machinery and leather products in which trade with Pakistan could be initiated.
Nepal had easy taxation rates with investment security for foreigners, she stressed.

A local anti-terrorism court on Saturday sentenced Rao Karamat and Murtaza Ali Shah to two-year imprisonment each in separate cases.

According to a Counter-Terrorism Department (CTD) press release, the property of Karamat was confiscated in a first information report (FIR) under ESA and ATA and Shah's in another FIR under 298-A of PPC, 4/5 ESA and 7 ATA. He was also fined Rs20,000 in addition to the imprisonment.

Punjab Minister for Cooperatives Malik Iqbal Channar opened the 20-bed paediatric surgery ward at the government civil hospital, Jhangiwali on Saturday.

Speaking on the occasion, the minister said soon a children's complex would be added to the city and construction work on a nursing hostel and doctors' residences would be started soon.

https://www.dawn.com/news/1344307

UNLOCKING MANGO EXPORT POTENTIAL
Dawn, The Business and Finance Weekly, July 10th, 2017

Muhammad Ashraf
Pakistan produces nearly a million metric tonnes of mangoes, exports 6-7pc of the produce and claims around 3.8pc share in the global market.

The country's mango exports, during the last three years, have gradually declined from a peak of 103,487 MT in 2012-13 to 64,111 metric tonnes (MT) in 2015-16.
Mangoes are not only Pakistan's national fruit but a unique product in multiple ways. They are a cultural agent, a networking tool, a social bonding instrument and a diplomatic emissary, worthy of being gifted to heads of states.
As a business product, mangoes operate in a highly competitive global environment. Asian countries dominate the 45 million MT global mango production.

The global mango market has its peculiar dynamics. Firstly, in contrast to mango production which is dominated by Asian countries, mango exports are dominated by South American countries — Mexico, Peru, Brazil and Ecuador.

The main reason is the consumer preference in premium import markets for the firm, less-sweet South American mango varieties: Keitt, Kent and Tommy Atkins.

The major Pakistani mango varieties available in exportable quantities, Sindhri and Chaunsa, are soft and yellow with high brix value (sweetness) and are predominantly consumed in the ethnic (Asian) consumer segment rather than the mainstream market.

North America and Europe are the premium import markets with a 62pc share in global mango imports which have been stagnant at around 1.7 MMT ($ 2.5 billion) for the last five years.

The South American varieties have a longer shelf life of around 30-35 days and are marine shippable to premium markets; Pakistani varieties, due to their short shelf life, have to be airlifted at a 10-15 times higher freight cost which makes them uncompetitive in the mainstream consumer segment.

Mango, being a food product, is subject to stringent food safety and SPS requirements concerning hygiene, maturity level and Maximum Residue Level (MRL) of pesticides.

In 2014, the EU imposed a ban on Indian mangoes due to high residue levels.

In order to avert a similar ban, the Pakistani quarantine authorities, instead of improving the conformity standards of the produce, placed a voluntary restraint on export of mangoes to the EU. Exports nosedived as result.
Different import markets have different mandatory post-harvest processing requirements for mangoes — hot water treatment (HWT) for the EU, vapour heat treatment (VHT) for Japan and irradiation for the US. The cost of compliance amplifies.

Due to the above reasons, Pakistani mango exports are mismatch with the global market profile — 70pc of global imports are by the US, EU, Vietnam and China, whereas 77pc of our exports are to the Middle East.

The mangoes exported to the EU are mainly consumed in the ethnic segment, willing to pay the price premium for the adapted taste buds.

Exports to the US have more political appeal than commercial potential as the $3- $4 airfreight per kg, added to a $0.9 cost of product, distorts the economics of exports beyond proportion.

The supply side gaps cause 30-40pc wastages besides shaving off the quality premium.

The skill deficit of growers in farm practices — tree pruning, pest and disease management, and fertiliser and irrigation practices — affect yield and quality, while the harvesting practices by contractors — bruising from harvesting by pole-hitting, immature harvesting and sap-burn — downgrade fruit quality.

The commercial exporter, whose role is necessitated for consolidating export shipments sourced from multiple small farms, employs manual grading, sorting and packaging practices rather than modern technologies.

The infrastructure for HWT and VHT treatment, ethylene-ripening and modern pack houses is limited. An integrated cool chain is non-existent.

The institutional support for bridging the gaps along the value chain is ineffective as the Pakistan Horticulture Development and Export Company (PHDEC) is organisationally moribund.
With improved farm and post-harvest practices, wastage can be drastically reduced, thereby increasing the availability of exportable surplus.

Besides, currently a meagre 3pc of the produce is processed into value added products, which signifies the tremendous untapped potential for value addition.

On the market side, Pakistani varieties with their unique taste, high brix value, soft texture, pleasing aroma and low fibre, can capture a price premium in the exotics category.

With the development of marine shipment protocols for Sindhri, the export volumes and price margins in the mainstream market segment have been rapidly increasing.

In the ethnic segment, Pakistani varieties already enjoy higher consumer acceptance compared with the Indian Alfonso and enter the mango calendar when Alfonso is on its way out.

In existing mango markets such as the Middle East, there is the potential for an enhanced average unit price with improved product presentation.

The export potential of mangoes can be unlocked by instituting improvements in the value chain — varietal diversification, improvements in pre-harvest practices and harvesting techniques.

Mechanisation of post-harvest processes, up-gradation of packaging and presentation, establishment of modern pack houses as common facility centres, can also unlock potential, along with certification of orchards and pack houses for traceability, development of integrated cool chain and value addition.

On the market side, exports can be optimised in both segments — ethnic and mainstream.

The strategy can include (a) positioning Pakistani mangoes as an exotic fruit in premium markets for a higher price point, (b) pull-marketing through taste development of mainstream consumers, and (c) increasing availability for the fragmented-but-captive ethnic segment, willing to pay the price premium
https://www.dawn.com/news/1344387

MANGO EXPORTERS BLAME AIRLINES FOR LOSSES
The Express Tribune, July 13th, 2017.

KARACHI: At a time when Pakistan's exports have nosedived to a six-year low, pushing the trade deficit to a record high due to various reasons, mango exporters have pointed the finger at foreign airlines for failures as they charge exorbitant freights and let export orders down.

Airlines, mostly foreign companies, are utilised for quick shipments of mango export orders. However, not only do they charge exorbitant freights, but several times they become a cause of the exports' failure, All Pakistan Fruit and Vegetable Exporters, Importers and Merchants Association (PFVA) Patron-In Chief Waheed Ahmed told The Express Tribune.

For instance, foreign airlines charge on an average Rs175 per kilogram to transport mango to Manchester from Karachi and Rs175 per kilogram to London. In comparison, the same airlines charges only Rs85 (PKR) to transport one kilogram mango to Manchester from Bombay and Rs120 per kilogram to London from the Indian city.

"There is no huge difference between the destinations [Manchester and London] from Karachi and Bombay. However, there is a huge different in freight charges. Why?" he questioned.

"This is open discrimination against Pakistan. India is our only one regional competitor," said Ahmed. The high transportation rate charged by airlines only applies to mango, as otherwise the rate is Rs90 per kilogram for other fruits and vegetables from Pakistan, the official added.

Despite the high delivery rates, airlines are mishandling transportation of the export orders, said Ahmed. "Most of the times, the export order is delivered lesser in weight than the dispatched one."

Besides, the airlines under question consume higher transportation and delivery time than they commit.
Mango is a perishable item; hence it is air-lifted to save transportation time and save it from decay. However, many times the airlines take longer transportation and delivery time which cause decay of the fruit causing the overseas buyers to reject the orders. In this case, the export delivery orders are sent back to Pakistan at additional freight cost on the return flight, he lamented.

The PFVA patron-in-chief said a trader ended an export order that resulted in a loss of billions. Narrating the incident, he said the exporter had dispatched 3,000 tons to a European country at a freight cost of over Rs1 million. However, the shipment was rejected by the international buyer. The airline charged another Rs0.8 million for the return. Authorities at Karachi airport declared the returned shipment as non-consumable and charged the trader another Rs0.3 million for disposal.

The airlines cannot be charged for the losses, as they do not accept the liability. Pakistan International Airlines is the only domestic airlines which airlifts mango, but its share in total air shipment has shrunk.

PFVA has set an export target of 100,000 tons worth an estimate of $75 million for the current season (May to August). "Some 15-20% of this is airlifted," he said.

Ahmed said PFVA along with Air Cargo Agents Association of Pakistan (ACAAP) have approached the Competition Commission of Pakistan (CCP) to probe and take action against the airlines.

They lodged complaints against the airlines ahead of the mango export season this year. CCP director general has summoned the complainers on Monday.
“They discussed matters of higher freight rates being charged by foreign carriers on perishable commodities, especially mango shipments to European destinations, Middle East and the US,” a press statement from PFVA added.
https://tribune.com.pk/story/1456666/mango-exporters-blame-airlines-losses/

BISP TO ENSURE 100PC ACCURACY IN DATA COLLECTION: MARVI
Business Recorder, 13 July 2017
PESHAWAR: Chairperson, Benazir Income Support Program (BISP), Marvi Memon on Wednesday said that technology based automated system would enable BISP to ensure 100 percent accurate data by identifying and rectifying any error in the collected data during survey on real time basis.

During a meeting with local body members of Charsadda here she said indigenously developed automated system identifies the data which has been collected by enumerators at one place instead of surveying the households at the door step.

She said the identified areas would be resurveyed so that no deserving is left out. She appreciated BISP MIS for developing state of the art systems that ensure quality of data.

The minister of state briefed the members of local body on National Socio Economic Registry (NSER) survey.

While discussing areas to be resurveyed, the Chairperson BISP added that 4.96 percent households in Chakwal, 6.26 percent in Charsadda, 4.62 percent in Faisalabad, 12.1 percent in Jacobabad, 11.9 percent in Kech, 12.78 percent in Kila Saifullah, 13.4 percent in Lakki Marwat, 9.9 percent in Layyah, 19.5 percent households in Mohmand Agency, 23.11 percent in Sajawal, and 16.8 percent in Thatta would be resurveyed to ensure transparent data.

Later, she visited UC Tangi to spot check the ongoing NSER survey.
The Chairperson BISP issued strict instructions regarding the resurvey of the households identified by BISP MIS.

She said that BISP has hired an operations review firm to assess the quality of data, adding even before the firm went into the field, intervention by BISP systems is a remarkable achievement in terms of making BISP data transparent and error free.

She said the survey firms would revisit these households and verify the credentials before the data is accepted by BISP.

Later, Chairperson BISP met PML (N) workers and district president PML (N) Humayun Khan. She also offered Fateha for the departed soul of martyred SSP Sajid Mohmand and condoled with the bereaved family. She said that state would not forget his sacrifice and bring the culprits to justice.

http://epaper.brecorder.com/2017/07/13/2-page/888469-news.html

NEWS COVERAGE PERIOD FROM JULY 2ND TO JULY 9TH 2017
N WAZIRISTAN TRADE ROUTE REOPENING
The Express Tribune, July 3rd, 2017.

The Ghulam Khan border check post in the North Waziristan Agency is set to be reopened after several years of closure by security agencies as part of Operation Zarb-e-Azb which was launched in 2014. Superficially, the reopening might be considered symbolic of better days to come. However, it would be naïve to assume that Pakistan is truly ready to reap any major dividends from this move owing to our inchoate security situation with aggressive responses shown only after a high-profile attack. There is an air of trepidation that comes with the news of the reopening of this border check post. It would be foolhardy to dismiss those vibes altogether.

To date, one can argue that Pakistan's borders with Afghanistan are still poorly protected, much of it owed to geography and the mountainous terrain.

There is the argument that opening the NWA route could foment more terrorism in the coutry. Conversely, however, it is recognised that illegal trade may be mitigated and the checkpoint could be utilised as a way to improve security around our borders. The focus on trade may seem premature at this point. The prospect of trade should only be treated secondary to the security of citizens. Trade numbers matter little when human lives are left unprotected.

Still the timing of the check post's reopening is important: our exports to Afghanistan are gradually decreasing and our traders are feeling the impact. There is an urgent need to regain the momentum despite last week's three major explosions in different parts of the country.

The protests in Parachinar in the aftermath of the terror attack have underscored the little faith that people have in the political government. It was only upon the timely visit and intervention of the army chief did the mourners there agree to end their protest.

Our security apparatus requires long-term planning, not impulsive planning following major attacks. Although the frequency of attacks might be reduced, anti-state elements continue to infiltrate the country. We are still at a point where borders require constant vigil. The government must provide assurance that citizens will not face unnecessary risk.

https://tribune.com.pk/story/1448824/n-waziristan-trade-route-reopening/

PANIC SWEEPS THE TRADE FLOOR
Dawn, July 4th, 2017

Dilawar Hussain

KARACHI: Monday saw a bloodbath on the trade floor as the benchmark KSE-100 index crashed by 1,900 points, the highest single-day decline.

The event brought back memories of Aug 15 last year when markets across Asia collapsed in the wake of an engineered depreciation in the Chinese yuan and the plunge of 4pc in Aug 2014 during the prolonged and chaotic protests and sit-ins in Islamabad. Since the start of the year, the benchmark KSE-100 index has lost 6.7pc of its value after a brief rally in the first few months.

Monday's fall obliterated Rs327 billion in PSX market capitalisation. Moreover, 72 stocks hit their lower circuits — the maximum permissible decrease in any stock in a single session — as the trading board flashed red all over.

Major bleeding was seen in HBL (-5pc), UBL (-5pc), LUCK (-5pc), OGDC (-5pc), MCB (-5pc), Engro (-4.1pc), Hubco (-4.7pc), DGKC (-4.8pc), FFC (-4.1pc) and PSO (-4.8pc), which together contributed 881 points to the index fall.

Sector-wise, banks shed 496 points, cements 256 points, fertilisers 232 points, E&P 189 points and OMC 138 points.

Many dealers pointed towards rising political uncertainty as the reason behind the panic selling on Monday as the date of submission of JIT report on July 10 drew nearer.

But others with a more expansive view differed. "When we go through the numbers, mutual funds, insurance companies and banks have been net buyers," says Arif Habib, referring to the sustained declines in recent weeks. He pointed to a few budgetary measures and net selling by foreigners and individuals as the main cause, before adding that JIT- related concerns "are a factor too".

Another high net worth individual, who did not wish to be identified, pointed towards a few large redemptions in mutual funds, possibly by the textile industry. The reason for their pull back being the taxes imposed on mutual funds in the new budget. The data released by the National Clearing Company of Pakistan Limited (NCCPL) in the evening showed that among local participants, all others — banks, companies, insurance firms and individuals — were net buyers. Mutual funds were the lone net sellers of equity worth $8.7m.

"The exuberance caused by the expectations of foreign inflows of $400m on the entry of PSX into MSCI EM, had propelled KSE-100 index to 53,000 points from 44,000 points in a prolonged rally", said one dealer, adding that as hopes turned to dust, big holders were now trimming positions while those with liquidity likely believed that the risk was too high for deployment.

Some dealers pointed out that the correction made valuations look attractive for long-term investors as the price-to-earnings multiple of PSX stood at 9.5 times forward earnings against average EM multiple of 12.5 times. But that observation had scant impact on sentiments.

Haroon Askari, acting Chief Executive Officer of PSX, said that he was not supposed to comment on day-to-day market performance, but assured that all risk management measures were in place and daily mark-to-market positions were smoothly settled. There are currently 407 Trading Rights Entitlement Certificate (TREC) holders with 235 active brokers.

The upcoming results season with expectations of higher corporate earnings and payouts failed to allay investors' deepening concerns. Some suspected that the carnage was, at least in part, caused by the major investors and stockbrokers who went to liquidate their huge positions they had taken in six heavyweight MSCI Emerging Market eligible stocks.
Nasim Beg, Vice-Chairman, MCB-Arif Habib Investments that manages Rs70bn, thought that the decision of the regulator to ban in-house financing had saved the situation. "Small investors are no longer able to take speculative positions, that resulted in huge losses to them in the past when financing or 'badla' was available".
Foreign investors bought stocks worth $4.9m on Monday. It caused just a slight change in foreigners' sell-off of Pakistan stocks worth a huge $333m to-date in 2007 —nearly eight times the foreign outflows of $41m seen in the corresponding half year of 2016.
https://www.dawn.com/news/1343004

SRI LANKA FOR IMPROVED TEA TRADE WITH PAKISTAN
Dawn, July 7th, 2017

KARACHI: Despite the signing of 2005 Free Trade Agreement (FTA) and some 4,000 items on the trade list for 12 years, there is no substantial growth in bilateral trade between Sri Lanka and Pakistan, Sri Lankan consul general H.M.B. Herath said on Thursday.

Speaking at the 150th anniversary ceremony of Ceylon Tea, he said Pakistan was once a leading importer of Ceylon Tea which helped Sri Lanka's economy. This was before the tea trade here was replaced by cheap Kenyan tea, he said.

Mr Herath urged Pakistani traders to once again consider importing Ceylon Tea.
Mr Majyd Aziz of the Pakistan-Sri Lanka Business Forum said the Consulate General is setting up a trading centre in Karachi to promote tea imports.

https://www.dawn.com/news/1343658

WTO DECIDES PET'S CASE IN PAKISTAN'S FAVOUR
The Express Tribune, July 8th, 2017.

ISLAMABAD: The World Trade Organization (WTO) has decided in Pakistan's favour and held measures adopted by the European Commission on export of Polyethylene Terephthalate (PET), a chemical used in the making of mineral water bottles, against WTO law and rules.
The WTO categorically ruled that measures applied by European Commission on Pakistani PET were inconsistent with the Subsidies and Countervailing Measures Agreement (SCM) of the WTO.
This is being seen as a big diplomatic success of Pakistan at the multilateral forum in Geneva by trade experts. The report of the WTO adjudicating panel was released in Geneva last evening.

The European Union way back in 2010 had imposed a crippling countervailing duty on Pakistan's PET. As per conservative estimates, the trade protection measures imposed by EU seven years ago caused a loss of approximately 300 million Euros to Pakistan's nascent chemical industry.

Pakistan then filed a case of unfair trade practices in March 2015, against the 28-country European Commission.

International Trade Law experts have labelled it as a success of the government's economic diplomacy, which will have far-reaching effects in protecting the country's exports globally.

The PET popularly also called Resin is a bottle-grade polyester chip, which is used in production of disposable PET bottles for mineral water beverages.

Minister for Commerce Khurram Dastgir Khan appreciated the efforts of officials who contested the case at the international dispute forum over the last two years.

He hoped that the findings of the WTO panel will boost Pakistan's exports and also help the government ward off future trade restrictions being based on similar trade remedy practices.

https://tribune.com.pk/story/1452783/wto-decides-pets-case-pakistans-favour/

August 2017

NEWS COVERAGE PERIOD FROM AUGUST 21ST TO AUGUST 27 Th 2017

NEW MINISTER OPTIMISTIC ABOUT EXPORT PROSPECTS

Business Recorder, August 23, 2017

ISLAMABAD: Minister for Commerce and Textile Pervaiz Malik on Tuesday said that the government has taken a number of steps to increase exports of the country, which may help decrease the trade deficit in coming months. Responding to a question in the Senate during the question hour, the minister said that the trade deficit remained at 20.18 per cent during the period from July 2016 to February 2017 which was 15.04 per cent during the same period in 2015-16.

Referring to the steps being taken to decrease the trade deficit, he said that the Prime Minister has announced the trade enhancement package of Rs 180 billion. The salient features of the package included zero rating of machinery imports, withdrawal of duty and sales tax on cotton import, withdrawal of duty on import of MMF, release of pending liabilities of textile policies, release of pending sales tax refunds, drawback of taxes for the export sectors cascaded in terms of value addition.

He further said that under Strategic Trade Policy Framework (STPF) 2015-18, a total of Rs 20 billion will be spent on the development of the export sector over the next three years. The initiatives inter alia include technology up-gradation, an incentive for technology up-gradation in the shape of investment support of 20 percent and mark-up support of 50 percent up to a maximum of Rs 1 million per annum per company for import of new plant and machinery. Other measures included product development, branding and certification development support, and drawback for local taxes and levies (DLTL), he added.

Referring to the short-term export enhancement measures, he said that under short-term export enhancement measures, the four product categories ie Basmati rice, horticulture, meat and meat products, and jewellery are being focused with the parallel focus on the following markets of Iran, Afghanistan, China and European Union.

He said that an additional amount of Rs 6 billion is available this fiscal year to exporters through Textile Policy 2014. He said that the sales tax zero-rating regime for five export oriented sectors, ie textile, leather, carpets, surgical and sports goods has been introduced with effect from July 1, 2016. In order to counter the import surge through unfair trade and strengthen trade defence mechanisms, he said that National Tariff Commission Act has been revamped and approved by the Parliament in 2015.

In order to promote exports to new markets, he said that Trade Development Authority of Pakistan is undertaking various export promotional activities through trade exhibitions and delegations. He further said that the availability of affordable finance for the export sector has considerably improved while the State Bank of Pakistan has further reduced the discount rate to 5.75 percent. Similarly, he added, the export finance rate is currently at 3.5 percent, which is the lowest in a decade.

He said that the ministry is undertaking consistent efforts for getting additional market access for Pakistani products in the potential markets. In this regard, he said that FTA negotiations with Turkey and Thailand are at an advanced stage, negotiations with Iran on FTA are being initiated, and joint research study to assess the potential for a preferential arrangement with Korea is underway.

He said that due to the measures, the rate of decline in Pakistan's exports has decreased from 12 percent in 2015-16 to 3.9 percent in July-February 2016-17. The exports have already showing signs of recovery and it is expected that it would further improve by June 2018, he added.

Meanwhile, Minister In-charge of the Establishment Division told the House that there are a total of 3,193 federal government servants whose spouses have foreign nationalities and of them 68 civil servants are in grades from BPS-17 to BPS-22.

http://fp.brecorder.com/2017/08/20170823211577/

TRADE: A LOW HANGING FRUIT IN TIES WITH BANGLADESH
The Express Tribune, August 23, 2017

Syed Shujaat Ahmed

Bangladesh has been one of the key exporting destinations for Pakistani goods over the decades. Pakistan's exports to Bangladesh have come through various fluctuations but still managed to end on a rise. It rose from $14.27 million in January 2005 to $48.8 million in January 2017.

This fluctuation in export is primarily due to rising domestic demand and a stiff competition in the export market. Other reasons for the fluctuation include improved manufacturing facilities in Bangladesh, rise in regional agreements with India, Nepal, Bhutan and the Maldives and also major developed economies along with increase in informal trade.

In January 2017, the most popular commodities that found their way to Bangladesh from Pakistan included cotton yarn not for sewing cotton type products and woven cotton fabric products. Among export of services, Pakistan provided transportation, government-related services, telecommunication, financial and travel services.

During the same month Pakistan's major imports from Bangladesh was tea (flavoured and not flavoured), hydrogen peroxide, woven cotton fabrics, jute and other textile fibres and yarn of jute or other textile fibres.

Pakistan over the decade has also been a key supplier of cotton and woven goods along with the services sector where contribution was of minimal level to the economy. Like trade in locally-produced goods and services, its flow has also reduced over the period when it comes to discussion of trade ties between the two South Asian countries. There are several explanations for this reduction.

The most important are: political shifts occurring in this region, eg, different regional agreements where Pakistan is not a part of. These key regional agreements include South Asian sub-regional Sub-Economic Commission, Bangladesh, Bhutan, India, Nepal motor vehicle agreement and Bangladesh, Bhutan, India and other agreements of regional connectivity (Sasec and BBIN).

Beside these political shifts and regional pacts there had been increasing demand in the domestic market both in Bangladesh and Pakistan also resulted in low trade over the period.

In different forms of literature, we had established that the relationship between Pakistan and Bangladesh was not on the positive side thus resulting in low and fluctuating trade numbers over the period. Data has also revealed that there is huge trade potential in the services sector, ie, during 2010-15; Pakistan has been more inclined in government and other business services leading to increasing employment trend and mostly in the lower and upper middle class income groups.

We also have evidence from recent literature of different forms and data that the slowdown and fluctuation was mainly due to political differences which has hindered the growth in various sectors and thus resulting in trust deficit followed by communication problems between people of different countries. This less than desired pace of reform in formal trade also explains the reason for stagnant growth in economic and political ties.

While security and political cooperation between the two countries may continue to remain a great challenge, we believe that cooperation in trade is a low hanging fruit, considering the business communities of both sides. We have clear identification of challenges which the business community is facing. And given this identification, there should be an easy solution to work on.

For example, in 2013 there were different MoUs signed between traders from both sides, the business community was worried about getting business visas, non-signing of a free trade agreement, lack of implementation of regional agreements like the South Asian Free Trade Agreement (Safta).

A critical evaluation of data and trends reveal that several mutually-agreed decisions have yet to be implemented. For instance, both sides agreed to sign a bilateral FTA to open more trade alongside Safta. This needs to be implemented in letter and in spirit. There were many reservations beside these hindrances which were raised by Bangladesh. Key reservations included special and differential treatment of Bangladeshi goods on grounds of being a least-developed nation, as well as differences over opening of markets post-FTA.

The other major points of negotiations at that time included relaxed rules of origin, reduction in the rate of direct tariffs, elimination of non-tariff barriers, longer phase-out period of tariff withdrawal and anti-dumping and countervailing measures. During the course of discussion Bangladesh continued with its “negative list approach” in the negotiations for protection of local industry. By this approach both countries at the time of negotiations were on positive note to allow products between the two countries and save the items that are incorporated in the list.

During the dialogue period both countries were able to forge consensus on number of issues. Pakistan did agree to give Bangladesh special and differential treatment under the bilateral trade deal and both countries will continue with their negative lists. Bangladesh will be enjoying longer phase-out period and have a longer negative list of products along with two different type of lists been agreed upon. The first list will have products with immediate tariff concession and another with reduction in tariff in different phases.

Thus Pakistan had already granted duty-free access to Bangladesh tea and jute goods which came into effect during 2002-03. But Dhaka had no success in achieving the target over the period. Apart from the need to have a more expanded network of Pakistani banks in Bangladesh, there are challenges for other banks to pursue because of the different banks operating there from different parts of the world.

Despite these challenges, the business community is more upbeat and sees markets on both sides as linking trade to trust and bringing people closer to each other. During the last four to five years the business community is coming closer to each other for expansion of trade as an initial barrier to breaking the ice.

Thus the business community is stressing both the governments to finalise a bilateral FTA for better ties. This agreement can strengthen cross border-value chains, comparative advantage for enterprises working on both sides. Given the conditions and trade terms, an urgent meeting should be called between ministries concerned at initial level followed by the head of the states which may be termed a near-term goal.

Given the hesitation felt by the two governments based on political differences, we propose some recommendations which can hold the political representatives and bureaucracy on both sides more answerable to the long due promises.

Firstly, the finance and commerce ministries of the two countries should be pressed into meeting by the Bangladesh and Pakistan Chambers of Commerce and Industry. Secondly, representatives from both the chambers should also meet with the president of Saarc Chambers of Commerce and Industry with the request to send formal communication to the heads of the two states.

The key focus of this request should demonstrate the loss to all stakeholders given the reduced level of cooperation and high political tensions.

Thirdly, the apex chambers on both sides need to invest their resources to showcase their argument in print, electronic and social media, and highlight the loss to producers, traders and consumers as a result of a lack of bilateral cooperation. Fourthly, a detailed orientation may be organised for economic journalists, think tanks and academia in Dhaka and Islamabad, so that repeated messaging is ensured through various forums.

Fifthly, think tanks in both Bangladesh and Pakistan should join hands in producing joint research and advocacy material. This will also bring in independent voices for pro-trade and transit reforms. Think tanks should focus on their views specific to the business community and to respective and concerned bodies in parliament. Sixthly, there is also a need for proactive approach of these standing committees which in the past also resulted in reforms and measures. Seventhly, advocacy efforts should be backed by rigorous research which demonstrates loss to the business community and the country’s economy.

https://tribune.com.pk/story/1488459/trade-low-hanging-fruit-ties-bangladesh/

INDONESIA AGREES TO INCREASE FRUIT IMPORT QUOTA FOR PAKISTAN
Mubarak Zeb Khan

Dawn, August 25, 2017

ISLAMABAD: Indonesia has agreed to expand the quota and period for import of fruits from Pakistan under the preferential trade agreement, an official told Dawn on Thursday.

Pakistan's exports to Indonesia have dropped by almost $100 million ever since the implementation of preferential trade agreement (PTA), whereas, Indonesia's exports have almost doubled during the post preferential treaty.

Both sides have held three rounds to review the implementation of the PTA. At the conclusion of the third round held recently, Indonesia has agreed to allow imports of Pakistani kinno (mandarin oranges) from December until April.

Previously, they were allowed only from January to April.

Indonesia will also increase Pakistan's quota in imports of fresh fruits, allowing imports of mangoes from May until October, which makes Pakistan the only country to be given such permission.

An official source said Pakistan has already comprehensively conveyed its concerns regarding unfavourable implementation of the PTA in the last two review meetings.

"Indonesia acknowledged the concerns raised by Pakistan and agreed to reduce the tariff to zero on two tariff lines of textiles, knitted and woven fabric, which the Pakistani side had demanded in the first review meeting," the official said.

According to the official, the Indonesian government agreed to advise the relevant Ministry, and agency to import more broken rice from Pakistan. Indonesia also agreed to co-ordinate with the Indonesian Ministry of Agriculture, to start the site pre-inspections and certification of halal procedures regarding imports of meat and meat products from Pakistan.

Pakistan has requested Indonesia allow inclusion of 20 items in the PTA unilaterally to which it agreed to give positive consideration. Both sides also agreed to form a Joint Negotiation Committee to discuss further deepening and expansion of the preferential treaty.

Indonesia would send a trade delegation to Pakistan during Expo Pakistan, which is scheduled to be held from November 9 to 12, 2017 in Karachi. These measures are likely to increase Pakistan's exports to Indonesia, which will help in reducing the negative trade balance between the two courtiers, the official claimed.

Pakistan's commercial attaché to Indonesia, Muhammad Usman, told Dawn that these positive outcomes are a result of effective lobbying done by the Embassy of Pakistan in Jakarta. He said the embassy conveyed the dis-satisfaction of Pakistan at all levels of the Indonesian government.

Mr Usman said the announcements by the Indonesian government can be a good start to bring much needed balance in bilateral trade. It is important that Kinnow and Mango exporters take advantage of the huge Indonesian market, which has now been opened for them.

Additionally, knitted and woven fabric exporters can also take advantage of zero duty offered to Pakistan. If all the concessions given to Pakistan are availed, Pakistan's exports to Indonesia are likely to increase by $ 100m in ongoing financial year, the commercial attaché claimed.

In the last PTA review, Pakistan's delegation was led by Joint Secretary, Ministry of Commerce Taimur Tajammal, while Indonesian delegation was headed by Iman Pambagyo, Director General, International Trade Negotiation, Ministry of Trade, Indonesia. The meeting was held on August 10-11 in Jakarta.

https://www.dawn.com/news/1353778

REPORT ON GENDER AND VIOLENCE IN URBAN PAKISTAN LAUNCHED
Dawn, August 25th, 2017

Haneen Rafi

KARACHI: Does there exist a connection between frustrated gendered expectations and violence in Pakistan? Apparently so, reveals the research report Gender and Violence in Urban Pakistan, launched at the IBA on Thursday.

Co-authored by Dr Nausheen Anwar, Dr Daanish Mustafa and Dr Amiera Sawas, the research has investigated how different permutations of gender — men, women and transgender — help drive different types of violence.

With Karachi and Rawalpindi-Islamabad in focus, 2,445 households were surveyed for the drivers of violence with relation to gender and gender roles, in 12 working-class neighbourhoods.

Dr Nausheen Anwar, associate professor for city and regional planning at the IBA, spoke about the amount of data amassed during the three year project, which is a collaboration between King's College, London, and the IBA. The current research, she explained, came under the umbrella of the Safe and Inclusive Cities Project (SAIC), a network of projects funded by the International Development Research Centre and the UK government's Department of International Development.

"When we are looking at cities in the Global South, the urban processes taking place there are very dynamic and are giving room to violence. But why is it that some cities are more violent than others? And if so what could be the possible drivers of urban violence?"

Another key component of this research, Dr Anwar explained, was to find solutions that are pragmatic. "In this research we have connected the drivers of urban violence with gender; how are discursive and material constructions of gender linked? Physical force, or the threat of the use of physical force, are in specific dealt with."

Three types of infrastructure were the main focus of the research — water, sanitation, and transport. Dr Anwar said: "We see that the infrastructure environment shapes the way men, women and transgenders interact with one another and this process sometimes results in violence."

Some of the questions in the study asked respondents about the kinds of violence they had experienced, as well as how access, or lack thereof, to infrastructure services gave rise to violence and in turn was impacted by it.

For instance, revealed the results, which were shared by Dr Daanish Mustafa of King's College, London, an overwhelming number of respondents in Karachi, more than 88 per cent, reported being a victim of violence by strangers, while in Rawalpindi-Islamabad, 35pc of respondents reported violence by strangers.

Urbanisation and development, he explained, was not taking into consideration people and their socio-economic hardships, which exacerbated their vulnerabilities.

The research, Dr Mustafa said, pointed towards “access to services and vulnerability profiles of households as major drivers of violence, as they intersect with discourses surrounding masculinities, femininities and sexualities”.

Speaking of vulnerability, he explained how the researchers had established “a quantitative index which is basically trying to explain 90pc of the variance in vulnerability”.

“Where must we go when we are hit by a natural disaster, and how is there a connection with violence?” he said. “If you’re looking for an association, you will find it but association by itself will not tell you anything. The important thing is why does that association actually show up? So if the research reveals that 80pc to 85pc of people have experienced violence, which is a very high level, we need to know why.” Another premise he spoke about was of masculinity and femininity that needed to be performed every day, through behaviour, clothing etc. “According to our research, for masculinity and femininity to be expressed, infrastructure is important. And when there is a deprivation of this infrastructure and these concepts cannot be expressed, then we see an upsurge in violence in society.”

This idea was given context by Dr Amiera Sawas of Grantham Institute of Imperial College, London; she gave the example of the water crisis and lack of an infrastructure of solid waste disposal.

“To understand how the linkages between infrastructure and violence unfold, we need real-world examples. Water and sanitation were some of the biggest problems in the lives of the respondents and in our interactions with them, and we found a spectrum of violence related to water and sanitation which is experienced and perpetrated by men and women.”

With regard to water supply in Karachi, Dr Sawas explained how development actors talked about women being the primary managers of water supplies within the household, which however, in the urban space was a different reality. Women, she said, might be expected to manage the water supplies in the household, but in the street it was men who were expected to search for supplies and access water.

“In six of the seven neighbourhoods of Karachi that we worked with, they experienced major gaps in the water supplies but were still expected to pay their bills. Thus there is pressure on men to be able to provide the water and fund the water which many of them said was ‘financially crippling’.”

This frustration and pressure to provide, Dr Sawas explained, gave rise to different forms of violence. “It has caused masculine forms of violence in the public sphere as well as causing frustrations to masculinity in the private sphere.”

https://www.dawn.com/news/1353692

NEWS COVERAGE PERIOD FROM AUGUST 14 TH TO AUGUST 20 Th 2017
US DEMANDS BIG NAFTA CHANGES
Dawn, August 17th, 2017

WASHINGTON: The United States won’t settle for cosmetic changes to the North American Free Trade Agreement (Nafta), the top US trade negotiator said, as negotiations to rework terms of the pact began.

President Donald Trump has called the 23-year-old trade pact the “worst” in history and vowed to fix it or withdraw from it.

On the first of five days of talks, US Trade Rep. Robert Lighthizer said Wednesday that Trump "is not interested in a mere tweaking of a few provisions and an updating of a few chapters. We believe Nafta has fundamentally failed many, many Americans and needs major improvement." Nafta did away with most barriers, including tariffs, on trade between the US, Canada and Mexico.

The Trump administration and other Nafta critics say the agreement encouraged manufacturers to move south of the border to take advantage of lower-wage Mexican labor. Lighthizer said that at least 700,000 Americans have lost their jobs because of the way Nafta rerouted commerce.

The US trade representative said he wanted to change the pact to require that duty-free Nafta products contain more content made within the trade bloc and specifically in the United States. But Stephen Orava, partner and head of the trade law practice at King & Spalding, said that changing Nafta's "rules of origin" to promote Made-in-the-USA products would prove "complicated" and risk disrupting the intricate supply chains that manufacturers have built across Nafta borders.

Lighthizer's comments suggest the negotiations could prove contentious. The Canadian and Mexican negotiators defended Nafta as an economic success story, though they say it needs to be updated to reflect economic and technological changes.

Nafta critic Lori Wallach, director of Public Citizen's Global Trade Watch, said Lighthizer's tough talk raises the possibility that the United States will pull out of Nafta if it can't get the deal it wants. "He doesn't bluff," she said. "It was a message to Mexico and Canada: 'We hope we can reach a deal, but we aren't playing.'"

https://www.dawn.com/news/1351940

FPCCI chief greets Chinese trade team
Business Recorder, August 17, 2017

Leader of Chinese delegation and director of the China Tianchen Engineering Corporation, Li Jial, has said that the TCC has vast experience and would like to invest in Pakistan to enhance investment opportunities, and that China is already extending cooperation in various sectors in Pakistan.

Speaking at a meeting with the president of the Federation of Pakistan Chamber of Commerce and Industry, Zubair F. Tufail, she said that Pakistan and China enjoy close and friendly ties since the establishment of bilateral trade and investment between the two countries.

The TCC and the FPCCI agreed in principle to establish and exchange investment missions to further enhance investment between the two countries.

Zubair F. Tufail said that Pakistan gives great importance to its relations with China as China is an important friend of Pakistan. He added that Chemical Manufacturing Association is not fully aware about investment opportunities, and since the TCC has great experience in oil refining it should guide Pakistan in the oil refining and energy sectors, chemical complexes and other projects to explore investment opportunities beneficial to both countries. He urged efforts to identify areas to discover new locations for investment in Karachi. He added that the FPCCI has discussed with the government the possibility of earmarking 500-1,000 acre of land for the establishment of a separate port near Karachi, and establishment of chemical complexes. He assured the guest of full support from the relevant ministries and invited the TCC delegations to sign anMoU with the FPCCI. That would be a giant leap towards enhancement of investment relations between two countries, he added

http://fp.brecorder.com/2017/08/20170817209696/

INTRA-KASHMIR TRADE RESUMES AMID PROTEST THREATS
Dawn, August 18, 2017

Tariq Naqash

MUZAFFARABAD: Intra-Kashmir trade, suspended since July 21 due to a row over alleged drug trafficking, resumed on Thursday amid threats of boycott and protest by relatives of a detained driver and a faction of truckers' union.

On Thursday, two trucks with mercantile goods arrived from India-held Kashmir (IHK) while one jeep went across the divide from Azad Jammu and Kashmir (AJK), according to officials concerned.

The trade activity was suspended after India alleged on July 21 that one of the 14 trucks from AJK had brought 66.5kg of heroin.

Indian authorities seized the truck and arrested its driver Syed Yousuf Shah, a resident of Muzaffarabad.

Though officials from both sides met on Aug 3 and decided to resume trade activity on Aug 8, it could not happen due to concerns among traders and truckers in AJK.

On Aug 8, four trucks brought goods from IHK but they were returned because the consignment was meant for the company that was blacklisted by AJK authorities in the wake of India's allegation of drug trafficking.

However, while several trucks brought goods from IHK on designated days between Aug 9 and Aug 16, no vehicle ferried goods from AJK to IHK during the period.

In order to break the impasse the AJK authorities sent a jeep carrying vegetable items on Thursday.

On the other hand, the mercantile goods from IHK that were unloaded at the Chakothi terminal from Aug 9 to Thursday could not be transported to Pakistani markets due to reluctance of truckers amid threats by relatives of the detained driver.

Following a strict warning by AJK authorities, these goods were finally loaded on 22 trucks on Thursday for onward transportation to downstream markets.

However, authorities did not allow the trucks to leave the terminal on Thursday, fearing a protest by the relatives of the detained driver and some truckers.

Chakothi terminal's facilitation officer retired Maj Tahir Kazmi told Dawn that these trucks would be moved out on Friday under security cover to ensure that mercantile goods safely reached their destinations in Punjab.

https://www.dawn.com/news/1352279

TO ATTRACT FOREIGN INVESTORS: KP CABINET AMENDS PUBLIC-PRIVATE PARTNERSHIP ACT

Business Recorder, August 18, 2017

PESHAWAR: Khyber Pakhtunkhwa cabinet on Thursday approved amendment in Public-Private Partnership (Amendment) Act 2014 to ensure conducive environment to overall investment particularly projects initiated under China Pakistan Economic Corridor (CPEC) and provides maximum incentives to foreign investors and redressed legal complications.

The meeting of the provincial cabinet held in the cabinet room of the Civil Secretariat, Peshawar with Chief Minister Pervez Khattak in the chair.

During the meeting, CM Pervez Khattak and whole provincial cabinet paid tribute to outgoing Chief Secretary for performing his professional affairs in better manner.

The provincial cabinet approved KP Health Foundation Public-Private Partnership Rules 2017 and KP Managing Director Health Foundation Rules for Appointment and Removal Rules 2017.

Under the approved rules, the department has been empowered for prioritizing, analyzing, selection of private party and implementation of projects and cancellation while under the Managing Director (Amendment) Rules, the department was authorized for the appointment of MD and deciding rules, regulations, terms and salary related matters.

The provincial cabinet also approved KP Medical Transplantation Regulatory Authority Rules 2017 under which the department has been authorized to keep record and verify close blood relations of the donor, acquisition of the services of transplant surgeon/physician, non-blood related donor, transplantation of the brain parts, preservation of their body parts, registration/renewal of the recognized institutions and fixing of responsibilities. The Chief Minister said that the required facility for transplantation will be available in big hospitals of the province.

Khyber Pakhtunkhwa Power Crusher (Installation, Operation & Registration) Amendment Rules 2017 were presented in the provincial cabinet for discussion as additional item of agenda. The purpose of the amendment bill is to bound power crusher for following the National Environmental Quality Standards (NEQS) and protection of the population from the injurious impacts and guaranteeing human friendly environment.

In this connection, such units will be established in rural areas 300 to 500 meters away while one kilometer distance is proposed for such units in urban areas.

Pervez Khattak constituted a sub-committee of the cabinet to review the proposed draft of law in detail and frame policy in public interest. The committee will present its report in next meeting of the cabinet.

The provincial cabinet also approved amendment in KP Rules of Business.

Chief Minister had approved Provincial Planning Service (PPS) Cadre and a formal notification was also issued in this regard.

The provincial cabinet approved amendments in Local Government Act 2013 to pave for holding local bodies polls in districts Upper Kohistan& Lower Kohistan and evolved procedure for the utilization of development funds in these backward areas.

Under the amendment, Deputy Commissioner and district administration have been authorized for the utilization of the funds so the pace of development can be accelerated in the concerned areas.

http://epaper.brecorder.com/2017/08/18/16-page/899851-news.html

GOVT ASKED TO SHIFT AFGHAN CARGO HANDLING TO GWADAR
August 19, 2017

Parvaiz Ishfaq Rana

GWADAR: The first outbound cargo vessel was leaving the port in November 2016.—Dawn

KARACHI: Traders and industrialists have urged the government to shift the handling of Afghan Transit Trade (ATT) from Karachi to Gwadar Port in order to ease cargo-related congestion and ever-growing pressure on the city's road network.

This was stated by All Pakistan Customs Agents' Association's Senior Vice Chairman, Arshad Jamal, at a seminar on 'Tax Reforms and Procedures', organised by the Federation of Pakistan Chambers of Commerce and Industry (FPCCI), on Friday.

This, the association deems, would be a win-win situation for all stakeholders as the ATT cargo will have to travel a shorter distance from Balochistan to Afghan border. It was also suggested that Nato and other transit cargo destined for the Afghanistan should be directed via Gwadar Port.

Mr Jamal disclosed that the Gwadar Port's director operations has already agreed to allow the ATT traders a three-month grace period during which no demurrage would be charged for the anchored cargo. This, he said, would contain the movement of heavy vehicles from city roads to a large extent.

Above all, the business cost for Afghan importers would also come down due to reduction in transportation cost and demurrage waiver, while at the same time this move will also activate the port which is under-utilised.

Moreover, this would not only generate employment in Balochistan, but also help the Quetta Customs department raise more revenue, Mr Jamal added.

Speaking on the occasion, QamarAlam, Chairman FPCCI's standing committee on customs, stressed the need for urgent reforms in the Federal Board of Revenue (FBR).

"Presently the standard operating procedures of the FBR retard economic growth," he said.

Since the government has already planned to lay down railway lines across Balochistan, he suggested that a track should also be built near the Afghan border. It will allow direct transportion of ATT cargo across the border.

MrAlam highlighted tax related issues confronting the trade and industry and demanded speedy reforms to boost economic growth.

Deputy Chairman Senate Maulana Abdul GhafoorHaideri, who was chief guest on the occasion, assured the participants that he would take up all the issues with the authorities concerned.

He suggested formation of a coordination committee comprising the FBR, customs agents and trade and industry representatives and members of the Senate for sorting out these issues and proposing necessary legislation for reforms to facilitate the trade and industry.

https://www.dawn.com/news/1352389

JAPAN IS LONG-TERM TRADE PARTNER: DAR
Dawn, August 19, 2017

ISLAMABAD: Finance Minister Ishaq Dar said on Friday that Japan and Pakistan are long-term partners in their quest for economic development.

Mr Dar was talking to Japanese Ambassador Takashi Kurai who called on him to discuss relations and overall business cooperation between the two countries.

MrKurai said that his country was always ready to contribute to socio-economic uplift in Pakistan. He informed the finance minister about the new investments being made by Japanese companies here.

He referred to the joint venture for powdered milk production facility and fresh investment for expansion in automotive sector as examples of continued interest from Japanese investors in the country.

He added that a number of companies were currently exploring opportunities in various sectors.

Mr Dar recalled his meeting with the Japanese Deputy Prime Minister on the sidelines of the Asian Development Bank's annual meeting in Yokohama and said that it opened new avenues of cooperation in the financial sector.

MrKurai also said that a delegation from the Japan Bank for International Cooperation would visit Pakistan next month to take the discussions further and work out details for financial sector collaboration.

He also recounted meeting of Pakistan-Japan Business Forum (PJBF) in November 2015 and setting up of Joint Trade Committee which was working for promotion of bilateral trade.

Mr Dar appreciated the ambassador for his proactive role in promoting bilateral economic cooperation. He assured him that the government would extend all possible help to Japanese investors and businessmen in their new ventures.

He also welcomed the planned visit of the Japanese bank's delegation and said it would provide an opportunity to both sides to discuss technical issues in greater detail.

https://www.dawn.com/news/1352388

PAKISTAN-INDONESIA TRADE VOLUME TO GROW TO $2.5B THIS YEAR
The Express Tribune, August 19, 2017

KARACHI: Bilateral trade between Indonesia and Pakistan is expected to reach $2.5 billion this year, said Indonesian Consul General in Karachi DempoAwangYuddie.

Speaking at a ceremony held to celebrate the 72nd anniversary of the Republic of Indonesia on Thursday, he said that the two countries had tried to improve both political and economic ties since 2015.

Resultantly, a number of Pakistan's parliamentarians, trade delegations and military personnel visited Indonesia recently to further enhance the bilateral relationship.

Trade between Pakistan and the Southeast Asian giant has been growing strongly for the last couple of years. The volume of bilateral trade grew from $700 million in 2010 to $2.3 billion in 2016, an increase of 229%.

Pakistan's major exports to Indonesia include textiles and clothing, vegetables and fruits (mainly oranges) while its major import item from Indonesia is palm oil.

With over $2 billion worth of imports, the balance of trade is in favour of Indonesia while the two countries are trying to strike a balance so that it can become a win-win situation for both the trading partners.

Indonesia imports over $650 million worth of fruits and $550 million worth of vegetables annually. Now that Pakistan is regaining its share in Indonesia's fruit imports, its exporters want to export more vegetables as well.

Speaking to the gathering, which included people from trade and business, diplomatic community and academia, Sindh Governor Mohammad Zubair said, "Pakistan wants to further strengthen its relationship with Indonesia, especially in trade and business."

He remarked that the recent economic rise of Indonesia was also an example for Pakistan to follow, especially because the two countries shared many similarities in their demographics.

To improve trade relations, the two countries signed the Preferential Trade Agreement (PTA) on February 3, 2012, which came into effect in September 2013 after many rounds of negotiations.

Under the PTA, Indonesia offers market access for 232 tariff lines, of which 103 are zero-rated. Items in the preferential trade list include fresh fruits, cotton yarn, cotton fabrics, readymade garments, fans, sports goods, leather goods and other industrial products.

Zero-rated market access is offered to kinnow (mandarin) and oranges from Pakistan, providing a level playing field to this product in the Indonesian market.

Pakistan's offer to Indonesia under the PTA covers 313 tariff lines that include items such as edible palm oil products, sugar confectionery, cocoa products, chemicals, kitchenware, rubber, wood, glassware and electronic products.

Pakistan has offered the same preferential treatment to edible palm oil products from Indonesia as provided to Malaysia under the Pakistan-Malaysia Free Trade Agreement (FTA).

https://tribune.com.pk/story/1485208/pakistan-indonesia-trade-volume-grow-2-5b-year/

UNEXPLORED AREAS CAN HELP DOUBLE EXPORTS
The Express Tribune, August 20, 2017

LAHORE: As the new cabinet has taken charge, the All Pakistan Business Forum (APBF) has requested the government to adopt a holistic approach for the development of agricultural and industrial sectors in order to increase the country's exports.

"Pakistan has an untapped export potential of $13 billion as unexplored areas in home textile products, apparels, leather products and cereals can help double exports within a year," said APBF President Ibrahim Qureshi.

He was of the view that there was a need to devise a comprehensive strategy to promote the industry on commercial lines, which would help not only the manufacturers, but would also boost exports. “A good working environment will enhance the capacity of our workers, enabling them to compete internationally,” he added.

Qureshi voiced hope that the new cabinet would pursue radical economic reforms through a long-term stable administration.

He asked the Ministry of Commerce to explore potential international markets to enhance exports. It should work to search new trade avenues and markets in different world regions as the new trade policy was focused on improving the supply chain, enhancing the use of technology and providing competitiveness in a bid to enhance the volume of international and internal trade.

The APBF president demanded that the government offer a special package of power and gas tariffs for rapid industrial growth on the pattern of China. Owing to high tariffs and taxation, the cost of production increased, resultantly industries were unable to compete in the global market.

Moreover, it is essential to have an agricultural policy that increases the supply of raw material to agro-based industries, both domestic and foreign, such that it can help domestic textile producers regain lost competitiveness in the world market.

He stressed the need for diversifying the range of value-added traditional industrial goods, such as consumer textile and leather products, as well as non-traditional industrial goods. Negotiations for free trade agreements (FTAs) with Turkey, Thailand and Iran should be concluded as early as possible in the interest of Pakistan, he said. “The government should also try to reach FTAs with Latin American countries on the same pattern.”

https://tribune.com.pk/story/1486279/unexplored-areas-can-help-double-exports/

DEADLY ROCKET FIRE HITS NEAR DAMASCUS TRADE FAIR

Business Recorder, August 21, 2017

BEIRUT: Six people were reported dead on Sunday when a rocket hit near an international trade fair in Syria’s capital Damascus being held for the first time in five years.

The Damascus International Fair was once the leading event on Syria’s economic calendar but had not been held since shortly after the outbreak of the country’s war in March 2011.

The Syrian Observatory for Human Rights, a Britain-based monitor of the war, said six people, including two women, were killed and around a dozen more wounded in the rocket fire near the entrance to the fair.

A rescuer speaking to AFP on condition of anonymity confirmed the toll.

A source at a hospital in Jaramana, an area southwest of the capital, told AFP he had seen dead and injured being evacuated from the scene.

There was no confirmation of the toll from officials.

But state television briefly carried a breaking news alert reporting the rocket fire and saying it had caused injuries, citing its reporters at the scene.

The alert was removed shortly afterwards, and a reporter broadcasting live from the fair interviewed several officials who made no mention of the rocket fire or casualties.

“We were preparing to receive visitors when I heard an explosion… then I saw smoke to the side of the entrance to the exhibition hall,” 39-year-old Iyad al-Jabiri, a Syrian working at a textile stand at the fair, told AFP.

The fair opened on Thursday at the capital’s Exhibition City and is scheduled to last 10 days.

It was touted as a sign that work towards rebuilding Syria and revitalising its ravaged economy was getting under way, despite the violence that continues in parts of the country.

Its general director, Fares al-Kartally, said the decision to hold it this year was a result of “the return of calm and stability in most regions” of Syria.

“We want this fair to signal the start of (the country’s) reconstruction,” Kartally told AFP earlier this week.

While Damascus has been insulated from much of the worst violence of the country’s war, several key rebel enclaves remain in the Eastern Ghouta region outside the city.

Fighters in the area have regularly fired rockets into the capital, and government warplanes have frequently carried out devastating raids across Eastern Ghouta. In recent weeks, much of the area has been quieter after the implementation in July of a “de-escalation zone” covering parts of Eastern Ghouta.

The trade fair dates back to 1954 but was last held in the summer of 2011, months after the eruption of protests against President Bashar al-Assad’s government.

Since then, the country has spiralled into a bloody civil war that has killed more than 330,000 people, displaced millions and devastated the economy.

The fair is hosting firms from 23 countries that have maintained diplomatic relations with Damascus throughout the conflict. The United States and European countries, which maintain economic sanctions on the Assad regime, were not officially invited, although a handful of Western companies are attending on an individual basis.

Syria’s government has seized large parts of the country from rebels and jihadists in recent months and talk has begun to turn to reconstruction and even the reestablishment of ties with Western nations.

But Assad said Sunday that countries seeking to resume ties or reopen their embassies must end their support for Syria’s rebels.

“We are not isolated like they think, it’s their arrogance that pushes them to think in this manner,” he said in a speech to members of Syria’s diplomatic corps broadcast on state television. “There will be neither security cooperation, nor the opening of embassies, nor a role for certain states that say they want to find a way out (of Syria’s war), unless they explicitly cut their ties with terrorism,” he added.—AFP

http://epaper.brecorder.com/2017/08/21/1-page/900573-news.html

TRADE DEFICIT OF SOUTH ASIA: IS IT ALL BAD FOR THE ECONOMY?

The Express Tribune, August 21, 2017

Zafar Haider

ISLAMABAD: Not surprisingly, South Asian politics is volatile, violent and sometimes vivacious but mostly dull, rusted in the cauldron of solipsism. Generally non-issues enjoy more gravitational might, pyrrhic victories score high.

Trade deficit is one of the nemeses, giving politicians enough space to lambaste treasury benches over the gap, when inward goods and services exceed their outward flow. Politicians, especially those on opposition desks, believe or at least feign that trade deficit is bad for the economy of the country without understanding the economy, political economy and the complications associated with international trade.

Triffen dilemma, if explained to them, can invite shocking revelations, which economists can digest easily but fiery politicians may not. It dictates that a country running a trade surplus must either let its currency rise or let money flow back to the trading partners. An overvalued currency can make its exports more expensive and less competitive.

China does exactly the same. It buys US treasury bonds and sends money back into the US through foreign direct investment from Chinese companies in American businesses. Can this be explained to the quicksilver politicians? Adam Smith had no worries. He is quoted as saying, “there is nothing more ridiculous than worrying about the balance of trade.”

Opposition politicians of Pakistan, India, Sri Lanka and Bangladesh have one common belief; the widening trade deficits of their countries are dangerous for their economies. These countries for many years have tolerated trade deficits along with fast-growing economies.

US President Donald Trump and Indian Prime Minister NarendraModi hate their respective countries’ burgeoning trade deficits. The migraine is common – China. China has trade surpluses with both and with large margins, which is unacceptable to political leaderships of both countries.

USA considers China – a country that can potentially deprive it of international policing – more than an economic rival. In terms of international trade, China has outstripped the US on many fronts, establishing its foothold in economies of hundreds of countries where the US has traditionally been a large stakeholder in trading matters. Trump considers the burgeoning trade deficit with China as a defeat for his country. He also has another fear: can his country clench the crown of the world’s largest exporter?

In Pakistan’s case, the trade deficit has ballooned to more than $30.5 billion for 2016-17, according to figures released by the State Bank of Pakistan (SBP), which is 42.1% more than that during 2015-16. It is the largest gap in Pakistan’s history. Exports of the country fell by 3.1% to $18.5 billion. For the same period, imports increased by 20.6% to $48.53 billion.

Exports amount to 6% of the GDP only. On the other hand, India’s exports grew at its fastest speed in five years by 4.7% to $274.65 billion for the fiscal year ended in April 2017. Imports for this period fell by 0.17% to $380 billion, leaving a trade gap of $105.72 billion.

In 2011-12, India’s exports grew at a brisk rate of 21.8%. Trade surplus favours China and with India it had a $52.69 billion surplus in 2016-17, with total bilateral trade standing at $71.48 billion. From 2014 to September 2016, demand for Indian exports has shrunk due to weak global demand and a slide in oil and other commodity prices.

According to the Hindustan Times (2017), the Modi government aims to lift India's share in global exports to 5% by 2020, 3.4% higher than its current contribution of 1.6%. Modi's countless hugs to Trump may not be helping on this count; even in private romances self-propelled gestures hardly yield, embarrassing as they may be.

Based on the "America First" policy, USA is devising more restrictive trade policies, revising past agreements and, coupled with Brexit, has made global economic outlook hazier. China, USA, UAE, KSA, Hong Kong and Germany are the largest trade partners of India. Pakistan's major export markets are USA, China, Afghanistan, UK, Germany and UAE.

In 2016-17 China has emerged as the largest trade partner of Pakistan. "They are beating us so badly. Every country we lose money with," Irwin (2016) quoted Trump as saying in reference to Mexico and China. With Mexico and China, the US has a trade deficit of $58 billion and $347 billion respectively.

IMF's Atish Ghosh (2004) debates that the deficit reflects an excess of imports over exports and may be indicative of competitive problems, but as the current account deficit implies an excess of investment over savings, it could equally be pointing to a highly productive and growing economy.

In India's case, annual average import of gold and jewellery has rocketed $40 billion. In Pakistan, share of food items in the country's total imports has swelled to 15%, with share of motor vehicle imports rising at a rate of 28.7%, according to the Pakistan Economic Survey 2016-17.

After the grant of GSP Plus regime by the EU, Pakistan's exports have grown by 38% in 2016 as compared with 2013. A bit of a relief is that Pakistani products will continue to enjoy duty-free access under EU's GSP Plus status in the UK till March 2019 though the UK has formally exited from EU.

Cotton products, leather and rice comprise more than 70% of Pakistan's exports; but the product base is too narrow and has been the same same for decades. The argument of export diversification made a minuscule inroad into Pakistan's economy.

The Independent (2017) reveals that Bangladesh has trade relations with 198 countries across the world. It traded with 195 countries in 2016-17 and had a trade deficit with 71 countries and a trade surplus with 124. Bangladesh had the highest trade deficit of $6.88 billion with China, $3.99 billion with India and of $1.6 billion with Singapore. Overall its trade deficit touched $5.5 billion.

For the fiscal year 2016, Sri Lanka also had a trade deficit of approximately $10 billion. Its total exports fell by 2.8% compared to 2015. Like Pakistan, its food and beverages imports increased by 0.4% to $ 1.48 billion. Unlike Pakistan, its consumer spending decreased by 8.4% to $3.96 billion due to a massive decline in vehicle imports.

Depressed global demand for tea, spices and agricultural crops from oil-exporting countries was mainly responsible for the decrease in exports. Sri Lanka is unique among South Asian economies in that it has achieved balance of payments surpluses several times.

Remittances and tourism industry revenue allows the country to offset its trade deficit. Sri Lanka also pins hopes on the rise of textile exports after the restoration of GSP plus status by the EU. Pakistan has set a $35 billion export target for 2017-2018 with Rs4 trillion tax collections amid Rs300 billion refund claims. In principle there is no harm in nurturing ambitious dreams, unless they roll into nightmares.

https://tribune.com.pk/story/1486808/trade-deficit-south-asia-bad-economy/
NEWS COVERAGE PERIOD FROM AUGUST 7TH TO AUGUST 13 Th 2017
SOUTH KOREAN FIRMS SEEK BETTER TRADE RELATIONS

Dawn, August 10th, 2017

LAHORE: South Korean companies have shown interest in establishing their operations in Pakistan.

Speaking to the business community at the Lahore Chamber of Commerce and Industry (LCCI) on Wednesday, South Korean National Assembly Speaker Chung Sye Kyun said a number of companies from his country are already working in Pakistan successfully.

“This is a country blessed with valuable mineral and human resources,” he said. The bilateral trade volume is bound to increase as both governments are taking measures to promote business activities, he said.

The Korean delegation also held a number of meetings with senior government officials and representatives of the private sector. Speaking on the occasion, LCCI President Abdul Basit said the exchange of parliamentary delegations is commendable.

“South Korea is famous for its spectacular rise from being an underdeveloped economy to a developed one in just a few decades. Its literacy, education and agrarian reforms translated into industrial growth,” he said.

South Korea is one of the most popular destinations for university students worldwide.

“We need to enhance relations with South Korean universities, which will help us produce hardworking and skilled employees,” he said.

https://www.dawn.com/news/1350614

TRADE DEFICIT WIDENS 55% AS IMPORTS OUTPACE EXPORTS
The Express Tribune, August 11th, 2017

Pakistan’s trade deficit widened in July by over 55% to $3.2 billion as even a healthy growth in exports could not match the pace of increase in imports, indicating that external sector challenges will continue to persist.

The value of goods imported into Pakistan exceeded the value of exports by $3.2 billion in July over the same month a year ago, reported the Pakistan Bureau of Statistics (PBS) on Thursday.

The trade deficit in July was $1.14 billion or 55.5% higher than the same month of previous year.

The trend was not different from the last fiscal year when Pakistan registered a record trade deficit of $32.5 billion. The current account deficit had also peaked at $12.1 billion in the year, which wiped $2 billion off the official foreign currency reserves.

Exports in July increased 10.6% to $1.63 billion. In absolute terms, they were only $156 million higher than the same month of previous year. Imports were valued at $4.8 billon, which was 36.7% or $1.3 billion higher than imports made in July last year.

In the new fiscal year 2017-18, the federal government has targeted to increase the exports to $23.1 billion, which requires 13.2% growth over previous year’s exports of $20.5 billion.

The government is aiming to curtail the import bill to $48.8 billion, which seems impossible, given the trend in the first month of FY18.

This will have direct implications for the current account deficit that the government plans to restrict to $8.9 billion in FY18. Independent economists have estimated the current account deficit in the range of $13 billion to $14 billion. A higher-than-projected current account deficit will have direct bearing on the country's foreign currency reserves, which are again on the decline. The State Bank's foreign currency reserves plunged to $14.398 billion by August 4, 2017, down $1.8 billion since June 30.

Pakistan will require about $20 billion in the current fiscal year to meet its external financing requirements including debt repayments.

However, fresh trade statistics have deepened concerns about long-term sustainability of the external sector, which the government is managing by borrowing from foreign countries and commercial banks.

Cheap imports have started hurting the import-substitution industries, according to former finance minister Dr Hafiz Pasha. However, the Ministry of Finance believes that the growing trade and external deficit is a temporary phenomenon due to higher imports under the China-Pakistan Economic Corridor (CPEC).

Exports have been on the decline since the PML-N government came to power four years ago. It has offered two incentive packages to the exporters, but the packages have remained partially funded.

Former commerce minister Khurram Dastgir's portfolio has been changed in the new cabinet. The government has appointed Pervez Malik – a businessman from Lahore – as the new federal commerce minister and Akram Ansari as the minister of state for commerce. Ansari had been elected member of the National Assembly from Faisalabad – the hub of textile exports.

On a month-on-month basis, exports in July increased 14.7% to $1.63 billion over June. These were $281 million higher than the receipts in the preceding month. Imports in July grew 6.64% over June. The month-on-month trade deficit was 22.2% higher in July.

Pakistani exporters also could not expand their export base that comprises a very limited number of products.

https://tribune.com.pk/story/1478586/trade-deficit-widens-55-imports-outpace-exports/

NEWS COVERAGE PERIOD FROM AUGUST 1ST TO AUGUST 6TH 2017

FRUIT, VEGETABLE EXPORTS DECLINE

Dawn, August 1st, 2017

KARACHI: The drop in exports of kinno, mango, onion and potato contributed to decline in overall exports of fruits and vegetables in 2016-17.

According to the figures of Pakistan Bureau of Statistics (PBS), fruit exports stood at 645,304 tonnes fetching $382 million in 2016-17 as compared to 676,531 tonnes earning $427m in 2015-16.

Vegetables exports fell to 623,626 tonnes ($186m) in 2016-17 from 701,050 tonnes ($213m) in 2015-16.

Talking to Dawn, Patron-in-Chief, All Pakistan Fruit and Vegetable Exporters, Importers and Merchants Association (PFVA), Waheed Ahmed said vegetable growers have changed the onion variety in Sindh which has definitely improved production but has reduced shelf life, leading to quality issues.

Besides, cheaper Indian onion is also giving tough time to local produce.

He said potato could not be exported to Russia as the country is farming the tuber while it also imported the vegetable from rival countries where prices are lower.

The share of kinno and mango in total exports is $275m.

Exports of kinno start from Dec 1 and end in March/April.

Mr Waheed said exports of the cultivar dropped while bad weather had also affected its quality. Iran, despite being a lucrative market for Pakistani kinno, did not issue the import permit, he added.
The government is also considering cancelling the Preferential Trade Agreement with Indonesia and that may lead to closure of yet another big market, he said.
Uncertain political turmoil in the Middle East also poses an alarming situation.
Mango exports in June 2017 also suffered due to slow shipments in the Middle East, Qatar and Oman, he added.

Mr Waheed said pronounced currency devaluation of Morocco, Egypt and Turkey and financial assistance extended by their governments to the horticulture sector has endangered survival of Pakistan's $200m kinno exports in the international market.

He said for the first time, kinno exporters and stakeholders had developed a strategy in Bhalwal recently in view of stiff competition in the international market.

The strategy includes purchasing kinno on an appropriate rate from the local market, making growers' quality conscious and creating awareness about good agriculture practices and seeking assistance from the government for developing new varieties through R&D.

He said growers should provide kinno at reasonable prices to exporters enabling them to compete in the international market. Instead of short-term "seasonal gains", long-term benefit shall be given preference, he added.

Purchasing process of kinno and fixing its rate by the management was critically analysed in the meeting which recommended that rate of the fruit be fixed subject to its quality.

To ensure effective implementation of the recommendations, a six-member committee comprising of Ahktar Saeed, Chaudhry Naseer, Aqeel Gul, Sarfaraz Ranjha, Javed Rawana and Haji Yunus was formed.

https://www.dawn.com/news/1348843

URGENT STEPS NEEDED TO NORMALISE TRADE ACTIVITIES: PBIF
Business Recorder, 5 August 2017
KARACHI: President of Pakistan Businessmen and Intellectuals Forum (PBIF) Mian Zahid Hussain has said that the ruling and opposition parties demonstrated sanity following the Supreme Court's judgment as their reactions were not as discouraging as expected which has calmed business community to some extent.

"No one should be allowed to benefit from the current political uncertainty in the country," he urged.

Mian Zahid alerted that some elements could play with the local currency to make tens of millions of rupees overnight, therefore strict vigilance of money market is required.

He said that the current situation should be improved as soon as possible so that business activities could gain momentum.

“FBR has failed to achieve the target while exports, remittances and foreign direct investment is not satisfactory,” he said, adding that lack of interest in reforming power sector and public sector entities resulted in a colossal deficit, therefore, IMF had asked the government to impose new taxes to the tune of Rs500 billion.

PBIF president said that the imports hit the mark of $53 billion during the last year pushing up the trade deficit to $33 billion while current account deficit swelled by 148 percent to $12 billion.

He said urgent steps are needed to improve the situation otherwise forex reserves will fall and the country will have no option but to seek another IMF loan.

http://epaper.brecorder.com/2017/08/05/3-page/896404-news.html

September 2017

NEWS COVERAGE PERIOD FROM SEPTEMBER 18 TH TO SEPTEMBER 24 Th 2017

THAILAND LOOKS TO DOUBLE TRADE WITH PAKISTAN

Dawn, September 23, 2017

KARACHI: With the implementation of a free trade agreement (FTA), which is about to be finalised, the bilateral trade between Pakistan and Thailand will be doubled.

Speaking at the opening ceremony of three-day Thailand Exhibition on Friday, Suwat Kaewsook, the Consul General Thai Consulate in Karachi, said Pakistan has made substantial progress over the years and bilateral trade and diplomatic relations between both the countries have further strengthened.

Around 45 Thai companies are displaying their new range of technology and products in the exhibition which reflects the confidence of Thai investors in Pakistan, he said.

Karachi Chamber of Commerce and Industry (KCCI) President Shamim Ahmed Firpo, who inaugurated the exhibition as chief guest, said that the FTA will increase bilateral trade between the two countries from currently $1 billion to around $2.5bn.

He said that the exhibition shows that the anti-Pakistan propaganda in the western media is no longer effective as 45 companies with 8 categories of products including food and beverages, garments, medicine, cosmetic and fashion accessories, gifts and decorative items , health and beauty , household and kitchenware, leather and footwear production are participating.

He noted that immense potential to enhance trade as major exports from Pakistan to Thailand include yarn and fibre, chemicals, finished oils, edible meat etc but there are plenty of other products which are capable of capturing share in Thai market, which need effective marketing and promotional activities.

Mr Firpo asked the business communities of both the countries to explore more avenues of enhancing trade and look for opportunities for joint ventures.

Honorary Trade Advisor to the Ministry of Commerce, Royal Thai Government Arif Suleman, informed that recently a Thai delegation visited Pakistan to explore opportunities to set up facilities in seafood processing sector.

He hoped that the investment from Thailand in the seafood processing sector would be materialised.

https://www.dawn.com/news/1359484

PAKISTAN'S 'LOOK AFRICA PLAN' ENVISIONS GREATER BILATERAL TRADE
Dawn, September 23rd, 2017

Mubarak Zeb Khan

ISLAMABAD: The Ministry of Commerce has approved 'Look Africa Plan' with stringent measures to boost bilateral trade between Pakistan and Africa in the upcoming years.

The plan was approved by the ministry on Aug 17, as per project details available with Dawn.

Pakistan's total trade with Africa is $3 billion as against the total trade volume of $3 trillion. Pakistan's share in total trade of African countries is 0.3 per cent.

Under the policy, top 10 countries out of the 54 African nations selected trade promotion include Nigeria, Kenya, South Africa, Morocco, Algeria, Egypt, Sudan, Tanzania, and Ethiopia.

All these countries constitute 78pc of the total African gross domestic product (GDP).

According to the policy, Pakistan will offer to negotiate a preferential trade agreement with three African trading blocs – Southern African Customs Union (SACU), East African Community (EAC), and Economic Community of West African States that constitute (ECOWAS).

SACU members are Botswana, Lesotho, Namibia, South Africa and Swaziland while EAC comprises of Burundi, Kenya, Rwanda, South Sudan, Tanzania, and Uganda.

A similar PTA with ECOWAS, which includes Benin; Burkina Faso; Cabo Verde; Côte d'Ivoire; Gambia; Ghana; Guinea; Guinea Bissau; Liberia; Mali; Niger; Nigeria; Senegal; Sierra Leone; and Togolese, is also envisioned.

The value of bilateral trade between the countries is less than $100 million.

As per policy, joint working groups (JWGs) on trade will be established by the commerce ministry to engage major African countries to have regular interaction.

Currently, Pakistan has only 13 joint ministerial commissions with African countries that are not sufficient for institutional strengthening of both sides.

The JMCs are only with Algeria, Senegal, Morocco, Egypt, Kenya, Libya, Niger, Nigeria, South Africa, Sudan, Tunisia, Uganda, and Zimbabwe. Even the meetings of the JMCs take place after a gap of 5 to 10 years.

The commerce ministry will also open new commercial sections in Africa at least in the largest economies including Egypt, Tanzania, Ethiopia, Sudan and Algeria where Pakistan has resident embassies.

Currently, the commerce ministry's commercial sections only exists in four African countries — Kenya, South Africa, Nigeria and Morocco.

Until new arrangements, the ministry has given additional charge to look after markets in adjacent countries.

The commercial counselor Nairobi will also look after Uganda, Rwanda, Burundi and Eretria.

The commercial counselor at Casablanca will also have additional charge of Tunisia, Mauritania, Senegal; Commercial secretary Lagos of Niger, Chad, Cameroon, Ghana, Benin and commercial secretary at Johannesburg on Botswana, Lesotho, Namibia, South Africa and Swaziland.

As part of the policy, the ministry will also appoint local people as trade development officer in African countries where resident missions are not stationed. They will work under accredited ambassador's supervision.

Out of 54 countries, Pakistan has resident missions only in 15 African countries – Egypt, Libya, Algeria, Tunisia, Morocco, Senegal, Nigeria, Niger, South Africa, Mauritius, Zimbabwe, Tanzania, Kenya, Sudan and Ethiopia. The remaining 39 countries are covered through accreditation.

The ministry has also prioritised six sectors to promote its exports to African countries – pharmaceuticals and surgical instruments, electrical appliances, rice, wheat, corn, textiles, cement and construction materials and services.

To enhance market for Pakistani products, top 10 economies will be finalised for holding trade fairs. On the sidelines of Expo Pakistan, seminars will be arranged in Pakistan on priority Africa for trade.

The Trade Development Authority of Pakistan has been asked to provide 80pc to 90pc special subsidy to Pakistani companies to encourage their participation in trade exhibitions in Africa and to sponsor delegations to and from Africa on regular basis.

An African cell is being established at TDAP Karachi to obtain input from stakeholders and coordinate efforts to enhance trade with Africa and provide special incentives for Pakistani companies through trade policy.

https://www.dawn.com/news/1359489

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Mubarak Zeb Khan

Dawn, September 21, 2017

ISLAMABAD: Pakistan's exports of value-added textile products recorded positive growth during the first two months of 2017-18, the Pakistan Bureau of Statistics (PBS) reported on Wednesday.

The upsurge in the value-added textile category has become the main driver of growth in the country's overall exports, PBS data shows.

Exports of readymade garments grew 15.65 per cent year-on-year to $418.63 million in July-August. Garment exports also witnessed a growth of 16.4pc in terms of quantity.

Exports of knitwear, another value-added product, posted a growth of 7.53pc to $439.26m in July-August. It recorded an increase of 8.23pc in terms of quantity.

A rise of over 8pc was noted in bedwear exports that amounted to $384.32m. In terms of quantity, exports of bedwear recorded a growth of 8.79pc.

Exports of towels rose 0.67pc in value and 0.03pc in quantity during the months under review.

An official of the commerce ministry said the value-added sector achieved growth because of the government's support. Another reason for the rise in exports of value-added textile products was preferential access to the 28-nation European Union under the GSP+ scheme.
The rise in commodity prices in the international market, according to the official, was another reason for the rise in export proceeds.

On the other hand, exports of intermediate commodities, like cotton yarn, fell 4pc in value and 3.3pc quantity-wise. One of the reasons for the drop was sluggish Chinese demand for yarn and fabric. Cotton cloth exports fell 7.8pc in value while the drop in quantity terms was almost similar. Exports of raw cotton dropped 14.7pc in value and 14.15pc in quantity in the first two months of 2017-18.

Exports of low value-added products, such as cotton-carded, fell 100pc in both value and quantity. Tents and canvas exports fell 22pc in value while those of made-up articles, excluding towels and bedwear, went up 7pc. However, exports of yarn other than cotton yarn fell 0.2pc in value, but increased 0.39pc in quantity.

Overall export proceeds went up 11.8pc to $3.49bn in July-Aug from $3.12bn a year ago. Exports of non-textile products rose 23.5pc to $1.31bn in July-August against $1.06bn over the corresponding period of last year.

For the first time, rice exports witnessed a growth of 40pc in the first two months. The growth was evident in exports of basmati and other varieties.

In the food basket, exports of wheat, sugar and fruits also witnessed a substantial growth during the period under review. Exports of petroleum crude and petroleum naphtha recorded a growth of 100pc and 404pc, respectively. However, exports of carpets and sports goods posted negative growth in July-August.

Exports by the value-added leather sector grew 5.8pc. This export sector had been witnessing negative growth for the past two years. Footwear recorded a paltry growth of 0.1pc during the period under review. Exports of surgical goods posted a growth of 26pc while those of engineering goods recorded a rise of 23pc in July-August.

https://www.dawn.com/news/1358959

GOVT ADVISED NOT TO CHOOSE TDAP CEO FROM BUSINESS COMMUNITY
Business Recorder, 21 September, 2017
LAHORE: The Businessmen Panel (BP) of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) has advised the government not to choose Chief Executive Officer (CEO) of Trade Development Authority of Pakistan from the business community as the former CEO S M Muneer had done great harm to the exports sector by indulging in politics and taking active part in the elections of the FPCCI.

It may be added that S M Muneer, a businessman and CEO TDAP was an active supporter of the Businessmen Panels rival United Business Group (UBG) in the FPCCI annual elections.

In a joint statement, chairman Punjab businessmen panel, Anjum Nisar and Secretary General Senator Ghulam Ali said that the government had appointed a businessman as CEO TDAP to promote exports of the country who had promised to double the exports from $ 25 billion to $ 50 billion.

However they said this policy has failed as S M Muneer involved in politics and wasted Rs 84 billion to benefit his voters and supporters. Instead of increasing, our exports declined from $ 25 billion to $ 20, a loss of $ 5 billion in three years.

They alleged that due to S M Muneer's policies, many exporters became bankrupt; thousands of people have lost jobs and business community divided. They demanded forensic audit of TDAP's accounts and strict action against the corrupt elements.
http://epaper.brecorder.com/2017/09/21/9-page/672037-news.html

GLOBAL TRADE 'REBOUNDS STRONGLY' IN FIRST HALF: WTO
Dawn, September 22nd, 2017

GENEVA: The World Trade Organization on Thursday boosted its forecast for global trade growth in 2017 as commerce rebounded strongly, but cautioned that major threats could still derail the positive trajectory.
The better outlook was driven by improved trade flows within Asia and stronger demand for goods in North America through the first half of the year, the 164-member Geneva-based body said.
An April projection of 2.4 per cent growth for this year has been upped to 3.6pc, the organisation said in a press release, headlined "WTO upgrades forecast for 2017 as trade rebounds strongly".

"Growth of 3.6pc would represent a substantial improvement on the lacklustre 1.3pc increase in 2016," it said.

The WTO had been steadily lamenting the stagnant global trade climate that persisted following the 2008 financial crisis.

While the organisation's director general Roberto Azevedo applauded the return of good news, he renewed his concerns over worrying political headwinds, especially protectionism.

"The improved outlook for trade is welcome news, but substantial risks that threaten the world economy remain in place and could easily undermine any trade recovery," Azevedo said in a statement.

"These risks include the possibility that protectionist rhetoric translates into trade restrictive actions, a worrying rise in global geopolitical tensions and a rising economic toll from natural disasters," he added.

Azevedo has firmly pushed back against the barrage of anti-trade commentary that emerged from Donald Trump's US administration.

Trump and his trade team have also blasted the WTO, including charges it has been too kind to China.

In a continued defence of the multi-lateral trading system safeguarded by the WTO, Azevedo again urged world leaders to "resist the temptation of protectionism" while trying to improve, rather than restrict global trade.

The modest bounce back in oil prices appears to have helped investment in the United States, the WTO said, noting however that current crude prices of around $50 (42 euros) per barrel were still well below 2014 peaks.
The organisation also stressed that rapid growth this year is unlikely to be repeated in 2018, in part because it will not be measured against the low 2016 base.

Also, "fiscal expansion and easy credit in China are likely to be reined in to prevent the economy from overheating," the statement said.

https://www.dawn.com/news/1359152

PM FOR DEEPER, BROAD-BASED PAK-US TRADE TIES
Business Recorder, 22 September, 2017

NEW YORK: Prime Minister Shahid Khaqan Abbasi emphasized the need for having deeper and broad based trade and investment relations between Pakistan and the United States.

He was addressing at a luncheon gathering arranged in his honour on Wednesday by the US-Pakistan Business Council (USPBC) of the US Chamber of Commerce in New York, which was attended by prominent American business and industry leaders

While speaking on the occasion, he enumerated the economic achievements of Pakistan with highest real GDP growth of the last ten years achieved during the last financial year. He also highlighted the steps taken to address the energy deficit facing the country and stated that situation had markedly improved.

He apprised the US business executives and investors about the focus on private sector led growth in Pakistan and the resultant attractive investment opportunities available for foreign investors. He pointed out that major investment initiatives being taken under the China-Pakistan Economic Corridor (CPEC) are reflective of the promising business environment of the country and provide tremendous investment opportunities for US companies.
Abbasi mentioned that the US-Pakistan trade and economic partnership can be further expanded with renewed efforts of public and private sectors of both the countries. He expressed confidence that the USPBC would continue to play a facilitative role towards this objective.
Earlier in the meeting, Ms Tami Overby, Senior Vice President, Asia, US Chamber of Commerce welcomed Prime Minister Shahid Khaqan Abbasi to the business luncheon. Dr Mehmood Khan, Chairman USPBC, in his opening address acknowledged efforts of the Government of Pakistan for bringing improvements in economic situation of the country, and highlighted aspects concerning business relations with Pakistan. The participating US corporate executives also appreciated the substantial improvement in business climate of Pakistan and thanked the prime minister for listening to their issues.—INP

http://epaper.brecorder.com/2017/09/22/1-page/672151-news.html

NEWS COVERAGE PERIOD FROM SEPTEMBER 11 TH TO SEPTEMBER 17 Th 2017
ROPOSALS ON HOW TO IMPROVE PACKAGE FOR EXPORTERS DEFERRED
Business Reccorder, 17 August 2017

Zaheer Abbasi

ISLAMABAD: The Economic Coordination Committee (ECC) of the Cabinet deferred proposals to improve/broaden Prime Minister’s incentive package for exporters primarily because its financial impact has not been estimated, sources in the Prime Minister’s Office said.

Sources revealed the concerned ministries failed to estimate the financial impact of the proposed recommendations. The Prime Minister has directed that the financial impact of each proposal be worked out separately with comments whether or not these would be sustainable on the budget for the next fiscal year including the condition that only a 10 percent increase in exports would merit the release of the incentives.

The Prime Minister has directed the Ministry of Commerce, Finance and Federal Board of Revenue (FBR) to undertake a detailed analysis of the implementation of the package and to determine whether it would be financially feasible.

Pakistan’s exports have contracted by nearly $5 billion since the present government came to power – from over $25 billion in 2013 to $20.4 billion in 2017.
Sources said that during the last ECC meeting chaired by Prime Minister Shahid Khaqan Abbasi on Thursday the Commerce Ministry requested that the incentives proposed for the export sector for 2017-18 may be continued

without the condition of 10 percent increase in exports. The ECC was also requested that the rate of incentives for the textile and non-textile sectors already announced in the Prime Minister's package may remain unchanged and the sectors, earlier excluded from the package, may also be provided the export incentives on the principle of cascading based on the extent of value addition.

The ECC was also requested for additional incentives for exports to non-traditional markets. And to attract investment for expansion and up-gradation of export sectors availability of incentives was also requested to be extended till June 2020.

The ECC was also requested that SBP may be instructed to release refund claims of exporters through the banks and as soon as the claims are verified by the Finance Division it would reimburse the amount.

http://epaper.brecorder.com/2017/09/17/1-page/906388-news.html

PARTNERSHIP WILL HELP BOTH PAKISTAN AND CHINA: LCCI
The Express Tribune, September 17th, 2017.

LAHORE: Partnership between Pakistani and Chinese entrepreneurs can help both countries prevail in the global economic field, Lahore Chamber of Commerce and Industry (LCCI) President Abdul Basit said at a high-level dialogue arranged by the Federation of Chengdu Industry and Commerce in China.

Punjab Board of Investment and Trade CEO Jahanzeb Burana, Pakistan Commercial Counselor Haroon Masood and Federation of Chengdu Industry and Trade VP He Ying also spoke on the occasion.

Basit said that China is a major exporter to Pakistan which is a major reason for trade imbalance between the two countries. Measures should be taken to help Pakistani products excel in the Chinese market.

e LCCI president said that Chinese investments in power, textile, pharmaceutical, dairy, livestock and agriculture sectors will bring the two countries closer besides attracting much-needed foreign direct investment (FDI) to Pakistan. He said that Pakistan is looking for Chinese businessmen to make joint efforts aimed at boosting bilateral trade and economic relations.

"In the context of ongoing projects of China-Pakistan Economic Corridor (CPEC), the need and importance of private to private contacts has mounted. In this scenario, the role of chambers of commerce has widened," he added.

He said that stats of two-way trade are bound to improve in a decade or so because once the CPEC projects become fully functional, a win-win situation will take place for both the countries. "In the meantime, we need to interact on regular basis for exploring avenues for trade expansion and opportunities for investments," he said.

https://tribune.com.pk/story/1508646/partnership-will-help-pakistan-china-lcci/

VALUE-ADDED SECTOR DRIVING GROWTH IN EXPORTS

October 2017

NEWS COVERAGE PERIOD FROM OCTOBER 23rd TO OCTOBER 29th 2017
MINISTER TELLS PUNJAB ASSEMBLY: 'NO TOMATO IMPORT DESPITE MAFIA'S MANOEUVRING'
Dawn, October 24, 2017

LAHORE: There would be no imports of vegetables, especially tomato, which has seen its price skyrocketing in the last few weeks, despite all manipulations by “an influential mafia”, Minister for Industries, Commerce and Investment Shiekh Allauddin assured the Punjab Assembly here on Monday.

The brief session, that lasted around 80 minutes before it succumbed to short quorum, was supposed to conclude debate on price hike. But, since it was not included in the agenda, the Sheikh stood on a note of personal explanation saying he was misreported by a section of press.

He said that now tomatoes from Khyber Pakhtunkhwa were being sold at Rs70 per kilo in the city and would continue to be sold till prices get further stabilised with supplies from Sindh arriving in the local market.

“Why pass the advantage on to foreign farmers instead of our own?”

An influential mafia was trying hard for resumption of import from India, but won’t happen, he said, claiming the tomato price had come down to half and would slide further in days to come.

An interesting situation developed after the Question Hour when Murad Ras of the PTI stood on a point of order and complained: “In my constituency, we have contributed (money) for installation of a filtration plant for the people (on self-help basis) because the provincial government was not providing funds for the same. Today, when we tried to install the plant, the local TMO (tehsil municipal officer), along with his staff, came to the venue to inquire with whose permission the plant was being installed. I am putting it on record if there is any violence tomorrow on the issue, the entire responsibility would lie with the provincial government. The plant is not purchased with official money and now its installation is being hampered by the municipal officials.”

Earlier, the session started with a delay of 90 minutes; at around 3.30pm, instead of 2pm. And it lasted only 80 minutes when after a brief discussion on price hike, the opposition pointed out quorum.

By that time, the Treasury benches had only 45 members, which showed some improvement in their number as compared to their strength at the start of the session.

Though the Chair ordered ringing of customary bells for five minutes, the attendance did not go beyond 50 and the Speaker had no choice but to adjourn the session till Tuesday morning, which he ultimately did.

https://www.dawn.com/news/1365870

BALOCHISTAN CAN EARN PAKISTAN UP TO $1 BILLION A YEAR
The Express Tribune, October 28th, 2017.

Balochistan alone has the potential to earn Pakistan up to $1 billion a year from fruit and vegetable exports, according to initial findings of All Pakistan Fruit and Vegetable Exporters, Importers & Merchants Association (PFVA).

But this will happen if international good practices are adopted, added the representative organisation of fresh food exporters that has recently completed a consultative process with stakeholders in Balochistan to develop a road map for the sector.

“The PFVA’s vision would provide long-lasting solutions of problems like food security,” a press release quoted former PFVA chairman Waheed Ahmed as saying.

A PFVA delegation recently met Balochistan Governor Mohammad Khan Achakzai, growers and trade organisations and briefed them about the vision of the association to develop a national policy of horticulture.

The PFVA is gathering support throughout the country for its upcoming "National conference on Horticulture" which will be organised in February 2018.

The association briefed the governor and held consultative meetings at the Quetta Chamber of Commerce to increase the participation of farmers and other stakeholders in highlighting issues of the sector.

The current share of export volume of fruits and vegetables from the province is $45 million, which can be enhanced to $1 billion by establishing Research and Development facilities, Ahmed said.

Pakistan suffers due to low volume of exports overall, aggravating economic issues like a widening trade and current account deficit. Experts have time and again highlighted the need to increase exports and tap sectors other than textile to address economic issues.

The PFVA says that the establishment of grading, processing and packing plants as common facilities in various parts of Balochistan is imminent to achieve this objective. The governor assured to render full support and assistance is setting up common facilities centres in Balochistan, the release added.

Pakistan exported $641 million worth of horticulture products in fiscal year 2016. However, PFVA officials say the country can touch a volume of up to $7 billion within a decade if the federal and provincial governments frame friendlier policies.

https://tribune.com.pk/story/1543268/2-balochistan-can-earn-pakistan-1-billion-year/

NEWS COVERAGE PERIOD FROM OCTOBER 16 Th TO OCTOBER 22nd 2017
'BETTER INFRASTRUCTURE TO BOOST TRADE WITH KABUL'
Dawn, October 17th, 2017

ISLAMABAD: Trade opportunities between Pakistan and Afghanistan would further increase with the improvement in infrastructure carried out by Pakistan at Chaman and Torkham borders to enhance transit trade facility, the Deputy Chairman of Planning Commission, Sartaj Aziz, told British Prime Minister's Special Representative for Afghanistan and Pakistan, Owen Jenkins, in Islamabad on Monday.

Afghanistan is an important importer of medicine, food, construction material and manufacturing equipment from the UK via the transit trade facility.

The two sides discussed issues of bilateral interest, mutual cooperation and situation of peace and security and economic conditions in Pakistan and Afghanistan.

Mr Aziz informed the British delegation of the government's efforts to bring peace and stability to Afghanistan.

He said that the government had always attached great importance to its relations with Afghanistan since peace and stability in Afghanistan was in the interest of both countries. Therefore, he said, Pakistan had always endeavoured to remain engaged and constructively participated in all initiatives and forums to promote peace and stability in Afghanistan.

Referring to the year 2013 when the incumbent government had taken the charge, Mr Aziz said the country at that time was facing serious security challenges and the GDP growth rate was three per cent. The government over the last four years, he said, had focused on financial discipline and improved economy through better security steps and this led the country to achieve the growth rate of 5.3 per cent, the highest so far over the last 10 years.

The British Special Representative reaffirmed his country's continued support to Pakistan and stressed the need for expansion in bilateral relations and assured Islamabad of British cooperation in different fields.

Mr Owen Jenkins also said that UK appreciated Pakistan's efforts to maintain peace with Afghanistan.

https://www.dawn.com/news/1364332

SPECIAL ECONOMIC ZONES: CHINESE SEEK NEW TRADE AVENUES
Business Recorder, 17 October 2017

Naveed Butt

ISLAMABAD: Chinese experts and investors would hold a meeting with provincial governments today (Tuesday) to look out for new trade avenues and explore investment opportunities in special economic zones (SEZs) in all four provinces of the country.

According to the sources, the provinces after finalizing the names of identified locations of industrial zones, have completed their feasibility study and submitted it to the federal government.

The sources said the Prime Minister had directed the relevant authorities to provide facilities like gas, electricity, water and others to the industrial zones.

The representatives of the provinces and Chinese delegation headed by China International Engineering Consultant Corporation (CIECC) Du Zhenli would discuss industrial zones. The Chinese delegation would give detailed briefing on the successful models of economic zones in China, besides sharing their expertise with representatives of provincial government officials. The meeting would review and negotiate on future investment opportunities in Pakistan.

The delegation of Chinese experts has held workshops and meeting in Karachi, Lahore and Faisalabad and Islamabad. Board of Investment (BoI) has organized the workshops in various cities of the country. The Chinese delegation also visited industrial zones which are under construction in Punjab, Sindh, Rawalpindi and Gwadar Port Industry Zone in Balochistan.

The industry zones would be developed over an area of 1,000 acres having strategic importance of being close of seaport and airport as well as having road and rail networks.

The visit of Chinese experts is significant as they would determine the potential of areas for becoming SEZs and priority special economic zone (PSEZ). Chinese are investing US $62 billion in China-Pakistan Economic Corridor (CPEC) projects, especially in infrastructure and power sectors.

The sources said that BoI had been entrusted to organise meetings with Chinese experts on industrial cooperation. As per programme devised by BoI in consultation with Chinese side, the focus of industrial cooperation group is on the nine prioritized special economic zones agreed upon in the last JCC held in Beijing in December 2016. They said the next meeting of JCC would be held in November 2017.

China has already developed 77 industrial parks in 36 countries so Chinese development model and other best practices of the world can help Pakistan develop special economic zones.

Pakistan has planned to establish nearly 29 industrial parks and 21 mineral processing zones in all four provinces under the CPEC project, out of them 27 are granted the status of Special Economic Zones and Mineral Processing Zones.

Whereas for industrial zones, Quetta, Dostan, Gwadar, Khuzdar, Uthal, Hub and Dera Murad Jamali are identified, for the proposed Minerals Economic Processing Zones areas like Khuzdar (chromite, antimony), Chaghi (chromite), Qila Saifullah (antimony, chromite) Saindak (gold, silver), Reko Diq (gold), Kalat (iron ore), Lasbela (manganese), Gwadar (oil refinery), and Muslim Bagh (chromite) are included in the list.

https://epaper.brecorder.com/2017/10/17/1-page/676678-news.html

CDWP CLEARS RS178 BILLION MALAKAND TUNNEL PROJECT
The Express Tribune, October 20th, 2017.

ISLAMABAD: Despite a huge backlog of unfinished schemes, the government on Thursday added Rs360 billion worth of two and a half dozen more projects to its development portfolio, further thinning out already scarce resources.

Headed by Planning Commission Deputy Chairman Sartaj Aziz, the Central Development Working Party (CDWP) cleared 31 schemes. A dozen of them valuing at Rs342 billion have been recommended for final approval of the Executive Committee of National Economic Council (Ecnec), according to the Ministry of Planning.

The CDWP cleared the construction of Malakand tunnel at a cost of Rs177.9 billion. It also endorsed implementation of the second phase of Prime Minister’s National Health Insurance programme at a cost of roughly Rs33 billion.

The Planning Commission had reservations about that project as health was a provincial subject. Yet the CDWP chairman approved the scheme on the insistence of Health Minister Saira Afzal Tarar while setting aside the objections.

The government has approved these projects despite serious resource constraints. The inclusion of more schemes to the federally-funded Public Sector Development Programme will further squeeze the funding pot.

The total financing required for completing ongoing and new projects stands at over Rs5.7 trillion and at the current pace of allocations, the government will need about seven years to complete the schemes.

The CDWP cleared the way for construction of Malakand Tunnel on the N-45 National Highway. The tunnel will link Mardan, Malakand and Chitral. It will serve as a trade route between Pakistan, Tajikistan and other Central Asian countries.

However, the Khyber-Pakhtunkhwa government is also constructing an expressway parallel to this tunnel, which may result in overlapping of projects.

In the energy sector, the CDWP approved three projects worth Rs3.714 billion. In addition to these, three energy projects worth Rs41.387 billion were referred to Ecnec for final approval. The CDWP considered two projects of water resources with total proposed cost of Rs16 billion. Both were referred to Ecnec for its consideration.

The water resources projects include construction of 200 dams/check dams in Killa Abdullah, Gulistan and Dobandai tehsils, Killa Abdullah district and construction of Garuk Storage Dam, Kharan district, Balochistan.

The CDWP also recommended for approval two projects of transport and communications with total proposed cost of Rs193 billion. Both the projects will now be reviewed by Ecnec.

The projects included design, tendering assistance and construction of Malakand Tunnel valuing Rs177.9 billion, and procurement/construction of maritime patrol vessels (4 x 600 tons and 2 x 1,500 tons) for the Pakistan Maritime Security Agency at a cost of Rs15.948 billion.

A total of nine physical planning and housing projects were discussed in the CDWP meeting, of which seven were approved and one was referred to Ecnec. The total proposed cost of these projects was Rs28 billion.

The CDWP also considered four science and technology projects, of which three were approved. The cost of these projects was Rs2.35 billion

It reviewed five projects of industries and commerce out of which three were approved and one was referred to Ecnec. Among the projects approved were a fruit, vegetable and condiment processing centre to be built in Naushehro Feroze, the National Business Development Programme for SMEs and Product Development Centre for Composite-based Sports Goods.

The CDWP approved a governance project at a total cost of Rs732 million. The project was named CPEC Support Project of the Ministry of Planning, Development and Reform.

In the environment sector, the CDWP approved one project costing Rs193.6 million. The project was about generation of global environmental benefits from improved decision-making processes.

https://tribune.com.pk/story/1536116/cdwp-clears-rs178-billion-malakand-tunnel-project/

PAKISTAN, TURKEY AGREE TO ENHANCE TRADE TIES
Dawn, October 22nd, 2017

ISTANBUL: On the sidelines of the ninth D-8 summit, Prime Minister Shahid Khaqan Abbasi and his Turkish counterpart Binali Yildirim agreed to bolster relations in diverse areas with a focus on trade and economy.

While addressing a joint press stakeout with the Turkish leader on Friday, Mr Abbasi praised Turkey for supporting the people of India-held Kashmir (IHK), who were fighting for their right to self-determination, as well as raising a voice for Rohingya Muslims and Palestinians who were victims of terrorism.

During their meeting earlier, the two leaders had a candid discussion on ways and means to strengthen multifaceted ties between the two brotherly nations.

Mr Abbasi said Pakistan would continue to provide all possible support to Turkey on issues of national interest, including Cyprus. He acknowledged Turkey’s role in finding a political situation to the conflict in Syria and praised it for graciously hosting millions of refugees.

About the situation in Afghanistan, he said Turkey had always played a very constructive role in facilitating peace through better relations between Afghanistan and Pakistan.

Prime Minister Abbasi said Pakistan was confident that as chair of the Organisation of Islamic Cooperation (OIC) and as an influential power, Turkey would continue to maintain its just and principled position by continuing to call for a fact-finding mission to investigate the violations of human rights in IHK.

On the subject of Rohingya Muslims, Pakistan expressed the resolve to support any initiative taken by Turkey as the OIC chair to address the plight of the oppressed community.

The premier also appreciated Turkey's strong support for Pakistan's membership of the Nuclear Suppliers Group (NSG).

"We look forward to Turkey's initiative of organising the Pakistan-Afghanistan-Turkey trilateral summit at an early date," added Mr Abbasi.

Meanwhile on Saturday, Prime Minister Abbasi met Turkish minister for energy and national resources, Berat Albayrak.

The two sides discussed various issues pertaining to the energy sector and measures to enhance cooperation between Pakistan and Turkey in the sector.

https://www.dawn.com/news/1365434/pakistan-turkey-agree-to-enhance-trade-ties

PAKISTAN SEEKS TRADE, ECONOMIC PARTNERSHIP WITH D-8 COUNTRIES
Dawn, October 21st, 2017

ISTANBUL: With focus on upgrading its communications and energy infrastructure and enhancing regional connectivity under the China-Pakistan Economic Corridor (CPEC), Pakistan on Friday sought enhanced trade and economic partnerships with D-8 member states through stronger rail, road, air and sea links.

Representing Pakistan at the ninth summit of the Developing Eight Organisation for Economic Cooperation (D-8), Prime Minister Shahid Khaqan Abbasi urged the members to focus on project implementation for development, progress and prosperity of the people.

The ninth summit, hosted by Turkey, adopted the Istanbul Declaration 2017 and the D-8 Istanbul Plan of Action, reaffirming the group's commitments to establish peace, democracy, and solidarity among the member states.

In the declaration, the D-8 leadership took stock of progress in various fields, including energy and economy, while expressing mutual hope that implementation of development projects and programmes would make the partnership visible and tangible to the people of the member states.

On the occasion, Prime Minister Shahid Khaqan Abbasi handed over chairmanship of the organisation to Turkey.

Addressing the opening session of the summit, Prime Minister Abbasi said Pakistan assumed the chair of the organisation in November 2012 at the eighth summit in Islamabad, which adopted two landmark documents — the D-8 Charter and the Global Vision. The documents provided the essential basis for joint endeavours, he added.

The summit, whose theme was 'Expanding Opportunities through Cooperation', was attended by Nigerian President Muhammadu Buhari, Azerbaijani leader Ilham Aliyev, Iran's first vice president Eshaq Jahangiri and the vice president of Indonesia, Jusuf Kalla.

Pakistan, Mr Abbasi said, made every effort to proactively lead the group towards realisation of its objectives and vision. "It was a privilege for us to host the summit meeting, two sessions of the council and four sessions of the D-8 commission as well as a number of sectoral meetings since November 2012," he added.

The premier said Pakistan was celebrating 70 years of its independence and had confronted many challenges over the last decade.

“We faced unrelenting terrorism emanating from instability in our neighbourhood and the environment in the region and beyond,” he said, stressing that as a result of a comprehensive strategy and unwavering resolve, the country successfully turned the tide.

Prime Minister Abbasi said CPEC would further put Pakistan’s economy on an upward trajectory of robust growth. “Pakistan’s integration into the Eurasian Belt and road network will provide a firm foundation for [its] rapid economic development,” he added.

In his address, Mr Abbasi pointed towards the stagnation of intra-D-8 trade, after an initial increase, saying the apprehension that the target of $500 billion in 2018 — envisaged in the 2008 Kuala Lumpur Summit Roadmap — might remain elusive.

“It is, therefore, important for us to implement various instruments and agreements aimed at facilitating trade amongst member states, especially those related to preferential trade, small and medium enterprises, customs, simplification of visa matters and civil aviation,” he added.

Sectoral meetings at the ministerial level had already chalked out the roadmaps, and now was the time for implementation, the premier urged the members.

On the occasion, Mr Abbasi expressed gratitude for the hospitality extended by the Turkish leadership to the Pakistan delegation since their arrival.

President of Turkey Recep Tayyip Erdogan also addressed the opening session of the summit and spoke on various challenges faced by the Muslim world in general and the member states in particular.

https://www.dawn.com/news/1365211

PAKISTAN, TURKEY AGREE TO ENHANCE TRADE TIES
Dawn, October 22nd, 2017

ISTANBUL: On the sidelines of the ninth D-8 summit, Prime Minister Shahid Khaqan Abbasi and his Turkish counterpart Binali Yildirim agreed to bolster relations in diverse areas with a focus on trade and economy.

While addressing a joint press stakeout with the Turkish leader on Friday, Mr Abbasi praised Turkey for supporting the people of India-held Kashmir (IHK), who were fighting for their right to self-determination, as well as raising a voice for Rohingya Muslims and Palestinians who were victims of terrorism.

During their meeting earlier, the two leaders had a candid discussion on ways and means to strengthen multifaceted ties between the two brotherly nations.

Mr Abbasi said Pakistan would continue to provide all possible support to Turkey on issues of national interest, including Cyprus. He acknowledged Turkey’s role in finding a political situation to the conflict in Syria and praised it for graciously hosting millions of refugees.

About the situation in Afghanistan, he said Turkey had always played a very constructive role in facilitating peace through better relations between Afghanistan and Pakistan.

Prime Minister Abbasi said Pakistan was confident that as chair of the Organisation of Islamic Cooperation (OIC) and as an influential power, Turkey would continue to maintain its just and principled position by continuing to call for a fact-finding mission to investigate the violations of human rights in IHK.

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https://www.dawn.com/news/1365434/pakistan-turkey-agree-to-enhance-trade-ties

EXPORTERS SUGGEST EARLY STEPS FOR KINNOW SHIPMENTS
The Express Tribune, October 22nd, 2017.

KARACHI: A strong linkage between research institutions and the horticulture sector is vital for enhancing exports of fruits and vegetables, suggested Pakistan Fruit and Vegetable Exporters and Importers Association (PFVA) Patron-in-Chief Waheed Ahmed.

Speaking during a visit of PFVA members to the Pakistan Council of Scientific and Industrial Research (PCSIR), Ahmed underscored the need for all stakeholders to prepare early to meet regulatory requirements for upcoming kinnow exports to Indonesia, which were expected to begin from mid-November.

The exporters informed PCSIR Director General Dr Khaula Shirin and scientists about growing research needs of the horticulture sector. Development of disease-free banana varieties by adopting tissue culture technique was among them.

Prospects of establishing a facility for introducing tissue culture were also discussed and it was agreed to prepare a concept paper to meet the goal on a fast track.

The PCSIR DG vowed full support for the upcoming national conference on horticulture being organised by the PFVA. Describing the theme of the conference as very attractive, she voiced hope that it would be a landmark event in the history of horticulture sector.

The delegation discussed the need for research on nematode that infected potatoes which were exported to Russia as well as problems created by thrips for the bitter gourd crop.

PCSIR scientists assured them that they would take up these projects in order to resolve the industry problems.

The PFVA delegation said it would approach authorities for prompt funding of PCSIR projects in a bid to increase fruit and vegetable exports as well as give a boost to the national economy.

https://tribune.com.pk/story/1538176/2-exporters-suggest-early-steps-kinnow-shipments/

NEWS COVERAGE PERIOD FROM OCTOBER 9 Th TO OCTOBER 15 Th 2017
TRADE TIES WITH CHINA
Dawn, October 11th, 2017

A NEW paper from the State Bank of Pakistan draws attention to the implications that our growing trade ties with China have for Pakistan's economy. Although CPEC commands all attention these days, the trade relationship between the two countries has largely receded into the background in the economic conversation.

Yet it is here that both countries have taken the largest strides over the last decade, with Pakistan's share of bilateral trade reaching $13.8bn in 2016, up from $2.2bn in 2005, a near six-fold increase and possibly the fastest-growing trade relationship that we have with any other country. At the heart of this is the free trade agreement that both countries signed in 2006, and which has been stuck in negotiations for expansion since 2012 with the talks continuing to the present day.

The document, which does not represent the official view of the State Bank but is part of its Working Paper series, notes the rapid increase in bilateral trade. However, it argues that the trade relationship "remained tilted in China's favour" because the growth rate of Pakistan's imports from the former country was more than double that of exports since the agreement went into force. Today, China is the single largest source of Pakistan's non-oil imports, according to the paper.

It is important to bear in mind that this is not uniformly a bad situation. It would be simplistic to measure the success of a trade relationship on the basis of the quantum of trade balance alone. As the authors of the report note, many of the imports coming from China consist of growth supporting capital goods, as well as 'import substitution' of those goods that were previously imported at higher prices from other countries but that now come from China. These are positive developments, and show that trade ties need not necessarily be in balance or surplus to be called healthy.

However, what matters is the future trajectory of this relationship, more than its past evolution. For example, at some point imports should either hit a plateau or enter into a decline as capital goods imported into Pakistan lift productivity and their output finds its way back into the Chinese market. Likewise, the substitution effect should not be expected to continue indefinitely. At the moment, 75pc of Pakistan's exports to China consist of raw materials — cotton and rice — while the majority of imports consist of finished goods and machinery.

This relationship can be healthy only for a period of time; if it becomes a permanent state of affairs, its effects on the domestic economy can be harmful. It is imperative, therefore, that the government remain alert and vigorous when formulating its own economic interests as it negotiates the future of Pakistan's growing engagement with China.

https://www.dawn.com/news/1362984

TRADE DEFICIT SURGES ON, SEPTEMBER DATA SHOWS
Dawn, October 12th, 2017

Mubarak Zeb Khan

ISLAMABAD: Pakistan's trade deficit widened nearly 30 per cent in the first quarter of the current fiscal year, the Pakistan Bureau of Statistics said on Wednesday.

It rose to $9.09 billion between July and September from $7bn over the previous year.

The trade deficit increased by 22pc year-on-year in September to $2.8bn.

The rising trade deficit poses one of the most serious challenges for the government in the current fiscal year.

Last fiscal year saw the trade deficit rise to an all-time high of $32.58bn, representing year-on-year growth of 37pc.

The country's annual trade deficit was $20.44bn in 2013. It has been continuously on the rise since then.

The Economic Coordination Committee (ECC) of the cabinet has already approved a strategy suggesting the rationalistaion of tariffs and imposition of regulatory duties on all non-essential imports to curtail the flows of these items.

"We have identified a list of items under the free trade agreement (FTAs), which will be subject to regulatory duties," an official source in the commerce ministry said. Some of the items were already subject to regulatory duties in the last budget.

According to the official, the regulatory duty rates will be increased further on the existing products as well. "The list will be finalised in consultation with the Federal Board of Revenue," the official said, adding the list will be notified by the customs department after approval from Finance Minister Ishaq Dar.

Imports recorded a growth of 22pc to $14.26bn in July-September from $11.67bn a year ago. The import bill increased 16.7pc year-on-year to $4.47bn in September alone. The import bill is rising due to an increase in the arrival of capital goods, petroleum products and food products.

Exports continued to show a rebound that began early in 2017, recording a growth of 10.84pc in July-September. Export proceeds went up to $5.172bn from $4.67bn a year ago. On a monthly basis, exports increased 8.9pc year-on-year to $1.67bn.

Overall exports fell 1.63pc to $20.45bn in 2016-17. The Ministry of Commerce claimed that the changes in the prime minister's package will boost exports. The package was already approved by the ECC, the official source said, adding it will be sent to the cabinet for subsequent approval.

After approval it will be notified by the commerce and textile divisions.

On the other hand, the Ministry of Commerce has also taken some administrative steps, such as providing facility for enhancing exports to African countries. "We are expecting that our administrative measures coupled with policy measures will boost exports in the range of $500 million," the official said.

He said the ministry continues its advocacy for the timely disbursement of refunds as well as payments under the premier's trade enhancement initiative. Moreover, the changes in the existing FTAs will also ensure more market access for Pakistani products, especially in China.

https://www.dawn.com/news/1363242

CANADA SEEKS MORE BILATERAL TRADE WITH PAKISTAN
Dawn, October 13, 2017

SIALKOT: High Commissioner of Canada in Pakistan, Perry John Calderwood, on Thursday stressed the need for boosting bilateral trade and investment between the two countries.

Addressing a meeting of exporters held at the Sialkot Chamber of Commerce and Industry (SCCI), he urged Pakistani exporters to explore the trade markets of Canada. “There is a huge potential for bilateral trade between the two countries,” he added.

Mr Calderwood said Canada intends to increase its mutual trade volume with Pakistan from $1 billion to at least $3bn, for which both countries must take necessary measures.

“Several Canadian multinationals have already invested billions of dollars in various sectors in Pakistan, including solar energy and information technology,” the high commissioner said.

He assured Pakistani exporters that they will get easy access to Canadian markets.

Welcoming the Canadian envoy, SCCI Acting President, Abdul Waheed, in his speech said, “The balance of trade is in favour of Canada at the moment. Canada’s expertise in industrial and economic sectors and its human welfare index is one of the best in the world and we wish to benefit from its capabilities and skills in our capacity building for exports, manufacturing sectors and transfer of technology and knowledge base to the SMEs.”

Mr Waheed added that Canada should encourage mutual exchange of trade delegations and single country exhibitions of Pakistani products in Canada.

The Canadian envoy assured local businessmen of Canada’s will for investment and joint ventures in the value-added industries of Sialkot which would be beneficial for both sides.

“We firmly believe that with Canadian technology and Pakistani craftsmanship, we could do wonders in the international markets”, said SCCI Vice President, Abid Ahmed Khawaja.

On the occasion, Sialkot’s business community urged for establishing strong business-to-business and people-to-people linkages between Pakistan and Canada. They further called for technology transfers and knowledge sharing for improving the small- and medium-enterprise sector in Pakistan.

Bilateral trade between the countries amounted to $856 million in 2015-16 and $911.6m in 2016/17. Pakistan’s major exports to Canada include rice, textiles, cotton yarn, carpets, synthetic fabrics, medical/surgical instruments, sports goods, jewellery, iron, steel and chemicals.

Earlier in the day, Mr Calderwood visited leading industrial units manufacturing sports goods and surgical instruments.

https://www.dawn.com/news/1363404

NEWS COVERAGE PERIOD FROM OCTOBER 1ST TO OCTOBER 8 Th 2017
FPCCI FOR INCREASING IMPORT DUTIES
Business Recorder, 5 October, 2017

M Rafique Goraya

LAHORE: The Federation of Pakistan Chambers of Commerce and Industry (FPCCI) has suggested increase in import duties on unnecessary imports and imposition of 100 percent LC margin on preventable imports to improve the balance of payments situation.

In a statement, president FPCCI Zubair Tufail said that the Government has already taken some laudable steps to restrict unnecessary imports to rescue the depleting foreign exchange reserves and curtail the widening deficits but more measures to cut imports are imperative.

Imports must be reduced which jumped to US$52 billion during the last fiscal year while exports dropped to US$21billion which is a huge gap that calls for more measures, he said.

He suggested expanding the list of items importable and imposition of 100 percent “Letter of Credit” (LC) margin saying that the list of such items may be finalised with the consultation of FPCCI, this step would compel importers to reduce their imports due to liquidity constraints.

Zubair Tufail said the additional duties may be slapped to discourage imports to narrow the trade gap otherwise country will face serious challenges within few months.

He said it is better to take strict measures ourselves instead of waiting for the situation to deteriorate further which will leave us with the only option to approach international lenders again.

He further said that local industries be encouraged instead of making Pakistan a dumping ground for other countries, as the FTAs and PTAs signed with other countries are heavily in favour of our partners and need to be reviewed. At present, under one FTA 85 percent goods are imported into Pakistan worth 15 billion dollars while our exports to that particular country are less than two billion dollars.

It is high time to make serious efforts to increase the exports from the current US$21 billion to at least US$25 billion in the current financial year.

FPCCI supports the demand of the exporters for reduction in electricity and gas prices as per the level prevailing in the regional countries as well as prompt payment of remaining refunds of sales tax and income tax, he said.

http://epaper.brecorder.com/2017/10/04/13-page/674329-news.html

OM ISSUED ON EXPORT OF SUGAR
Mushtaq Ghumman

ISLAMABAD: Ministry of Commerce has issued Office Memorandum (OM) on export of 0.5 million tons of sugar with a subsidy of Rs 10.70 per kg, after ECC’s decision of September 14, 2017.

Commerce Ministry has also set the following conditions for export of sugar in line with the ECC decision: (i) a committee constituted by the Prime Minister will meet during the first week of every month to review the sugar stock, export and price situation; (ii) in case of any abnormal increase in the domestic price of sugar from the level of 7th September, 2017 (Rs 54.87/kg), the Committee would recommend to the ECC for the stoppage of further exports; (iii) the export quota will be approved and monitored by the State Bank of Pakistan (SBP) on first come first serve basis; (iv) only those mills would be allowed to export which have cleared outstanding dues of farmers relating to last season; (v) exports will be completed within 60 days of quota allocation by the SBP. In case of non-shipment within the specified period, a nonperformance penalty of 15% will be imposed on the respective miller; and (vi) after November 2017, it will also be necessary for the mills to start crushing at full capacity throughout the crushing season to become eligible for exports.

According to office memorandum issued on October 3, 2017, the ECC further decided that as recommended by Sugar Advisory Board (SAB) of Ministry of Industries and Production (MoIP), a cash freight support of Rs.10.70/kg may be given to sugar millers on export of sugar subject to the condition that the said amount of freight support will be given on a sliding scale between the international price of US$376/MT (as on 08.09.2017) and $499/MT (the international sugar price which equals the cost of production as calculated by the MoIP) i.e. once the price reaches the level of $499/MT in international market and the State Bank of Pakistan (SBP) would effect the stoppage of the freight support.

On issuance of any export quota, the SBP shall record the prevalent international price on the date of issuance of quota and calculate the amount of freight support that the exporter would become eligible for on utilization of export quota.

The provision of freight support will not be available for already utilized sugar export quota from SBP that is allowed vide ECC's decision of July 18, 2017. The rest of the unutilized quantity

(including quota issued but not executed) out of 300,000 MT shall be considered withdrawn.

The office memorandum further states that freight support will be shared by the federal and provincial governments on 50:50 basis.

Commerce Ministry has requested SBP to arrange via its website full disclosure of the record of sugar export quota allocation as well as the subsidy claims and their disbursement details.

http://epaper.brecorder.com/2017/10/05/1-page/674425-news.html

PAKISTAN SEEKS PTA WITH VIETNAM
Dawn, October 6th, 2017

ISLAMABAD: Pakistan has offered Vietnam to initiate talks on a Preferential Trade Agreement (PTA) for boosting bilateral trade volume.

Secretary Commerce Younus Dagha extended this offer at the fourth meeting of the Joint Trade Commission (JTC), which concluded on Thursday.

The Vietnamese delegation was led by Deputy Minister of Industry and Trade Cao Quoc Hung.

Both the sides affirmed their determination to cooperate in sectors such as energy, IT and telecom and in textile, chemical, leather industries. The fifth meeting of the JTC will be held in Hanoi next year.

The two sides also agreed to cooperate in the auto and machinery, engine and industrial equipment, instruments and agricultural machinery, auto and motorbike, cutlery and surgical goods, pharmaceuticals, sports goods, gems and jewellery, food processing and infrastructure development.

It was also agreed to explore the possibilities of cooperation in the seafood sector such as setting up joint ventures in shrimp farming and seafood processing sector. Pakistan side expressed interest in export of oranges (kinno), mangoes and meat to Vietnam.

They acknowledged the importance of removal of trade barriers in the process of expanding trade ties. Mr Hung said that there is a need for further increase and diversification of the composition of bilateral trade in a balanced and mutually beneficial manner.

He said that both Pakistan and Vietnam need to increase bilateral trade cooperation through further exchange of business delegations, participation in trade fairs and exhibitions, and increased cooperation among their respective chambers of commerce and industry, trade promotion organisations and missions.

https://www.dawn.com/news/1361951

IRAN KEEN TO PROMOTE TRADE WITH PAKISTAN
Dawn, October 07, 2017

SIALKOT: More efforts are being made to promote direct bilateral trade between Pakistan and Iran, said Mr Mehdi Honardoost on Friday.

The Ambassador of Iran in Pakistan was addressing a meeting of exporters at the Sialkot Chamber of Commerce and Industry (SCCI).

Noting that bilateral trade between the two countries saw an increase of 35 per cent during last year, the ambassador assured the business community that Iranian trade markets along the border areas of Pakistan would soon be activated.

All hurdles and trade barriers would be removed and focus would be on promoting bilateral trade ties between Pakistan and Iran, Ambassador Honardoost stressed.

Pakistani exporters should focus on international trade markets of Iran and enjoy trade benefits at all Iranian Free Trade Zones, he added.

Several Iranian companies are showing keen interest in establishing joint ventures with Pakistani businessmen, he said.

The ambassador added that Pak-Iran Gas Pipeline project would lead to an economic revolution in the region.

SCCI President Zahid Latif Malik said the two countries must expand bilateral cooperation in diverse fields to benefit from each other's expertise.

We understand that both countries have agreed to setup a mechanism to ensure implementation of existing agreements, aimed at substantial increase of two-way trade, he said.

"So far, Pakistan and Iran have not been able to build their relationship on an economic footing as indicated by discouraging trade figures. There is a need to take immediate and drastic steps to increase bilateral trade," Mr Malik said.

He suggested regular exchange of mutual trade delegations between Pakistan and Iran, besides encouraging single country trade exhibitions.

SCCI Senior Vice-President Abdul Waheed, Vice-President Abid Ahmed Khawaja and senior officials of the Iranian Embassy were also present at the meeting.

Earlier, the Iranian ambassador also visited various industries and production units in Sialkot.

https://www.dawn.com/news/1362190/iran-keen-to-promote-trade-with-pakistan

ECC TAKES MAJOR DECISION ON PM'S EXPORT PACKAGE
Mushtaq Ghumman & Zaheer Abbasi

Business Recorder, October, 7th, 2017

ISLAMABAD: The Economic Co-ordination Committee (ECC) of the Cabinet has approved 50 percent of the export package incentive for eligible textile and non-textile sectors on the same terms as for the period from January 1 to June 30, 2017 without condition of increment with the objective to boost exports.

A meeting of the ECC chaired by Prime Minister Shahid Khaqan Abbasi on Friday considered the proposal of Commerce Ministry with respect to Prime Minister's Export Package and decided that the remaining 50 percent of the rate of incentive would be provided if the exporter achieves an increase of 10 percent or more in exports as compared to the corresponding period of the last year.

The meeting also decided that an additional 2 percent drawback would be provided for export to non-traditional markets. Besides, expeditious settlement of payments claims by the State Bank of Pakistan (SBP) was also approved. Various measures for rationalization of imports and reducing the import bill were also suggested by Commerce division and Federal Board of Revenue. Detailed lists of import items would be reviewed and finalized.

Sources said a committee constituted by the ECC with Secretaries Finance, Commerce and Chairman, Federal Board of Revenue after detailed deliberations recommended: (i) 50 percent of the rate of incentive for the eligible textile and non-textile sectors already announced in the PM package may be provided on the same terms as for the period January to June, 2017 i.e. without conditions of increment; (ii) the remaining 50 percent of the rate of incentive may be provided, if an exporter achieves an increase of 10 percent or more in exports as compared to corresponding period of the last year; (iii) the actual rate of the incentive may be determined on the basis of annual performance of an exporter, but in order to improve his/her cash flow, the disbursement against recommendation may be made on the performance during July-December 2017 subject to submission of a bank guarantee that the exporter will return the excess amount, in case his/ her annual exports are less than the amount of drawback paid to him/ her;(iv) an additional 2% incentive may be provided for exports to non-traditional markets – Africa, Latin America, non-EU European countries, Commonwealth of Independent States and Oceania.

They added that in order to facilitate the exporters in prompt payment of refunds, it was also proposed that SBP may be instructed to release the amounts of claims of exporters through the banks immediately upon verification of claims and get the reimbursement from the Finance Division after such payments have been made. SBP in consultation with the Commerce Division and stakeholders would devise a mechanism to ensure prompt clearance of drawback claims in compliance with the decision.

As against the exports amounting to Rs 712.96 billion during Jan-June 2017 against the rate of incentive, the admissible liability for the said period would have been Rs 42.94 billion. However, claims amounting to Rs 19.824 billion have been received by State Bank of Pakistan as of September 22, 2017, which is 46.1 % of the admissible liability. On the assumption exports will increase by 10% and that 80% of total admissible amount will be claimed the estimated financial implication for the year 2017-18, as calculated with Finance Division, will be Rs 78.01 billion out of which an amount of Rs 47.13 billion is estimated to be claimed during the current financial year.

The ECC also approved a proposal submitted by the Commerce Ministry to allocate additional quantity of 12 million kilograms of surplus tobacco to all the tobacco companies and dealers on pro-rata basis and deregulated the margins on High-Speed Diesel for the Oil Marketing Companies (OMC) and dealers under the policy of liberalization and deregulation. The impact of the policy would be reviewed after three months. The meeting decided that OMCs would add Fuel Marker in HSD within six months at depot stage to avoid adulteration. The ECC further decided that OGRA would develop a mechanism to monitor the OMCs' commercial stock position, the dealers' inventory system and Fuel Marker System.

The ECC provided a provisional approval of the issuance of Government of Pakistan's sovereign guarantee for Rs 39 billion for construction of 2X660MW Coal Power Project Jamshoro, subject to a third-part evaluation especially pertaining to demand and supply situation.

The ECC also extended the period of provision of subsidy to agricultural tube-well consumers in Balochistan till 31 December 2017 subject to commitment of past payments by all concerned/stakeholders on same terms and conditions as approved earlier by the ECC on 17.06.2015. The meeting decided that approval is linked with a comprehensive review of solarization of the tube-wells to be undertaken on a priority basis in order to save electricity bills and the subsidy being provided by the federal and the provincial governments. The ECC also emphasized the need to put in place efficient irrigation methods. The ECC approved a summary for extending the period of applicability of reduced rate of 0.4 percent advance income tax on banking transactions of non-filers under section 236P of the Income Tax Ordinance 2001 upto December 2017.

http://fp.brecorder.com/2017/10/20171007224167/

November 2017

NEWS COVERAGE PERIOD FROM NOVEMBER 27 Th TO DECEMBER 3rd 2017

TACKLING TRADE DEFICIT BY FACILITATING EXPORTS

The Express Tribune, November 27th, 2017.

The Pakistan Bureau of Statistics (PBS) reported that the trade balance deficit in FY17 stood at $32.6 billion. This was an increase of more than 36% over the value reported in FY16. Imports increased by more than 18%, while exports decreased by 2%.

Although the relative decline in exports is marginal, it is disconcerting that exports are currently at $20 billion. On the other hand, imports have increased to above $53 billion. The trade deficit has increased more than 31% in the first quarter of FY18 over its value in the same period in the previous fiscal year.

Although imports have increased more than 22% over the aforementioned periods, the uptick in the exports was 10%. This rise is mainly due to the recently awarded temporary relief packages to exporters such as cash subsidies and payment of sales tax refunds.

According to the World Development Indicators by the World Bank, exports as a percentage of GDP for Pakistan were 8.7% in 2016, compared to the global average of 29.4% (in 2015) and 18% for the South Asian countries. Pakistan reported its lowest level since 1971 in 2016.

Total trade as a percentage of GDP for Pakistan was reported at 24.5%, compared to an average of 39% for South Asian countries. As total trade includes both exports and imports, the comparison suggests that Pakistan is less open to trade, in terms of its GDP, relative to the other South Asian countries.

Pakistan imposes higher tariff rates on the import of goods, particularly imports of primary goods. According to the data on tariffs provided by the World Trade Organization (WTO), Pakistan ranks amongst the top 20 countries with the highest applied most favoured nation (MFN) tariff rates as well as bound rates on the imports of non-agricultural products. Post 2000s, lower tariff rates have become a norm and have allowed product fragmentation across international borders to flourish.

Although majority of the products imported into Pakistan face less than 10% tariff rates, a large percentage of the tariff lines report rates between 15% and 25%. Interestingly, the products commonly imported into Pakistan such as minerals and metal, petroleum, chemicals and non-electrical machinery report the lowest average MFN tariff rates. On the other hand, MFN tariff rates are higher on the imports of beverages and tobacco, dairy products, transport equipment and clothing.

The recent levy of regulatory duties is likely to be counterproductive. It may not only penalise importers who are reliant on imported inputs to remain competitive in the domestic as well as in their export markets, but also increase imports through illegal channels as is common for products typically facing higher tariff rates. In essence, it is likely to increase the costs of production and reduce the competitiveness of businesses that rely on imported raw materials and intermediate goods. Sudden deviations in tariffs may reduce the diversity of inputs necessary to boost domestic productivity levels.

Analysing the data and using product classifications from World Integrated Trade Solutions (WITS), Pakistan imposes higher tariff rates on the imports of finished goods than several other Asian countries such as China, India and Vietnam. Furthermore, Pakistan also imposes higher tariff rates on the imports of intermediate goods of textile, footwear, electronics as well as vehicles, relative to China, India and Vietnam.

Tariffs on imports of intermediate vehicles exceed those of Bangladesh as well. Higher tariff rates on intermediate goods reduce the ability of Pakistani firms to participate in global value chains, particularly if the exporters are reliant on imported intermediate goods.

On the other hand, Pakistan receives duty-free trade concessions from several of its major trading partners. For instance, the European Union provides duty-free concessions on imports of almost all non-agricultural manufacturing products from Pakistan. Similarly, China provides duty-free concessions on approximately 30% of its imports from Pakistan.

These concessions are primarily provided to improve the competitiveness of Pakistani exports in their markets. Unfortunately, with rising costs faced by exporters, they often struggle to remain competitive and take advantage of the concessional rates offered.

Managing Risks for Sustained Growth, released in November 2017 by the World Bank, indicates that exports from Pakistan declined even though there was an increase in the prices and the global demand of textile products and rice in FY17. Although textile exports from Bangladesh and Vietnam benefitted, Pakistan’s textile imports declined by 2.4% in FY17. Further, it is expected that textile exports from Vietnam will increase by 7% in 2017.

It is suggested in the report that the decline in exports from Pakistan is likely a result of poor trade facilitation, lack of export diversification and protectionist and discretionary trade policies adopted by the government.

However, on a brighter note, the predicted increase reported in exports is 4.7% in FY18 and 10.50% in FY19 contingent upon macroeconomic and political stability, oil prices remaining low and the implementation of reform programmes to reduce the constraints on growth. It is indicated in the report that the industry sector will expand at 7% in FY18, primarily as a result of the completion of power and construction projects planned under CPEC.

On the other hand, it is suggested that current macroeconomic imbalances require more flexibility in the exchange rate regime as well as an improvement in the competitiveness of exports. The report predicts that a higher inflation and a weaker rupee as a result of a moderate devaluation of the rupee are likely to have a moderate impact on consumer spending and debt financing.

In essence, it is crucial to improve the competitiveness of domestic businesses by pursuing an effective trade policy regime, which emphasises on greater integration of Pakistani firms into global value chains. Cash subsidies and payment of overdue funds are only stopgap measures to temporarily boost exports and must not be relied upon as effective instruments in the long-run.

https://tribune.com.pk/story/1569284/2-tackling-trade-deficit-facilitating-exports/

TRADE BALANCE TO BE IN FAVOUR OF PAKISTAN
The Express Tribune, November 29th, 2017.

Planning Commission Deputy Chairman Sartaj Aziz expressed hope that after finalisation of revised Free Trade Agreement (FTA) between Pakistan and China, the trade balance between the two countries is likely to improve considerably and in favour of Pakistan. Talking to a delegation of Chinese journalists, he said that as a result of cooperation in the agriculture sector, Pakistan would fetch an opportunity to export agricultural products to China.

Aziz said that the visit of Chinese President Xi Jinping gave new dimensions to Pakistan-China relations. He said the Chinese vision of One Belt One Road (OBOR) has increased global connectivity. He revealed that the investment value of the first phase of CPEC projects has reached to over $30 billion while overall investment has exceeded $60 billion.

https://tribune.com.pk/story/1571208/2-trade-balance-favour-pakistan/

TRADE ACTIVITIES PICKING UP AT TORKHAM BORDER
Ibrahim Shinwari

Dawn, November 30th, 2017

LANDI KOTAL: Trade activities except imports and exports have begun picking up momentum at Torkham border due to a steady increase in the number of Afghan nationals coming to Pakistan via that crossing point with valid travel documents.

Officials at the border told Dawn that on average, 8,000-9,000 Afghans used Torkham border crossing daily to enter Pakistan but the number jumped to around 15,000 on certain days.

They said the increase in arrival of Afghan nationals was phenomenal compared with 1,200-1,400 such daily entries in the wake of strict travel restrictions imposed on Afghans by Pakistani authorities in June last year when border forces of the two countries traded heavy gunfire over the construction of a gate on the Pakistani side of the border.

The officials said prior to the June incident, Pakistani authorities both at Torkham border and in Islamabad had serious reservations about the unrestricted inflow of Afghans via Torkham border as over 20,000 Afghans, mostly without legal travel documents, used to enter the country causing a huge security risk.

They said initially, the Afghan authorities objected to Pakistani travel restrictions and raised a lot of hue and cry but gradually adjusted themselves to the situation and thus, resulting in steady increase in the visits of Afghans to Pakistan via Torkham border.

“Another positive result of our new border management policy is that our Afghan counterparts have also started managing their own side of the border greatly helping regulate the pedestrian movement at the border crossing,” an official said expressing satisfaction at the ‘changed and friendly’ behaviour of Afghan border officials.

The official said like Pakistan, the Afghan side, too, had separate entry and exit pathways.

“We had requested them (Afghans) to do so in order to regulate human movement on both sides of the border,” he said.

The officials however said the return of both registered and unregistered Afghans living in Pakistan had considerably declined with the onset of the winter season in Afghanistan.

“Such a drop in return is a routine phenomenon during the winter as most Afghans try to avoid harsh weather conditions during the winter season and prefer to stay in Pakistan,” the official said.

He said the increase in the number of incoming Afghans had also benefited local taxi drivers and smalltime business owners at Torkham border.

Cabbie Tayam Khan said as many as 3000 cabs left the Torkham taxi stand every day taking Afghan passengers to different destinations in Pakistan, mostly in Peshawar and Islamabad. “Last year, the number of cabs ferrying Afghans had dropped to 30 or 40 on a daily basis,” he said.

The taxi driver said most Afghans came to Pakistan either for medical treatment or in connection with their businesses, which they had established in Pakistan during their four decades long stay and that some of them regularly came here to meet family members and Pakistani friends.

The restaurant owners and currency dealers also expressed satisfaction at the steady increase in trading activities due to the influx of Afghans.

They said hundreds of taxi drivers had abandoned profession, while over a dozen restaurant owners had shifted to other cities after the Pakistani government announced strict travel restrictions for Afghan in June last year.

They said moneychangers, too, had suffered losses with the abrupt decline in the visits of Afghan nationals. Local businessman Sabir Shinwari said the situation had improved causing better business activity.

“The eateries are now frequently visited by incoming Afghans while the taxi stand also gave a crowded look which is a pleasant sign for local traders and taxi drivers”, he said.

https://www.dawn.com/news/1373726

NEWS COVERAGE PERIOD FROM NOVEMBER 20 Th TO NOVEMBER 26 Th 2017
HUGE CARGO LIES AT KHUNJERAB FOR WANT OF TRANSPORT FACILITY
Dawn, November 21st, 2017

GILGIT: Cargo worth billions of rupees has been lying on both sides of the Khunjerab pass, the Pak-China border in Gilgit-Baltistan, because of shortage of transportation facility, causing heavy losses to the traders associated with the export-import business.

Keeping in view the gravity of the situation, the Pakistani Embassy in Beijing on Saturday requested the Chinese ministry of transport to keep the border open till Dec 15 and ensure availability of container trucks so that stranded cargo could be delivered in both the countries without any hindrance.

GB traders expressed fear that if the stranded cargo was not delivered from Kashgar city in the Xinjiang province to Pakistan and vice versa before Nov 31, they would face losses of billions of rupees.

Under the protocol agreement signed by Pakistani and Chinese authorities, the border is usually closed on Nov 30 and reopened on April 1 every year. The transportation activity, including a bus service, from the Sust valley of Gilgit to

Kashgar city of Xinjiang continues from first of April to first of December every year. Only Chinese containers are permitted to carry import and export goods from both the countries.

Talking to mediapersons, GB import export association's leaders Mohammad Ali Quaid, Zulfiqar Ali, Imtiaz Hussain and others said for shortage of Chinese containers, import goods purchased by Pakistani traders in China had stranded in Kashgar and other cities of Xinjiang province, while export goods, mostly dry fruits, worth billions of rupees, were stranded at Sust dry port. Currently, GB traders are not getting Chinese container trucks to deliver their goods to Pakistan and China through KKH.

https://www.dawn.com/news/1371923/huge-cargo-lies-at-khunjerab-for-want-of-transport-facility

COUNTRY NEEDS QUALIFIED OFFICERS TO BOOST EXPORTS
The Express Tribune, November 24th, 2017.

FAISALABAD: Progress and prosperity of Pakistan is directly linked with economic development and trade and commerce officers will play a key role in achieving this objective, remarked Ayesha Makhdoom, Director Administration Institute of Trade and Commerce, Islamabad.

Speaking to members of the Faisalabad Chamber of Commerce and Industry (FCCI) on Thursday, Makhdoom said Pakistan was facing an economic crisis and it needed highly qualified and professional officers who could contribute to strengthening the economy along with increase in national exports.

She pointed out that the trainee officers, who were on a study tour of Faisalabad, were receiving theoretic knowledge from the institute and for practical experience such study trips were arranged regularly.

"These tours provide them with an opportunity to interact with the business community and discuss the issues they are facing," she said.

She emphasised that some of the officers would be appointed as commercial counsellors in different countries where they would have to play a proactive role in enhancing Pakistan's exports.

"It is imperative to bridge the widening gap between our imports and exports," she said, adding Pakistani exporters before visiting any country must look for real and serious buyers in addition to ensuring their presence during their trip.

Speaking on the occasion, FCCI President Shabbir Hussain Chawla stressed that the real economic strength of Faisalabad was its small and medium enterprises. He dismissed the observation that only leftover and surplus products were exported to other countries and clarified that some industrial units manufactured domestically consumable goods while others produced exclusively for exports.

https://tribune.com.pk/story/1566812/3-country-needs-qualified-officers-boost-exports/

COMMERCIAL RELATIONS: 'PORTUGAL WANTS INCREASED TRADE WITH PAKISTAN'
The Express Tribune, November 24th, 2017.

ISLAMABAD: Portugal's Ambassador to Pakistan Joao Paulo Marques Sabido Costa said on Thursday that Portugal wants to enhance bilateral trade with Pakistan in view of the high potential between the two countries.

Costa also stressed the importance of exchanging trade delegations and promoting business to business linkages to explore new areas of mutual cooperation, while addressing the business community at Islamabad Chamber of Commerce and Industry (ICC).

He said that being a hi-tech country, Portugal is ready to provide technology and machinery to Pakistan in various sectors including agriculture, textile, marble, water resources, building and construction, adding that Portugal is close to EU and Sub-Saharan countries and Pakistan should develop close cooperation with it to get better market access to European and African regions.

Costa highlighted Pakistani Basmati rice and food products as being ‘quite popular’ in Portugal, while asking Pakistan to focus on promoting more products to Portuguese market under GSP Plus scheme.

He said Portugal has offered a Golden Visa Program to attract investment in real estate sector and Pakistani investors should take benefit of this program. He said Portugal has PTAs with many countries and by investing in Portugal; Pakistani investors can promote exports to Europe, Africa, Canada and other regions. He said the ICCI should form a delegation for Portugal to explore new business opportunities.

Speaking at the occasion, Sheikh Amir Waheed, President, Islamabad Chamber of Commerce and Industry said that trade volume between Pakistan and Portugal was not encouraging and stressed that both countries should promote strong connectivity between private sectors to identify untapped areas of mutual cooperation. He said Portugal should enhance the import of Pakistani products including textiles, garments, surgical instruments, sports goods, leather products, fruits & vegetables and other products to extend full benefits of GSP Plus to Pakistan.

https://tribune.com.pk/story/1566822/2-commercial-relations-portugal-wants-increased-trade-pakistan/

CCI REJECTS PROPOSAL ON SUGAR EXPORT REBATE
Business Recorder, 25 November 2017

MUSHTAQ GHUMMAN

ISLAMABAD: The Council of Common Interests (CCI) has reportedly agreed to lift ban on export of sugar permanently keeping in view surplus production but rejected a proposal on increase in export rebate from Rs 10.70 per kg to Rs 20 per kg, well informed sources told Business Recorder.

“The proposal of Sindh government to increase export rebate to Rs 20 per kg was turned down after Commerce Ministry forcefully opposed it. Chief Minister Murad Ali Shah was unhappy with the decision. The Punjab government preferred to stay neutral after supporting Chief Minister Sindh initially,” the sources added.

The export of sugar, organic brown sugar, is banned under the Export Policy Order. The ban on export of sugar was aimed at stabilizing prices in the domestic market and ensuring sufficient supply of sugar due to the deficient domestic production of sugar.

According to sources, over the years, sugar industry has an installed production capacity of around 8.5 million metric tons against a 5.1 million metric tons of estimated annual domestic consumption of sugar.

For the last three consecutive years, there has been surplus production of sugar in the country which had to be offloaded/ exported with heavy freight support outlays. Recently, after a series of decisions by the ECC allowing export of 425,000 MTs of sugar without subsidy, the ECC decided on 14.9.2017 to allow export of 500,000 tonnes of sugar with a cash freight support of Rs.10.70 per kg which forms around 25% to 27% of the FOB value of sugar exports.

As per the information available from the State Bank of Pakistan, some 33 sugar mills have availed of this facility in 461 export contracts totaling 418,215 MTs, utilizing 84% of the export quota, out of which more than 196,000 MTs was exported as of 21st November, 2017.

CCI was informed that on the request of Pakistan Sugar Mills Association (PSMA), a meeting of the Sugar Advisory Board (SAB), was held in Ministry of Industries & Production (MoIP) on October 27, 2017 with Secretary MoI&P in the chair. The SAB observed that the production of sugar in 2016-17 was 7.00 MMT and in the upcoming season it is expected to increase to 8.00 MMT and after deducting expected consumption of 5.100 MMT around 3.00 MMT sugar would be surplus. It was proposed that 1.5 million MTs of sugar may be allowed for export.

Commerce Ministry maintains that the continuous and ever-increasing surplus production of sugar has been induced by the high procurement price of sugarcane fixed by the provincial governments, which pushes the cost of sugar upwards, along with the legal compulsion on sugar mills to buy all sugarcane offered by farmers.

The water-intensive sugarcane crop has been reducing the space for the crucial crops like cotton, oilseeds and others by using precious land and water resources. It has created distortions in the economy. On one hand, there is surplus production of high cost sugar, which cannot be sold in the global market without 27% subsidy and on the other hand, there is a shortfall of 4-5 million bales of cotton production annually which is affecting the raw material base of the textile sector. In addition, there is a reduced production of oilseeds, and other crucial crops increasing their share in imports.

CCI was informed that as the country has moved from the deficit to now an extraordinary surplus production of sugar, there is a need to revisit the policy paradigm to cater to the new economic realities.

Commerce Ministry in its summary submitted the following proposals to the CCI: (i)

CCI may advise the ECC to consider lifting of ban on export of sugar permanently by amending the Export Policy Order. In an unlikely event of shortage of sugar in the country, the ECC can always intervene, as is the case with other food items;(ii) provincial governments may be advised to consider discontinuing the intervention in the pricing mechanism of sugarcane, which induces over production and distorts cropping patterns in the country;(iii) in case any provincial government continues with the practice of intervention in the pricing of sugarcane, it may make provision for freight support for the export of surplus sugar out of its budget; and (v) the federal government may provide its committed share of 50% in the freight support for the exports of sugar made during the current fiscal year 2017-18, i.e. upto 30th June, 2018, to the extent and as per the mechanism approved by the ECC decision of September 14, 2017. This arrangement may be discontinued for any future sugar exports.

According to an official statement, on the issue of export of surplus sugar, CCI decided to recommend to the ECC to allow export of 1.5 million tons with existing subsidy level which is Rs 10.70 per kg.

The sources said, on the proposal to lift ban on export of sugar permanently, CCI agreed in principle. However, a final decision will be taken by the appropriate forum i.e. ECC.

https://epaper.brecorder.com/2017/11/25/1-page/684065-news.html

NEWS COVERAGE PERIOD FROM NOVEMBER 13Th TO NOVEMBER 19Th 2017
TRANSIT TRADE
Uzair M. Younus

Dawn, November 14, 2017

IT'S home to almost a quarter of the world's population and has been one of the fastest-growing regions on earth. A young, enterprising population living here is eager to find its place in the world and could deliver a historic demographic dividend. Yet for all its potential, South Asia continues to be one of the least integrated places.

Inter-regional trade, says the World Bank, accounts for barely five per cent of South Asia's total trade. Compare this to Asean, where inter-regional trade accounts for over a quarter of total trade. This isn't surprising: South Asia is plagued by geopolitical tensions and a history of distrust and disputes, particularly between India and Pakistan, that stymie any progress towards greater economic integration.

The myopia of this region's policymakers is showcased in the impasse between Afghanistan and Pakistan on providing the former greater access to the Indian market through a land route. While Pakistan allows Afghanistan land access to India for its exports, it does not allow Indian goods to make their way to Afghanistan via the same route — Indian exports to Afghanistan must be routed via Pakistan's seaports.

This policy has skewed Afghanistan's trade ties with India and has become a major sticking point of late. According to data made public by Kabul, Afghanistan's exports to India have increased by 227pc, from $70 million in 2011 to $230m in 2016. However, its imports from India in this same period have grown by only 47pc, from $103m in 2011 to $152m in 2016. During the same period Afghanistan's exports to Pakistan increased by 57pc, from $180m in 2011 to $283m in 2016, while imports from Pakistan have increased by 37pc, from $877m in 2011 to $1.2 billion in 2016.

The curbs on Afghanistan's imports from India mean that trucks crossing Wagah with Afghan exports to India must return empty, thereby increasing transportation costs for the country's exporters. Secondly, the restrictions make it more expensive for Afghanistan to purchase Indian goods. Finally, these limitations bolster anti-Pakistan sentiment in Afghanistan. Last month, the Afghan government banned Pakistani trucks from entering Afghanistan, after claiming that Pakistan had stopped allowing Afghan trucks from crossing the Durand Line.

To circumvent these barriers, India and Afghanistan announced an air corridor, which was followed by the first shipment of Indian wheat to Afghanistan via the strategic Chabahar Port in Iran. These alternative routes will increasingly play a major role in bolstering Afghanistan-Iran-India trade ties, while isolating Pakistan from lucrative trade networks. It is worth mentioning that Iranian exports to Afghanistan have increased by 118pc, going from $581m to $1.3bn in 2016.

By not giving India access to the land route via Wagah, Pakistan also risks its plans to use CPEC as a gateway to Central Asia. That route must go through Afghanistan. President Ashraf Ghani recently said his country won't be a part of CPEC unless it is given access to India via a land crossing. Unless a deal is reached, the billions of dollars of transit fees, essential for meeting CPEC repayment obligations, will be at risk.

While elites in Pakistan view Chabahar as a competitor to Gwadar, the Chinese are less keen to view this as a zero-sum game. In fact, Chinese officials are on the record as saying that they see Iran as a key plank in the One Belt, One Road (Obor) initiative. With Pakistani policymakers unable to generate sufficient momentum to meet Kabul's demands on the land route, one can expect the Chinese to hedge their bets, especially if billions of dollars of goods begin to go through Chabahar and into Afghanistan and Central Asia.

Sceptics will argue that China is an all-weather friend and would not undercut Pakistan, that Chabahar is India's pet project and that India has been vehemently opposing Obor. While that may be true, it would be prudent to look at the fact that China is India's largest trading partner, with annual bilateral trade amounting to more than $70bn. This summer, Indian and Chinese forces came face to face in Doklam, but trade continued to grow at the height of the crisis. Further, India is a founding member of the Asian Infrastructure Investment Bank.

China's goal is to foster greater regional trade and cooperation by developing essential infrastructure that facilitates this trade. India is one of the largest economies in the region and the Chinese recognise that it has a role to play in promoting greater regional trade. These trade routes can run through Pakistan, allowing it to earn revenue through the transit trade, or through alternative routes via Iran. To become a conduit for goods flowing to Central Asia, Islamabad must provide full access to India's markets via a land route.

https://www.dawn.com/news/1370405

TRADE GAP WIDENS TO $3.04BN
Mubarak Zeb Khan

Dawn, November 14, 2017

ISLAMABAD: The merchandise trade deficit maintains its pace and posted a growth of nearly 36 per cent in October from a year ago, the Pakistan Bureau of Statistics said on Monday.

The trade deficit rose to $3.04 billion in October this year from $2.24bn over the corresponding month last year. It surged to $12.12bn between July and October from $9.24bn over the last year.

The surge in trade deficit poses a serious challenge to the balance of payment. However, the government has taken several measures, including raising regulatory duties and introducing several non-tariff measures, to curb flows of imports.

Secretary of Commerce Younus Dagha said the impact of tariff rationalisation measures would be visible from December when regulatory duties and regulatory measures would apply to imports. He said the import policy order clearly mentioned that new conditions were not applicable to imports whose LCs or BLs were issued before the date of issuance of the notification.

Mr Dagha said that regulatory duties also did not apply to goods in transit and, therefore, impact of the government's measure would take some time to emerge.

In the year 2016-17, trade deficit was recorded at $32.58bn, showing year-on-year growth of 37pc.

The import recorded a growth of 23pc to $19.18bn in July-October from $15.65bn a year ago. On a monthly basis, import bill increased 23.6pc year-on-year to $4.92bn in October. It is claimed that the surge in import bill is driven by increase in imports of petroleum products, food products and capital goods.

The import of mobile phones and apparatuses also witnessed tremendous growth during the period under review.

Export proceeds showed a lower than expected growth of 7.9pc in October as export proceeds reached $1.89bn from $1.75bn last year. In four months, export proceeds recorded a growth of 10.04pc to $7.06bn as against $6.41bn over the corresponding period last year.

https://www.dawn.com/news/1370304

PAKISTAN, THAILAND: FTA TO BE SIGNED ON JAN 15
The Express Tribune, November 15th, 2017.

ISLAMABAD: A Free Trade Agreement (FTA) between Pakistan and Thailand will be signed on January 15, aimed at enhancing bilateral trade between the two countries.

The 9th round of FTA negotiations will start between Pakistan and Thailand by November 15, in which both sides will present the complete offer list of FTA for reaching the final agreement, a top official of the Ministry of Commerce told APP.

Both sides have exchanged the final offer lists of items for free trade, including automobile and textile sectors in order to remove the reservations of both sectors. Pakistan wants concession on 100 products of textiles, agro-products, plastic and pharmaceuticals as Thailand granted the same to other FTA partners in these products, he said.

https://tribune.com.pk/story/1558506/2-pakistan-thailand-fta-signed-jan-15/

PAKISTAN’S TRADE POLICY SHOULD BE BASED ON PUBLIC-PRIVATE DIALOGUE
The Express Tribune, November 15th, 2017.

The Ministry of Commerce’s forthcoming Strategic Trade Policy Framework (STPF) 2018-2023 must be based on constructive and broad-based engagement between the public and private sectors, said Ministry of Commerce Director General of Trade Policy Noman Aslam on Tuesday.

Addressing a roundtable meeting, organised by the Sustainable Development Policy Institute (SDPI), titled ‘Achieving Export Competitiveness in Pakistan’, he said that the new framework will focus on addressing Pakistan’s gradual decline in export competitiveness over the past 20 years.

Charting the development of Pakistan’s trade policy over the last decade, Aslam highlighted Pakistan’s movement towards a more forward-looking and long-term approach since 2009, when the commerce ministry drafted its first three-year STPF. In this regard, he also appreciated the ministry’s forthcoming trade policy framework, which will be valid for five years, between 2018 and 2023.

Speaking on Pakistan’s decline in exports over the last two decades, World Bank Group Senior Economist Gonzalo J Varela highlighted the country’s challenges in penetrating more diverse export markets and leveraging global value chains as a vehicle of sustained economic growth.

He explained how Pakistan’s overall share of the global export market had declined in comparison to peer economies such as India and Bangladesh, even though the country’s exports had increased in absolute terms.

To reverse this decline, Varela recommended more market and product diversification and measures to improve the quality and sophistication of Pakistan’s export basket.

Providing further insight on the decline of trade and investment in Pakistan, World Bank Senior Economist Nadia Rocha recommended introducing modern trade facilitation measures and a flexible exchange rate mechanism in the country. She recommended measures to reduce the cost-of-doing business, with a view towards creating a more favourable climate for foreign direct investment.

She also highlighted the need for greater trade liberalisation efforts, which can boost productivity and export competitiveness in Pakistan.

Earlier, SDPI Deputy Executive Director Vaqar Ahmed highlighted key issues identified by the business community in the context of nation-wide consultations held by the organisation. He highlighted how local business competitiveness was being eroded by the imposition of multiple taxes by numerous revenue authorities at the federal and provincial levels.

https://tribune.com.pk/story/1558498/2-pakistans-trade-policy-based-public-private-dialogue/

'INVESTMENT TREATY TO BOOST PAK-US TRADE'
Amin Ahmed

ISLAMABAD: The Bilateral Investment Treaty (BIT) would be the first step towards increasing trade between the two countries, Economic Counsellor at US Embassy, Chip Laitinen said on Saturday.

Talking to a group of journalists, Mr Laitinen said, "There is no headway in talks between the two countries on the issue of BIT since Pakistan pulled back from the negotiations."

On the occasion, he said Pakistan and the United States will hold talks for promoting bilateral trade and economic relations early next year under the Trade and Investment Framework Agreement (TIFA).

Mr Laitinen said bilateral trade between Pakistan and the United States increased by 36 per cent during the first nine months of 2017.

However, trade remained in the favour of US which exported agricultural products, equipments (including General Electric locomotives), while textiles dominated Pakistan's export to the US, he said. Pakistan Railways is acquiring locomotives from General Electric in order to strengthen its rolling stock.

Pakistan and the United States held talks in Washington last summer under TIFA.

Pak entrepreneurs to attend GES 2018 The US Embassy is sponsoring the visit of eight Pakistan entrepreneurs to attend the 2018 Global Entrepreneurship Summit (GES) being held in Hyderabad, India) from Nov 28 to 30.

On Friday evening, US Ambassador David Hale accepted, on behalf of the entire United States Mission to Pakistan, an award from the Global Entrepreneurship Network – Pakistan in recognition of the American Mission's strong and concerted efforts to energise and expand Pakistan's entrepreneurial ecosystem.

Speaking at a reception celebrating National Entrepreneurship Month and Global Entrepreneurship Week, Ambassador Hale said that governments come and go but people- to-people-ties between Pakistan and United States are more secure than anything in education and business despite ups and downs in politics.

He lauded the strong entrepreneurial traditions shared by Pakistan and America.

Ambassador Hale noted, "Pakistan can be a knowledge hub in the region,".

He added that he was pleased to recognise Pakistan's delegates to the GES in Hyderabad, India.

https://www.dawn.com/news/1371409/investment-treaty-to-boost-pak-us-trade

NEWS COVERAGE PERIOD FROM NOVEMBER 6 Th TO NOVEMBER 12 Th 2017
'GOVT SHOULD HALT IMPORT TO UTILISE EXISTING STOCKS'
The Express Tribune, November 8th, 2017.

LAHORE: Fertiliser manufacturers in the country have urged the government to halt the import of urea since, according to them, local stocks are sufficient to fulfill demand for the next six months.

"Fertiliser manufacturers are forecasting a surplus urea inventory in the country, enough to meet the local demand over the next six months (October 2017 till March 2018)," Fertilizer Manufacturers of Pakistan Advisory Council (FMPAC) said on Tuesday.

The statement came in response to rumours that fertiliser distributor, the National Fertilizer Marketing Limited (NFML), is urging the government to import 0.5 million tons of urea during the upcoming 'Rabi' Crop-season, it said.

Since local urea producers have achieved a high level of productivity over the past couple of years, Pakistan now has gained the strategic strength to stop spending precious foreign exchange on importing large volumes of expensive urea from abroad, the statement added.

"The inventory position during the year had swallowed to a level that the government allowed export of 600,000 tons. NFML was unable to sell the imported urea bought at very high price and the ECC had to allow them to sell at a throw-away price Rs1,000 per bag with a loss of over Rs600 per bag.

At the end of October the country has a carry-over inventory of 719,000 tons. "This stock is much bigger than the monthly demand of urea in Pakistan, so policymakers need not consider the imports of urea," the statement said.

https://tribune.com.pk/story/1552564/2-govt-halt-import-utilise-existing-stocks/

MALAYSIA SEEKS MORE IMPORTS FROM PAKISTAN
Business Recorder, 10 November 2017

KARACHI: The consul general of Malaysia, Ismail Bin Mohamad Bkri, has spoken of his country's interest in import of fruits, vegetables, meat, and textile products from Pakistan.

Addressing members of the Korangi Association of Trade and Industry he said that Malaysia offers great opportunities for investment and trade in a number of areas, which need to be tapped.

He said that Pakistan's business community should play a role in improving the image of Pakistan in the eyes of other countries. He said when a delegation visits Pakistan, the economic conditions projected hurt economic perceptions about it.

The president of the KATI, Tariq Malik, said that Pakistan has a great potential in Halal meat, processed food, fruits, textile, leather and a number of other products, and there is need for exploring the opportunities for expansion of trade relations with this country.

Shahid Javed Qureshi said that Pakistan is a vast country with a history of more than seven thousand years, and billions of dollars could be earned if its tourism sector were promoted. This would be one of the easiest ways to uplift the country's economy because tourism promotes employment.

He said that Pakistan can provide quality rice on low cost to Malaysia, which imports rice at higher costs from the ASEAN countries.

Tariq Malik said that Pakistan and Malaysia have strong relations rooted in a common culture, and this could help in the promotion of bilateral economic and trade relations. He also conveyed the welcome message by Petron in Chief of KATI to the honorable guest.

Masood Naqi said that currently the Pakistani economy is facing huge pressures because of its trade deficit. The FTA between the two countries largely favours Malaysia, if the two countries work together to improve their product lists to assess the consequences of the agreements, mutual trade can be increased.

The Malaysian consul general responded that Malaysia is always ready to facilitate Pakistani investors for access its market.

https://epaper.brecorder.com/2017/11/10/12-page/681308-news.html

UK FOR ENHANCING TRADE TIES WITH GOVT
The Express Tribune, November 11th, 2017.

LAHORE: British Prime Minister's Trade Envoy for Pakistan and Member of Parliament (MP) Rehman Chishti said on Friday the UK would enhance its cooperation with the Punjab government in different sectors.

Chishti expressed these views during a meeting with Punjab Chief Minister Shehbaz Sharif. The meeting discussed different matters of mutual interest including promotion of Pakistan-UK relations and expansion in bilateral cooperation in different sectors came under discussion. Chishti lauded Shehbaz over his performance in the energy sector.

Speaking on the occasion, Shehbaz said Pakistan and the UK enjoy historically important cordial relations and these relations have been further extended during the tenure of the PML-N government.

Different programmes for bringing improvements in the social sector were working successfully in partnership with UK's Department for International Development (DFID). The bilateral relations between the two countries would be further expanded in future, he added.

He said a culture of transparency has been promoted by the Punjab government and records of public service have been set up by the PML-N government alongside. "Instead of making any claims, we have spent every movement for the betterment of the country," the CM said.

https://tribune.com.pk/story/1554996/1-uk-enhancing-trade-ties-govt/

EXPO PAKISTAN 2017: PAKISTAN SECURES EXPORT ORDERS WORTH MILLIONS
The Express Tribune, November 11th, 2017.

Pakistan has secured new export orders worth millions of dollars from different countries in the ongoing Expo Pakistan 2017, according to leading fruits and vegetables exporters.

"Our members have received a very good response, especially from Indonesia, and we are confident about getting more orders worth millions of dollars," Pakistan Fruit and Vegetable Exporters, Importers and Merchant Association (PFVA) former chairman Waheed Ahmed said.

Since the exhibition will continue for two more days, exporters say they are unable to compile the exact amount of new orders at this moment.

The four-day exhibition (November 9-12) will conclude on Sunday and it is being held at the Karachi Expo Centre.

Exporters say Indonesia can become a big market of Pakistani fruits, especially kinnow (mandarin). Pakistan's major exports to Indonesia include textiles and clothing, vegetables and fruits (mainly oranges) while its major import item from Indonesia is palm oil.

Indonesia offers zero-rated market access to kinnow and oranges from Pakistan, providing a level playing field to this product in the Indonesian market. However, Pakistani exporters face tough competition in Indonesia as regional countries also export fruits to Indonesia on low duties due to the agreements among the Association of Southeast Asian Nations (ASEAN) trading bloc.

Indonesia imports over $650 million worth of fruits and $550 million worth of vegetables annually. Now that Pakistan is regaining its share in Indonesia's fruit imports, its exporters want to export more vegetables as well.

Bilateral trade between Indonesia and Pakistan is expected to reach $2.5 billion this year, according to Indonesian estimates. However, the trade balance is in favour of Indonesia as it exports over $2 billion of goods to Pakistan.

The exhibition has attracted trade delegations from different countries such as Russia, the UK, Thailand, Tunisia, Australia, Vietnam, The Netherlands, Jordan, Argentina, Italy, Kenya, Belgium, Japan, Turkey, Sweden and Lithuania.

Due to low exports to African countries, the Ministry of Commerce has decided to give 2% duty drawbacks on exporters who export to Africa, Federal Secretary for Commerce Mohammad Younus Dagha said on Friday.

"We have decided to increase our exports to Africa due to current low trade base with African countries," said Dagha while speaking at an interactive session on 'Look Africa Trade Forum'.

The seminar was held at the sidelines of the exhibition by the Trade Development Authority of Pakistan (TDAP). The gathering was attended by consul generals and other dignitaries from many African countries.

Meanwhile, Federal Minister of Commerce Mohammad Pervaiz Malik has commented that Pakistan is looking to double its bilateral trade with African countries to $6 billion from $3 billion in the next five years.

https://tribune.com.pk/story/1555258/2-expo-pakistan-2017-pakistan-secures-export-orders-worth-millions/

'STEPS UNDER WAY TO BOOST PAK-UK TRADE'
The Express Tribune, November 11th, 2017.

Plans are afoot to boost trade between the United Kingdom and Pakistan, said UK Prime Minister's Trade Envoy to Pakistan Rehman Chishti at a time when both countries face challenges on several fronts in the wake of Brexit and political uncertainty.

Talking to the Lahore Chamber of Commerce and Industry (LCCI) officials, he said that all aspects of trade with Pakistan are being focused on, adding that the two countries enjoy strong bilateral relations and deep cultural linkages.

Chishti was of the view that his visit will further enhance the relations and improve existing cooperation in various fields particularly in areas of common interest.

"Pakistan is a good emerging market and British businessmen are ready to grow further trade and economic ties with the Pakistani counterparts to avail opportunities."

He said that security in Pakistan has considerably improved. It is the fifth largest populated country and a big consumer market that has grabbed the attention of foreign investors. He stressed that engineering, e-commerce, and vocational training were lucrative sectors for cooperation.

“We want to see Pakistan as a developed country and want to establish trade relations at all level,” he added.

Also speaking on the occasion, LCCI Acting President Zeshan Khalil said that exchange of delegations and participation in exhibitions are useful to tool, to gather more information. Such interactions with counterparts and other stakeholders allow embarking on new areas of cooperation, he added.

Khalil said both countries are playing their due roles in strengthening diplomatic ties, which also reflects in overall trade.

In terms of exports, UK is one of the top five markets in the world for Pakistan, the LCCI official added. UK is ranked at 3rd and 16th places among the top exporting and importing countries, respectively, for Pakistan.

https://tribune.com.pk/story/1555275/2-steps-way-boost-pak-uk-trade/

MOUS SIGNED AT TRADE FAIR
Dawn, November 12, 2017

KARACHI: Several memorandum of understandings (MoUs) and joint ventures were signed on the sidelines of the Expo Pakistan at the Karachi Expo centre on Saturday.

Several B2B (business-to-business) meetings were also held between local and visiting foreign delegates with many maturing into MoUs and proposals for entering into joint venture.

Secretary Commerce Younus Dhaga along with Secretary Trade Development Authority of Pakistan (TDAP), Inaam Ullah Khan, held several meetings with the heads of foreign delegates. In a meeting with the head of Sri Lankan Export Development Board, importance of Free Trade Agreement (FTA) between the two countries was emphasised.

The Sri Lankan board showed keen interest in the import of leather bags, jewellery, construction materials, rice, textiles and sanitary ware from Pakistan.

A trade delegation of Qatari businessmen also called on the secretary commerce and expressed their desire to increase trade relations between both the countries.

The Qatari delegation stressed upon entering into FTA as it could help in removing irritants like banking issues, pricing and freight matter between the two countries.

An eight member trade delegation from Uzbekistan also held a meeting with the secretary commerce wherein it was discussed to arrange direct flight from Uzbekistan to Pakistan as it will be helpful in enhancing trade ties between the two countries.

A delegation from Czech Republic, interested in import of cosmetics, textiles, fruits from Pakistan, also sought cooperation in renewable energy. An MoU was signed between Lahore Chamber of Commerce and Industry and Australian Chamber of Commerce and Industry, according to the TDAP.

Moreover, All Pakistan Gems Merchants and Jewellers Association and Bahrain business group signed MoU.

Similarly, a Thai company has shown keen interest in signing a joint venture with a Lahore-based company.

The most encouraging development of the day was that Afghan-based companies signed an MoU with the Export Processing Zone Authority (EPZA) to invest and purchase a piece of land in EPZA (Karachi) to set-up pulp and dry fruit processing plants.

https://www.dawn.com/news/1369928

BUSINESS COMMUNITY URGES TDAP TO FACILITATE WOMEN
The Express Tribune, November 12th, 2017.

MULTAN: The business community of southern Punjab has urged the Trade Development Authority of Pakistan (TDAP) to take necessary measures for encouragement of women exporters, by facilitating them in participation of international trade fairs, festivals and exhibitions and preparation of documentation for exports.

Different government departments should accommodate women businesspersons in the board of directors, said Multan Chamber of Commerce and Industry (MCCI) President Malik Asrar Ahmed Awan.

He also asked for introduction of special schemes for women in trade, business and industrialisation. Awan stressed that businesswomen should be given facilities so that they could export their products abroad to earn foreign exchange for the country.

https://tribune.com.pk/story/1556188/2-business-community-urges-tdap-facilitate-women/

NEWS COVERAGE PERIOD FROM OCTOBER 30TH TO NOVEMBER 5 Th 2017

FOOD TRADE DEFICIT GROWS BIGGER AND BIGGER
Dawn, The Business and Finance Weekly, October 30th, 2017

Mohiuddin Aazim

AFTER recording a promising surplus in 2012-13 and 2013-14, Pakistan's food trade ran into a deficit. The deficit keeps growing as demand is expanding for imports of food industry raw materials as well as for finished food products, and as issues in our food exports persist.

In 2012-13 and 2013-14, food exports at $4.76 billion and $4.62bn beat food imports of $4.19bn and $4.24bn, respectively, creating food trade surpluses. But the trend reversed the very next year, giving birth to a growing food trade deficit.

This happened despite falling international palm oil prices, which never exceeded the $760 a tonne seen at the end of the 2013-14 fiscal year. In fact, average monthly prices began falling from $755 a tonne in July 2014 and hit the bottom at $485 a tonne in September 2015 before moving up again.

But even during its northward journey so far, it has remained below $760 a tonne, with just one monthly exception of $788 a tonne in December 2016.

“As far as the impact of palm oil price is concerned, you can't trace that element in the current spell of growing food trade deficit,” asserts an executive of Habib Oil Mills.

The same is true also for soya bean oil whose international prices began sliding from $1,210 a tonne in September 2012 and plunged to $590 a tonne in September 2015.

It has been recovering since then (sometimes only to lose recovered grounds), but throughout its upward journey it has remained below $900 a tonne with the only exception of $907 a tonne in December 2016.

Despite low prices of palm oil and soya bean oil, when spending on their imports rise — as it did in 2015-16, and then after a year's gap in the first quarter of this fiscal year — it does inflate our food import bill. But that happened due to larger import volumes. This is good for the economy as it gives boost to edible oil production.

What isn't good, though, is a jump in import of miscellaneous, mostly end-consumer food imports (other than palm oil, soya bean oil, tea, pulses, milk, cream and milk food, dry fruits, nuts and spices).

Imports of hundreds of such food items are growing year after year. In 2016-17, Pakistan spent $2bn, or about one-third of its total food import bill, on the import of these items.

This is where we need to make savings. The recent increase in regulatory duties on imports is expected to help us on this front as more than 200 food items have been subjected to higher duties through a statutory regulatory order (SRO), importers of food items at Karachi's Jodia Bazaar say. The order, issued on Oct 16, notified increased import duties on more than 700 import items.

To contain food trade deficit, going for import substitution is as much necessary as discouraging imports of finished food items. But efforts in this regard are yet to pay full dividends. Ongoing experiments on tea and olive cultivation is a good example. Nothing concrete has emerged in either case — concrete enough to make a dent in imports.

On the exports side, too, our weaknesses are many and varied. Overall rice exports are up but high-priced basmati varieties are not doing equally well due to increasing local consumption and poor export marketing.

Fish and seafood shipments are also growing but not fast enough to give a big boost to our total food exports because investment in fish processing and packaging remains scant.

In fruit exports, we continue to depend heavily on mangoes and kinno, but due to little modernisation in orchard management and fruit processing, exports of even these two fruits remain below potential.

Exports of vegetables are fetching less per-unit value than they should due to issues in packaging and preservation. Besides, tunnel farming is still at initial stages and has yet to contribute in creating big exportable surplus.

Meat exports are suffering from stiff competition from the United States, Australia, New Zealand and other countries, even in our traditional markets in the Gulf Cooperation Council (GCC) region. Oilseed industry is struggling to meet domestic demand and production of dry fruits is falling.

However, some initiatives have been taken for boosting pulses production and their import bill may fall in 2017-18 from a record high of $952m in the preceding fiscal year. Imports of pulses in the July-September quarter have already shown a declining trend.

But adequate availability of water is a must, not only for big-ticket food export items like rice or sugar but also for import-reducing pulses.

Sadly, water woes in the country are far from over. That brings into spotlight the importance of developing crops that consume less water and using water-economising technologies and practices.

On both counts, efforts are being made in Punjab and in Sindh, but not at the scale and intensity to boost outputs dramatically — and soon.

One big reason for our food exports not growing fast enough to cut food trade deficit is that decisions regarding wheat or sugar exports are delayed. By the time we enter world markets, demand begins to fall and we end up exporting low volumes at off-peak prices. Of late, things have, however, begun to change.

In 2016-17 and also in this year, decision on sugar export came almost in time. "If decision-making on wheat exports is also quickened, food exports will grow making a dent in food trade deficit," says a senior official of Trade Development Authority of Pakistan.

But in order to make sugar and wheat permanent items of exports "we need to do lots of work to ensure sustainable growth in outputs of sugarcane", he says. "Judicious allocation of limited arable land for all key food crops (rice, sugarcane, wheat and maize) isn't so easy. Quite often an increase in the area under cultivation of one crop comes at the cost of the other."

https://www.dawn.com/news/1367098

'CUTTING COST MUST FOR SUCCESSFUL REGIONAL TRADE'
Dawn, November 01, 2017

ISLAMABAD: The trade outlook for the Asia-Pacific region is positive for this year but some uncertainties are forecast for 2018, the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) said in its annual trade and investment report.

The report entitled, 'Channelling Trade and Investment into Sustainable Development' emphasises that cutting trade costs and deepening regional cooperation are key to ensuring the benefits of trade and investment can be shared across the region.

Such policy mix may result in $100 billion more exports for the region annually. Export growth is forecast at 4.5 per cent for 2017 and foreign direct investment is also expected to rebound this year, building upon fast growth in green-field investment in 2016 and continued investment liberalisation, according to the report released on Monday.

The report says that global and regional trade remained weak in 2016. The global trade declined by 3.2pc, while Asia-Pacific trade fell by 4.3pc, and at the same time, global and regional trade growth has improved in 2017. As global and regional demand recovers, both the volume and value of the region's exports and imports are projected to increase.

Volume of exports by the Asia-Pacific region is expected to grow by 4.5pc and import growth may reach nearly 8pc. Exports and imports by developing Asia-Pacific countries are predicted to grow faster than those by developed countries in the region, report says.

Although the improved performance of global and regional trade during the recent period is promising, several factors may impact the recovery continuing into 2018. Structural factors that have contributed to weak trade performance since the 2008-2009 global financial crisis persist.

The prospect of global and regional trade recovery will still be fragile for a few years ahead, and ESCAP anticipates that export volume of Asia-Pacific region in 2018 will grow more modestly than in 2017 at 3.5pc, while the import volume will increase by less than 3pc.

In addition, export and import prices, especially commodity prices, are also not likely to increase, and in fact, may trend downward due to the slowdown of investment and consumption precipitated by rising uncertainties. The sluggish prices will cause trade value in 2018 to grow much slower than in 2017.

Commercial services trade recovered modestly in 2016, with exports and imports growing by 0.1pc and 1.3pc, respectively. This growth was driven by the “other commercial services” sector which grew by 1.7pc in 2016. Stronger recovery is expected in 2017 due to the growth improvement of major service sectors. The transport sector, which was contracted by 6.8pc in 2016, registered more than 3pc growth in the first quarter of 2017, promising a strong recovery in 2017. Tourist arrivals also increased 3.3pc in 2016 in the region, with further growth prospects for 2017.

The share of world trade in commercial services captured by the Asia-Pacific region has grown from 24.9pc in 2005 to 30.3pc in 2016, with growth in all sectors outperforming global averages. Trade in commercial services has also increased in importance relative to merchandise trade during that period.

Travel services and transport services accounted for 29pc and 19pc of all services exports from the region, respectively, in 2016. The region provides half of the world’s exported construction services and is increasing its share in insurance services, telecommunications, computer and information services, financial services and charges for the use of intellectual property.

One increasingly important trend in the region is the impact of digital trade relative to merchandise trade. Proliferation of Internet access means that some goods that were previously traded as merchandise goods, such as books and music, are now increasingly traded as services.

In 2016, foreign direct investment (FDI) inflows to the region contracted as a result of timid growth, low commodity prices, and economic uncertainty. While the primary and manufacturing sectors remain important in the region, the importance of the services industry is increasing.

https://www.dawn.com/news/1367532/cutting-cost-must-for-successful-regional-trade

LEBANESE ENVOY FOR MORE MUTUAL TRADE WITH PAKISTAN
Business Recorder, 2 November 2017

LAHORE: Ambassador of Lebanon Mona El Tannir has called for well-tailored sector-specific measures to cement mutual trade ties between Lebanon and Pakistan.

While talking to President of the Lahore Chamber of Commerce and Industry Malik Tahir Javaid, the Ambassador said that businessmen of both the countries should focus each other’s market as Pakistan is an emerging economy while Lebanon offers investors a wide range of investment opportunities in all sectors of the economy, especially in tourism, agriculture, and energy. Furthermore, Lebanon represents a point of entry to a large regional market.

She said the Embassy of Lebanon in Pakistan is facilitating the business community for closer and strong trade and economic ties between Lebanon and Pakistan. She urged the Pakistani businessmen to visit Lebanon to identify the trade and investment opportunities.

LCCI President, Malik Tahir Javaid said that the trade figures revealed that in 2014 the volume of two-way trade was just US $34 million which fell down by 21 percent and 23 percent in following years. He said exports of Pakistan stayed at $30 million in 2014 which contracted by 9 percent and 20 percent in 2015 and 2016 respectively. The same trend was witnessed in imports made from Lebanon to Pakistan, he added.

He said the Lebanese investors, interested in finding new avenues and markets should be encouraged to invest in Pakistan. "We need to properly introduce comparative advantages including geographic and economic advantages in a big way in Lebanon," he added.

Javaid said single country exhibitions of Pakistan and Lebanon should be organized in either country respectively to promote their products. Trade delegations should be arranged on reciprocal basis to facilitate continuous liaison between the business communities of the two countries. Pakistan is already exporting cotton, man-made staple fiber, textile made-ups, articles of plastics, rice and cutlery items to Lebanon.

Many areas of trade and economic cooperation can be identified like construction, consumer goods and consulting services including engineering, doctors & para medical staff, labour, teachers and IT professionals, he added.

The LCCI President said that major bottleneck in promotion of trade between the two countries is lack of timely information about trade and business opportunities in either country. Our respective embassies have to come up with innovative solutions to bridge the communication gap.

https://epaper.brecorder.com/2017/11/02/11-page/679817-news.html

MEASURES TO CUT TRADE DEFICIT ON THE CARDS
Dawn, November 5th, 2017

Mubarak Zeb Khan

ISLAMABAD: The Ministry of Commerce has suggested measures to curtail the widening trade deficit in the next few months.

It has identified several factors that caused an increase in the trade deficit during the last few years. The measures are part of a report that was compiled after deliberations with different government agencies, including the State Bank of Pakistan and Federal Board of Revenue. It was also submitted to parliament.

The trade deficit reached an all-time high of $32 billion last year. In the first quarter of 2017-18, the trade deficit posted a growth of 30 per cent.

The surge in imports is driven by four factors: demand, price, investment and shift in the consumption pattern.

Demand for petroleum products and raw material is inflexible because Pakistan is not an oil-producing country. Similarly, lower domestic production necessitated higher imports of pulses and certain perishable commodities, like garlic, tomatoes and other vegetables.

The report said unit prices of certain products also increased over the past few years. For instance, the per-unit price of palm oil increased 16.67pc, pulses 16.82pc and medical products 15.91pc last year.

Imports of vehicles for the China-Pakistan Economic Corridor (CPEC)-related projects and public transport also contributed to the rising import bill of the country.

Moreover, imports of power generation machinery, construction machinery, transport equipment and office machinery and equipment also surged due to a healthy growth in construction and energy sectors.

The shift from the domestically produced natural gas to liquefied natural gas (LNG) is reflective of the change in the consumption pattern. The additional share of LNG worth $0.65bn increased imports for the current fiscal year by 131.5pc. LNG imports started in March 2016, bloating the import bill.

According to the report, lower demand for rice, leather and textile goods from key markets, like Saudi Arabia, United Arab Emirates (UAE) and Philippines, has resulted in negative growth in exports. Cement exports continued the downward trend due to high competition in South Africa and Afghanistan.

The surge in domestic demand for cement consumption also discourages its exports. Cotton exports declined mainly due to low domestic production.

Moreover, the Ministry of Commerce also identified six cross-cutting factors that are hampering growth in exports.

Six markets – United States, China, UAE, Afghanistan, United Kingdom and Germany – account for more than 50pc of national exports. The lack of market diversification and inadequate value addition are hampering growth in exports.

The ministry also noted that the conflict between the tariff policy and currency appreciation is also affecting competitiveness.

According to the report, the premier's export enhancement package will improve the competitiveness of exportable products. An amount of Rs6bn has been allocated for the current fiscal year for the development of the export sector in terms of technology upgrade, product development, branding and certification development support and drawback of local taxes and levies.

To curtail the import of luxury items and non-essential goods, regulatory duties have been levied on 731 items.

Commerce Secretary Younus Dagha said the impact of these measures will be visible in the import data, which will be released next week by the Pakistan Bureau of Statistics.

He said the trend shows a decline in imports and increase in exports in October.

https://www.dawn.com/news/1368444

December 2017

NEWS COVERAGE PERIOD FROM DECEMBER 25th TO DECEMBER 31st 2017

WHAT IT MEANS TO USE YUAN IN TRADE WITH CHINA

Dawn, December 25, 2017

Mohiuddin Aazim

IT has finally been officially confirmed that Pakistan is considering using the Chinese currency for bilateral trade.

At a weekly media briefing on Dec 21, Foreign Office spokesman Dr Muhammad Faisal said Pakistan and China "will actively use bilateral currencies for the settlement of bilateral trade and investment (transactions) under the relevant arrangements".

In response to a supplementary question, he said, “The two countries aim to promote monetary cooperation between the central banks, implement existing currency-swap arrangements, research to expand the amount of currency and explore to enrich the use and scope of bilateral currency swap [and] assign the foreign currency to domestic banks through credit-based bids to support the financing for projects along the CPEC [China-Pakistan Economic Corridor].”

This means Pakistani and Chinese banks will, in the course of time, be able to open import letters of credit in rupees and yuan (also known as renminbi, or RMB). Moreover, Pakistan will be able to pay for imports from China in yuan rather than in dollars, and Chinese companies investing in CPEC projects will bring in yuan-denominated funds here and remit back their profits and dividends also in yuan instead of dollars or other foreign currencies.

Even non-Chinese companies participating in the CPEC will be able to do that via their Chinese principal companies, senior bankers explain.

“The dollar may remain the most dominating medium of exchange in the foreseeable future. But if Islamabad and Beijing can materialise their dream (to settle bilateral trade and investment transactions in rupees and yuan), we can reduce our dependence on the greenback gradually over a long time,” says the head of a large local bank.

There is a growing trend towards promoting the use of local currencies to settle transactions between two or more countries, as countries seem eager to reduce their overdependence on the US dollar.

As recently as on Dec 11, the central banks of Indonesia, Malaysia and Thailand introduced a framework to boost direct settlement of transactions in their local currencies.

And this makes more sense in the case of Pakistan and China under the CPEC.

Emboldened by its growing global economic clout and out of the necessity to make the yuan a stronger international medium of exchange, China launched a pilot project back in July 2009 to use yuan for cross-border settlements.

The scheme was then developed into a full-fledged framework the very next year, and now hundreds of thousands of Chinese companies transact businesses in yuan with their partners in Hong Kong and some countries of the Association of Southeast Asian Nations.

Besides, after the yuan attained the status of a global reserve currency — the third one after the US dollar and the euro — on Nov 30, 2016, China speeded up efforts for greater use of its own currency for settling transactions with other nations.

For Pakistan, the rupee-yuan settlement of trade with China is important because “it would reduce our needs for US dollars to a significant extent as our imports from China are in excess of $10bn”, explains a central banker.

Initially, even if 25pc of our imports from China are to be financed in yuan, our dollar requirements would decline by $2.5bn within a year.

But, of course, there’s many a slip ‘twixt cup and lip. “The Chinese banking system is used to handling transactions in yuan and other regional currencies (of the countries with which direct settlement of transactions are going on), but we are not,” a treasurer of a local bank says.

The State Bank of Pakistan (SBP) may come up with a framework for this purpose in some weeks or hardly a few months, but for banks to get used to the new system will be a challenge, he says. “An even bigger challenge for bankers will be to explain it to businessmen how the rupee-yuan settlement of transactions would work and how their businesses would benefit from it.”

Bankers recall that there was no big response when the SBP invited bids in 2013 for buying yuan by local banks under a bilateral currency-swap arrangement, which was initially signed in December 2011.

That swap was worth Rs140bn and 10bn yuan. Many bank treasurers don't exactly remember any activity undertaken so far under this currency-swap framework.

"But as we are entering 2018, things have changed a lot. The country is struggling with its external account imbalance and, thanks to CPEC, investment and trade (read imports) activity is growing rapidly," a local bank treasurer says. "So, enlarging the scope of the currency swap and utilising it for settling trade and investment transactions between Pakistan and China can really help in keeping external-sector problems in check."

Now, as we badly need yuan to foot the growing Chinese import bill so that growth in imports and other foreign-currency obligations does not create an unmanageable need for US dollars, only enlarging the amount of rupee-yuan swaps will not be enough.

"What is perhaps more necessary is to sensitise banks and businesses about it and make sure that when the yuan is auctioned in the interbank market for swap against the rupee, banks participate in a big way and they actually do this on the back of corporate-driven demand," a forex dealer at a local bank says.

As a next step, promoting the clearance and settlement of claims of financial institutions through a cross-border interbank payment system is also a must. And Pakistan and China have already agreed upon doing this, according to the Foreign Office spokesman.

Once concrete developments are made in this regard, the free flow of capital and cross-border transfer of legitimate funds between the two countries would become easier, reducing the need for more complex centralised international clearing system in New York and London.

https://www.dawn.com/news/1378744/what-it-means-to-use-yuan-in-trade-with-china

WTO WOBBLES AS FEW COUNTRIES PULL SUPPORT
Mubarak Zaib Khan

Dawn, The Business and Finance Weekly, December 25th, 2017

After the 11th World Trade Organisation (WTO) ministerial conference failed to agree on anything, Pakistan joined a group of 30 members called 'Friends of the Multilateral System', which aims to protect the more than two decades old trade body and post-war trading system.

Therefore, there was no declaration and only a chairs summary was issued after the conference. The US did not agree to any draft declaration, as it wants no reiteration of commitment to a multilateral system.

The United States, once the guarantor of a multilateral trading system, is now leading a group of countries against the WTO. The 164 members of WTO gathered in Buenos Aires last week to break a deadlock over stalled negotiations under the so-called Doha Development Agenda.

At the beginning of the ministerial, there were only 30 members, while the rest joined to the end. Friends of the system and like-minded 46 developing and developed members have come up with a detailed joint declaration expressing concern over the challenges faced by the WTO and stating that opposing countries should support the multilateral trading system.

It was observed that no progress has been made in negotiations since the WTO ministerial conference in Nairobi in 2015. The group demanded that all issues need to be renegotiated, to cater to the needs of the developing countries. The group also expressed concern on non-appointments to Appellate body which are blocked by US.

One of the voices raised was of Pakistan's Commerce Minister Pervaiz Malik who said two concepts were enshrined in the founding document of WTO — multilateralism and development which define the future of global trade and the WTO. Pakistan remains committed to these ideals.

"In our view, any decisions that isolate some members, or do not cater for the concerns and needs of developing countries, will be damaging and retrogressive," the minister said.

Agriculture remains the lifeline for most economies across the globe. Food security and sustainability are one of the greatest challenges for the 21st century. "We must find ways to ensure that we work towards a common future that benefits our next generations," the minister said.

At the ministerial, one of the substantial issues was the public stock holding (PSH) for food security purposes which could not be agreed upon.

Pakistan was supporting a solution with safeguards against market distortions in international market and third country impact. However, India and South Africa wanted a watered-down Bali decision. Many countries wanted PSH to cover new programmes. The US point blank refused anything on public stock holding on food security.

The only outcome of the ministerial was an agreement on a future work programme on fishery subsidies. Similarly, on e-commerce merely a rollover of the moratorium and the present work programme was agreed upon.

Pakistan's Permanent Representative to WTO and Ambassador Dr Tauqeer Shah told this scribe that the country participated actively and positively on all issues ensuring its core interest which was reflected and registered in all those meetings.

He said Pakistan hosted a meeting of Friends of E-commerce to develop a like minded group. In this meeting, he said 16 counties participated including Argentina, Mexico, Costa Rica, Columbia, Uruguay, Sri Lanka, Nigeria, Kenya, China, Moldova, Montenegro and Russia.

On emerging issues, like investment facilitation and trade, no agreement was reached at the ministerial. However, China hosted a ministerial meeting about 40 countries including Pakistan participated and there was a joint statement issued at the end of the meeting.

A new initiative called the 'Programme for Micro, Small and Medium Enterprises' was attempted by a group of 80 countries including Pakistan. The issue was highly deliberated but again no agreement was reached. At the end, a joint statement was issued highlighting the importance of the sector and how to integrate it with the multilateral trading system.

A joint declaration was issued by around 100 counties at the sidelines on economic empowerment of women through trade, facilitated by the International Trade Centre. Pakistan was part of the core teams which worked on the empowerment of women in the global trading system.

Ambassador Tauqeer said the ministerial opportunity was used by Pakistan for a large number of bilateral meetings with Qatar, China, Turkey, Costa Rica, Japan, Tanzania, Russia, Mauritius and the Mercosur countries: Brazil, Argentina, Paraguay and Uruguay.

These discussions were aimed at not only strengthening the multilateral trading system, but also to pursue greater market access on a bilateral basis.

Pakistan is also one of the active members of the Cairns group, propagating removal of all export subsidies, and G-33 developing countries. Dr Tauqeer said the country took part in deliberations of the two forums to present its position at the sidelines of WTO ministerial.

Pakistan also participated in a IPU meeting organised by Argentina parliament parallel to the WTO ministerial. MNA Siraj Khan Chairman of the NA committee on commerce represented Pakistan.

Many trade analysts believe the World Trade Organisation is at a crossroads and that inward looking policies will remain a major threat to the multilateral trading system.

https://www.dawn.com/news/1378728/wto-wobbles-as-few-countries-pull-support

TRADE CARNIVALS CALLED GAME CHANGER FOR BUSINESSES
The Express Tribune, December 26h, 2017.

Trade carnivals would prove to be a game changer for the business people of south Punjab who could not reach markets and buyers directly, remarked Multan Chamber of Commerce and Industry (MCCI) President Malik Asrar Ahmed Awan.

He was speaking at the Multan Trade Carnival organised at the MCCI House in the City of Saints in collaboration with the state-owned Trade Development Authority of Pakistan (TDAP) and other organisations. The three-day trade carnival ended on Monday

At least 119 stalls were set up by different companies as well as Karachi and Multan chambers, the Small and Medium Enterprises Development Authority, Pakistan Small Industries Corporation, police and others.

A number of handicraft booths were also set up by skilled artisans of Balochistan, Khyber-Pakhtunkhwa, Sindh and other parts of the country.

Awan said the carnival attracted domestic and foreign buyers whereas a number of ambassadors were also invited to the event.

He called it a unique exhibition where more than 100 stalls were set up for the display of textile, agriculture, energy and telecom products as well as handicrafts, food and beverages, leather and footwear, electronics and home appliances, boutiques and brands, cosmetics, jewellery, furniture and homeware, arts and crafts, interior decoration, health care and nutritional products and services.

“This event opened the doors to new horizons, markets for small and medium enterprises and entrepreneurs and would provide an opportunity to the beneficiaries to build their relations with business professionals,” he said.

He asked businesspeople of the area to step up networking, avail themselves of partnership opportunities and improve market understanding, knowledge and strategy.

Briefing media, MCCI Secretary General Khurram Javed Butt said maximum number of women was accommodated in the trade carnival to showcase their expertise.

Participants explored new avenues and opportunities to enhance the scope of their businesses with the help of Multan Chamber and government departments. He voiced hope that thousands of visitors including foreign diplomats, corporate chief executives, importers and exporters would throng the carnival in future.

https://tribune.com.pk/story/1592715/2-trade-carnivals-called-game-changer-businesses/

NEED EMPHASISED TO UNLOCK PAKISTAN-RUSSIA TRADE POTENTIAL
The Express Tribune, December 28h, 2017.

Pakistan and Russia are equally important for each other and both countries should strengthen cooperation in all economic sectors for mutual interests, said Lahore Chamber of Commerce and Industry (LCCI) President Malik Tahir Javaid.

Talking to the Embassy of Russian Federation in Pakistan Trade Representative Yury Kozlov, Javaid spoke highly about the importance of the China-Pakistan Economic Corridor (CPEC) and highlighted the trade opportunities and economic potential of Pakistan.

He said that Russian expertise in energy and engineering can help Pakistan grow in these sectors.

The LCCI president also said that Russia helped Pakistan in establishing Pakistan Steel Mills, which played a crucial role in the development of the country.

“Pakistan and Russia have been regular trading partners but the volume of two-way trade hardly reflects the actual potential of trade.”

The president was of the view that the balance of trade favours Russia and among the top importing and exporting destinations of Pakistan around the globe, Russia comes at 33rd and 28th places, respectively.

Referring to the recent trade figures, Javaid said that it is good to see that the volume of bilateral trade has improved after some years. In 2015, it was around $331 million, which went up to $403 million in 2016. This positive change was the result of increase in imports from Russia, which grew from $170 million to $258 million during that period.

He said that in contrast there has been a consistent decline in Pakistan’s exports to Russia. From 2013 onwards, exports dipped from $188 million to $161 million and ended up at $145 million last year.

The LCCI official was of the view that development of formal banking channels and direct flights between the two countries is the need of the hour as these steps will boost bilateral trade.

Talking about CPEC, he said the project is well on its way to completion and Gwadar Port has also become operational.

“We are glad to see that Russia has shown interest to be part of this mega project.”

He further said, “We are optimistic that active collaboration between Pakistan and Russia in CPEC will definitely strengthen trade and economic ties. I think by developing private to private contacts, we can gradually increase the volume of bilateral trade and Pakistan would wish to achieve the favourable balance of trade with Russia.”

Also speaking on the occasion, Kozlov pledged to make joint efforts to enhance the volume of two-way trade.

https://tribune.com.pk/story/1594630/2-need-emphasised-unlock-pakistan-russia-trade-potential/

NEWS COVERAGE PERIOD FROM DECEMBER 18th TO DECEMBER 24th 2017

PAKISTAN EAGER TO START FTA TALKS WITH PACIFIC COUNTRIES

The Express Tribune, December 21st, 2017

Pakistan wants to initiate negotiations with the Pacific and Southeast Asian countries for free trade agreements (FTAs) in an effort to enhance trade and export competitiveness, a senior official of the Ministry of Commerce told APP on Wednesday.

These countries include Japan, Indonesia, Vietnam and the Philippines from the Pacific region, the official said. Pakistan and Indonesia have already agreed on concessions on 20 different items during bilateral negotiations for a preferential trade agreement (PTA).

Both sides discussed 20 tariff lines and Jakarta agreed to give concessions on major export products of Pakistan including rice, textile, ethanol, citrus (kinnow) and mango, he said. “Concession on 20 tariff lines is a major success for Pakistan and now citrus and mango exports to Indonesia are expected to increase,” the official added.

Before the PTA, Indonesia granted only two months for the export of Pakistan’s citrus and mangoes but after negotiations, these fruits can be shipped to Indonesia for the entire year.

Replying to a question, he said annual bilateral trade between Pakistan and Indonesia stands at $170 million which was expected to increase significantly.

He pointed out that the activation of PTA followed the signing of a mutual recognition agreement on plant quarantine and sanitary and phytosanitary measures between Indonesia and Pakistan.

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https://tribune.com.pk/story/1589134/2-pakistan-eager-start-fta-talks-pacific-countries/

SINDH GOVERNOR DISCUSSES BUSINESS TIES WITH BRITAIN

The Express Tribune, December 22nd, 2017.

British Minister for Asia and Pacific Mark Field and Minister for Trade Greg Hands met with Sindh Governor Muhammad Zubair, who was on an official visit to Britain, to discuss business relations between the two countries.

According to a spokesman for the Governor House, Zubair discussed bilateral relations particularly in the context of investment and business. It was acknowledged that there existed enough room to increase Pakistan’s exports to Britain and the current imports of Pakistani goods were negligible. “We need to strengthen our trade relations along with traditional cordiality,” Zubair was quoted to have told the British ministers.

Pakistan’s Ambassador to the United Kingdom Syed Ibne Abbas was also present in the meeting. Discussing the road shows organised in Britain to showcase business as well as investment opportunities in Pakistan, particularly in Sindh, the governor urged the British ministers to exercise their influence in promoting mutual interest of the two countries.

Pakistan, he said, was at the forefront in the ongoing war against terrorism and had paid a heavy price for the cause, remarked the governor. “Our friends in the west need to realise our position and play their role to ensure that achievements made by Pakistan do not go in the vain,” he emphasised.

Claiming that Pakistan's economic policy was paying off with a steady increase in investment opportunities, he said more and more multinational companies were running their outlets in the country's commercial hub Karachi as well as in other major cities.

The British authorities were appreciative of the measures adopted by the government of Pakistan and assured it of their cooperation.

https://tribune.com.pk/story/1590000/2-sindh-governor-discusses-business-ties-britain/

ECC ALLOWS WHEAT, SUGAR EXPORTS
Khaleeq Kiani

Dawn, December 23, 2017

ISLAMABAD: With twin objectives of containing large current account deficit and improving finances of the agriculturists ahead of upcoming general election, the government on Friday decided to export two million tonnes of wheat and 300,000 tonnes of sugar by the public sector entities.

The decisions were taken at a meeting of the Economic Coordination Committee (ECC) of the Cabinet which also granted tax and duty exemptions for Sukkur-Multan Motorway, raising of Rs70 billion loan for making hydropower payments to provinces and tax breaks to companies and universities.

The meeting was presided over by Prime Minister Shahid Khaqan Abbasi.

It approved a proposal of the Ministry of National Food Security and Research to allow the governments of Punjab and Sindh to export 1.5 million tonnes and 0.5 million tonnes, respectively, of wheat including wheat products before June 30, 2018.

The meeting was informed that the country had bumper wheat crop and also had carry-over stocks which required to be offloaded in the international market to improve financial position of the farming community and help earn substantial foreign exchange, notwithstanding an expected increase in wheat prices for domestic consumers.

The ECC also ordered the procurement of 0.3 million tonnes of sugar from the surplus stock of the mills through tendering process and to export the same.

This was done after continuous resistance by some sugar mills to start crushing or pay approved sugarcane prices to farmers. The government said the decision will enable mills to procure cane from the growers at the prescribed rate and to ensure timely payments to the farmers.

The government has been resisting the demands by the sugar mills to increase freight rebate on sugar export from Rs10.70 per kg to Rs20 per kg. To facilitate its millers, Sindh had also announced additional subsidy of Rs9.30 per kg on sugar export.

The federal government, instead agreed to order the Trading Corporation of Pakistan to procure 0.3 million tonnes quantity from the mills on the intervention of the prime minister.

Earlier, the Council of Common Interests (CCI) had allowed the export of surplus sugar of 1.5 million tonnes during the current fiscal year with a freight subsidy of Rs10.70 per kg and the same decision was endorsed by the ECC in its previous meeting.

The TCP had told the government that it had more than Rs6 billion funds at its disposal on account of commodity operation finance but that would insufficient to facilitate 1.5 million tonnes of sugar export. It had also reported that sugar orders from some foreign governments were also available.

The ECC approved a proposal for grant of exemption from taxes and duties for import of construction materials for infrastructure projects of National Highway Authority under the CPEC project. This exemption would be applicable only to the construction of Sukkur-Multan section of Peshawar to Karachi Motorway project.

The ECC also allowed exemption from provision of section 113 of the Income Tax Ordinance 2001 for public sector universities besides allowing exemption from applicability of section 5A of the Income Tax Ordinance 2001 to companies with special agreement with the Government of Pakistan. Under this decision, the profits of companies working with the government including those under CPEC would be exempt from paying income tax on profits.

The ECC approved exemption from re-lending policy of the Government of Pakistan for funds release to State Bank of Pakistan for implementation of the Financial Inclusion and Infrastructure Project.

The meeting also empowered Wapda to raise Rs70bn funds from banks against the sovereign guarantee of the government for clearance of arrears of Net Hydel Profits of the Khyber Pakhtunkhwa and Punjab as already decided by the CCI. The loans would be ultimately financed through an increase in electricity consumer tariff.

Both provinces have been agitating the non-payments of Net Hydel Profit, repeatedly at the level of CCI despite commitments and written agreements by the federal government.

The meeting was told that the CCI had ordered that the Cabinet Division will place the summary titled “tariff determination and notification for 2015-16” of the power division on the agenda of federal cabinet for approval.

https://www.dawn.com/news/1378249/ecc-allows-wheat-sugar-exports

NEWS COVERAGE PERIOD FROM DECEMBER 11th TO DECEMBER 17th 2017
DEMYSTIFYING TRADE EQUATION
Dawn, The Business and Finance Weekly, December 11th, 2017

Dr Muhammad Tahir | Syed Sadaqat Ali Shah

The calls to promulgate a trade emergency in the country are not without a rationale. There are fears that Pakistan may have to go to the International Monetary Fund (IMF) in the short to medium term to cope with the balance-of-payments quagmire.

However, important questions that need to be answered are: why have innumerable bailouts from the IMF not helped Pakistan sort out its problems? Why, unlike India and Bangladesh, have Pakistan’s economic managers failed to bolster trade over the same period? And what should be done to rejuvenate exports and cut imports?

The trade-to-GDP ratio of Pakistan stood at 25 per cent in 2016, far behind India (40pc) and Bangladesh (38pc). The ratio has in fact declined persistently from the highs of 36pc in 2006-08 to the lows of 33pc in 2013 and 25pc in 2016.

The ratio in India too has declined for the same period, but has to a greater extent managed to gain much more than it lost over the same previous years. Bangladesh also experienced ups and downs, but managed to regain the ratio of 38pc at the end of 2016.

Pakistan has taken loans from the IMF over the years to pay its previous loans, that is to honour debt liabilities, in lieu of spending it on structural reforms. With the expensively borrowed money, the country has invariably built foreign reserves, stabilised the rupee against the dollar and plugged twin deficits.

Spending the borrowed money purposelessly has caused the economy to bear irreparable economic losses. For instance, the fiscal deficit has risen owing to higher spending on debt servicing, leaving less for government to spend on public infrastructure or to incentivise exporters. A lack of funds to honour export refunds puts a crunch on exporters, affecting the trade equation.

Simultaneously, the economy needs to focus more on innovation, information technology and contemporary world's demands because consumers prioritise quality over quantity. This can be achieved by bridging the gap between academia and industries.

For trade ratio to increase, the economic managers should pursue industries and exporters to get involved in highly diversified trade activities. Our exports at around $21 billion compared to $48bn imports reflect a myopic approach to deal with the country's trade.

Attributing the burgeoning imports only to the China-Pakistan Economic Corridor (CPEC) won't pull the economy out of the crisis. The fact is that economic managers are responsible for failing to contrive contingency plans. Were they unaware of the size of the multibillion-dollar project?

Let's accept, for a while, their claim that imports will ease once CPEC projects reach maturity. But why have exports deteriorated over the same period?

Therefore, it is understandable to work more on structural reforms than to expect the unexpected from the CPEC. The megaproject is not a panacea to our trade woes, nor will it resolve all the problems our economy faces today. It will be better to add the CPEC to the trade equation rather than painting it as a sole dose to relieve the ailing economy.

A bolstered trade ratio helps economy accomplish inclusive growth, enabling small and medium businesses to exploit the market for their products on competitive prices. So when the foundations of the economy are cemented, it is not difficult for the government to tackle rising unemployment or achieve higher economic growth.

The 5.3pc economic growth Pakistan achieved last fiscal year is more exclusive and least inclusive. Despite higher economic growth, macroeconomic fundamentals — balance of payments, exports, public debt — have worsened over the period.

In contrast, India and Bangladesh have achieved higher trade-to-GDP ratios and 7pc economic growth during the same period by involving small and medium businesses.

Concurrently, perpetually and persistently unexplored markets should be included in the trade equation to help trade grow with countries. Pakistan's dependence on six countries — Germany, the United Arab Emirates, the United States, Britain, Saudi Arabia and Afghanistan — has kept exports more volatile and less sustained.

Exploring new markets for locally produced products, encouraging huge diversifications, signing preferential trade agreements by safeguarding the interests of local businesses, involving small and medium businesses and reducing exports barriers can help tackle trade-related miseries. These are what the economy needs right now to achieve desired inclusive economic growth and an improved trade equation.

The writers teach at the COMSATS Institute of Information Technology, Abbottabad

https://www.dawn.com/news/1375845/demystifying-trade-equation

A SOUR SEASON FOR KINNO EXPORTS
Dawn, The Business and Finance Weekly, December 11th, 2017

Ahmad Fraz Khan

With the kinno export season just beginning, the prospects look dim this year, as the government has already cut the export target to 250,000 tonnes. That's a far cry from the 280,000 tonnes exported last season.

Exporters, however, do not see even this reduced target achievable. They say exports have now been limited to only a few markets in the Far East (Indonesia, Singapore and the Philippines) and the Gulf (mainly Dubai). Combined exports to these countries can only help meet half of the target, they believe.

There have been no exports to Iran for the last two years because of different reasons, whereas the Russian market slipped out of hands for pricing and duty issues.

As for Ukraine, exporters have lost huge money owing to political turmoil there, and they are not ready to risk fresh exports.

Moreover, Pakistan has placed a self-imposed ban on exports to European countries, as a ban coming from there over quality issues could have spillover affects. Thus, the country has limited export markets this year.

The crop situation does not leave much room for optimism either. According to reports from the citrus belt, the yield is normal (around 150 maunds per acre), but the smaller-size citrus forms 70 per cent of the yield this year, leaving only 30pc of the production potentially exportable.

Pakistan's kinno exports have been losing markets owing to various issues. The fruit has been facing canker disease and fungi for the last many years, without any major attempt to check both the issues, which have worsened with the passage of time because of climate change.

Erratic rainfall and hailstorms have at times wiped out the entire crop in one area or another, leaving the residual crop severely compromised on quality. Besides, the country's citrus belt falls between Jehlum and Chenab rivers, both regularly overflowing their banks to inundate the area. The soil of the citrus belt is now on the verge of getting waterlogged.

Moreover, citrus is a deep-rooted fruit which only complicates the situation. Pressed from the two sides — from soil with over-watering and erratic behaviour of clouds from above — the crop has lost its sheen over the years.

Another hindrance to kinno exports is pricing. All major competitors of Pakistan — including Morocco, Turkey and Egypt — have gone through currency devaluation in the last few years, making Pakistani citrus non-competitive on the world market.

Exporters sought a subsidy of $3,000 on each container to be exported to Russia this season, but the government refused to accept their request. With lower domestic quality, exporters from Pakistan would only try to dump their exports, further pushing down the proceeds.

Pakistan, especially Punjab, needs to take some urgent measures to keep citrus a respectably exportable fruit.

Apart from both problems identified above, another issue is related to aging kinno orchards, which have lost their vitality and have become susceptible to all kinds of diseases.

The trees at these orchards should be replaced with genetically strong ones, which have better yields and can withstand climatic pressures.

The Punjab government has not introduced a nursery certification process so far despite the fact that the province produces more than 80pc of the national yield.

No one knows how all these orchards in Sargodha — which contributes over half of the national citrus production — were developed, from where their seeds came and why farmers chose one variety over the other.

With the Seed Act now in place, the Punjab should immediately put a mechanism in place.

The federal government also needs to strengthen its institutions like the Pakistan Horticulture Development and Export Company (PHDEC), which has become irrelevant after being an active leader of the national horticulture export drive which helped open up new markets and develop local standards for fruit to organise domestic market.

With some recent changes in the PHDEC, one hopes the situation would improve and the company also gets some money to regain its lost glory.

Most of the problems facing citrus are well documented in the files of federal and provincial departments. One only needs to start solving them. The earlier, the better.

https://www.dawn.com/news/1375853

EXPANDING MEAT EXPORT MARKET
Dawn, The Business and Finance Weekly, December 11th, 2017

Mohiuddin Aazim

MEAT exports continue to decline, falling by 18 per cent year-on-year to $221 million in the previous fiscal year, mainly because of a narrow export market.

The six-nation Gulf Cooperation Council (GCC) market, our largest meat buyer, still offers much room for exports, but it is high time Pakistan explored other export markets, including those in the Far Eastern, Central Asian and North African regions.

Moreover, Pakistani exporters should also penetrate deeper into existing but least-tapped non-GCC export markets, including Afghanistan, Bangladesh, China, Hong Kong, South Korea, Singapore, Thailand, Turkey, the United States, Britain and Vietnam.

Kuwait and Qatar have recently ramped up live sheep imports from Australia and even the United Arab Emirates (UAE) has started purchasing sheep from there in a big way. Qatar is sourcing 93pc of its total sheep imports from Australia as well, market reports suggest. Rising imports of Australian sheep into the GCC region has reduced their need for import of sheep meat.

Qatar has also opened a dairy farming facility with plans to import and keep 14,000 cows. According to a Reuters report, Qatar will be meeting all its dairy requirements through domestic sources by April 2018, though the country is currently importing meat from various sources and may have to continue limited imports even in the next year and afterwards.

“All this is a big threat to growth of Pakistan’s exports of sheep and goat meat to the GCC,” warns an official of Al-Shaheer Corporation, a leading meat processing and export company.

The GCC countries — which include Saudi Arabia, UAE, Kuwait, Qatar, Oman and Bahrain — have long been major buyers of Pakistani meat. But Kuwait and Qatar are now importing more live sheep as their domestic slaughtering facilities have expanded.

Saudi Arabia and the UAE are importing meat mainly from the US and Australia, but also from Brazil and France. Australian and American companies supplying certified halal meat are also meeting a part of meat import requirement of Oman and Bahrain.

Having said that, demand for Pakistani meat in GCC countries is still huge, both because they are our traditional buyers and because more than 3.5m Pakistanis live there.

“But tapping this demand is becoming difficult for two reasons. First, the Pakistan Halal Authority certification process is a bit slow and, second, meat processing and packaging in our country is not catching up fast with that of advanced nations like the US, Australia and New Zealand,” another leading Karachi-based exporter points out.

Pakistan’s exports of meat and its products fell more than 20pc to 61,516 tonnes in the previous fiscal year. The value of these exports dropped 18pc to $221m.

Officials of the Trade Development Authority of Pakistan (TDAP) and exporters say the exports volume fell mainly owing to lower shipments of frozen meat to the GCC region, where suppliers from the US, Australia and New Zealand did a better business.

Another reason for the decline in meat exports was that domestic demand remained high with an increase in income levels and a rise in craze for meat-based fast food, exporters say.

Growing sales of packaged meat at major chains of superstores at prices with enough built-in margins for meat processors have also facilitated larger domestic sales in recent years.

Exporters say they have been making efforts for the past two years to penetrate into the meat markets of the Far East, and have sold a few million dollars of meat to Hong Kong and Malaysia.

But they lament that they don’t get any meaningful help from Pakistan’s foreign trade missions in these

countries. In the last fiscal year, meat exporters succeeded even in reaching out to far-flung African countries like Kenya and Senegal, non-traditional European markets like Poland and Italy, and Mexico.

Exporters say meat exports to these and similar countries are very small in volume, but could be increased with support from the TDAP and foreign trade missions.

Pakistan’s meat exports comprise mainly beef, mutton, lamb and their products. The country also exports live poultry birds, its processed meat and its products, but poultry export earnings stand nowhere compared to the exports of beef and mutton.

In the last fiscal year, exports of poultry birds earned about $3.5m and exports of poultry meat fetched $4.5m, far higher than $1.9m and $2.3m a year earlier. While live poultry birds were mostly exported to Afghanistan, the bulk of poultry meat went to Vietnam, according to TDAP officials.

But imports have also been growing amid an expanding network of foreign food franchises that use imported chicken.

In the preceding fiscal year, imports of live poultry birds cost Pakistan $9.6m, up from $8.8m a year ago. Imports of poultry meat, however, remained comparatively lower at $136,000 compared to $117,000 a year earlier, according to the State Bank of Pakistan.

Trade deficit of poultry birds and poultry meat can be reduced by bringing down the recently increased duties on the import of ingredients of poultry feed and by providing a suitable export subsidy, officials of the Pakistan Poultry Association say.

The UAE has already lifted an eight-year-old ban on poultry imports from Pakistan, and at Pakistan Expo 2017 held last month in Lahore, Big Bird — a poultry farming company owned by a leading political family in Pakistan — clinched some export deals.

https://www.dawn.com/news/1375858/expanding-meat-export-market

WTO LOSING TRADE FOCUS, TOO EASY ON SOME DEVELOPING NATIONS: US
Business Recorder, 12 December 2017

BUENOS AIRES: US President Donald Trump’s trade chief said on Monday that the World Trade Organization (WTO) is losing its focus on trade negotiations in favour of litigation, and was going too easy on wealthier developing countries such as China.

With Trump’s “America First” trade agenda casting a cloud over the WTO’s 11th ministerial meeting in Buenos Aires, representatives of other major members criticized protectionism and advocated a stronger multilateral trading system, while acknowledging the WTO’s shortcomings.

U.S. Trade Representative Robert Lighthizer, who has said he does not want major agreements out of the meeting, voiced concern that the WTO was becoming a litigation-centered organization.

“Too often members seem to believe they can gain concessions through lawsuits that they could never get at the negotiating table,” he said. “We have to ask ourselves whether this is good for the institution and whether the current litigation structure makes sense.”

Too many countries were not following WTO rules, he complained, and too many wealthier members had been given unfair exemptions as developing countries.

“We need to clarify our understanding of development within the WTO. We cannot sustain a situation in which new rules can only apply to a few and that others will be given a pass in the name of self-proclaimed development status,” Lighthizer told the conference’s opening session.

He said five of the six richest countries claim developing country status at the WTO, without providing evidence to back up the assertion. Of the countries with the six largest economies by Gross Domestic Product, according to the World Bank, only China claims developing market status.

Ahead of the meeting, the United States blocked efforts to draft a joint statement emphasizing the "centrality" of the global trade system and the need to aid development. Its opposition has raised concerns that the WTO will not be able to accomplish even modest goals, such as addressing fishing and agricultural subsidies, at the conference.

"We need to have a clear objective in mind," European Trade Commissioner Cecilia Malmstrom said. "For the European Union, this is clear: to preserve and to strengthen the rules-based multilateral trading system."

Trump has indicated his preference for bilateral deals over the multilateral system embodied by the WTO. The United States has vetoed new judges for trade disputes, pushing the organization into a crisis.

On Monday, Lighthizer said it was impossible to negotiate new rules when many of the current ones were not being followed, and added that too many members viewed exemptions from WTO rules as a path to faster growth.

In a thinly veiled swipe at China's trade practices, Lighthizer said the United States was leading negotiations to "correct the sad performance of many members in notification and transparency."

The United States is backing the EU in its resistance to recognizing China as a market economy, arguing the government unfairly intervenes in the economy. The case, currently before the WTO, could lead to dramatically lower tariffs on imports of Chinese goods.

Chinese Commerce Minister Zhong Shan said on Monday that while trade protection was rising, no country would be able to succeed in isolation and that WTO rules were critical to protecting globalization.

"Let us join hands and take real action to uphold the authority and efficacy of the WTO," Zhong said.—Reuters

https://epaper.brecorder.com/2017/12/12/1-page/687103-news.html

REAP DELEGATION IN COLOMBO SEEKS RISE IN EXPORT OF PAKISTANI RICE
Business Recorder, 13 December 2017

KARACHI: A high-profile trade delegation of Rice Exporters Association of Pakistan (REAP) led by its senior vice chairman Rafique Suleman has reached Sri Lanka for promotion and marketing of Pakistani rice.

The delegation comprises of leading rice exporters as well as small and medium level rice exporters. During the visit, this delegation will have meetings with the concerned ministries' officials and the officials of Ceylon Chamber of Commerce and National Chamber of Commerce and with leading rice importers.

On Monday, the delegation had a meeting with Muhammad Rizwan Hameem, chairman, Cooperative Wholesale Establishment (CWE), which is the state body responsible for the procurement of rice from various origins. CWE also issues tenders for the procurement of rice.

Rafique Suleman had a discussion with the CWE chairman to explore the possibilities to increase rice imports from Pakistan. During the meeting, Janbaz Khan, Deputy High Commissioner of Pakistan and Adnan Lodhi, Commercial Secretary were also present.

Senior Vice Chairman REAP also had a discussion with Sri Lankan Government officials to reduce the heavy import duty imposed on Pakistani long grain rice. He informed that Pakistani rice is very much liked by Sri Lankan people and a good quantity of Pakistani rice has been exported to Sri Lanka for many years.

During last fiscal year 2016-17, Pakistan has exported rice valuing US$ 16 million. But since year 2015, a decline is being observed in the export figure.

The main reason for decline is that Sri Lankan government has included long grain rice as a luxury item and imposed a heavy duty on it. Pakistan rice is long grain; however, there are two separate categories of Pakistan's long grain rice. One category is Basmati rice, in which Super Basmati, PK-385, PK-198/D-98 etc are included, he informed.

This variety is premium quality rice and may be added in luxury item but, another category is coarse varieties, which is called non-Basmati rice (Irri-6, Irri-9 etc). These rice varieties are comparatively cheaper than Basmati rice and famous in common people of Sri Lanka and average price of these varieties are between US$325 to US$400, he said.

During the meeting, Rafique Suleman presented REAP's shield to Rizwan Hameem, chairman CWE. He also appreciated the services of officials of Pakistan High Commission in Colombo who are arranging meetings of REAP delegation with Sri Lankan authorities. He was very optimistic that the visit of REAP delegation would bring fruitful results and Pakistani rice would get maximum market share in Sri Lanka.

https://epaper.brecorder.com/2017/12/13/8-page/687374-news.html

WTO STRUGGLES TO HONE GLOBAL VISION AFTER US TURNABOUT
Dawn, December 14th, 2017

BUENOS AIRES: Trade ministers looked set to wrap up their biennial World Trade Organisation (WTO) meeting without having reached a single agreement on Wednesday, still reeling from criticism brought by the United States, once the WTO's driving force.

The ministers gathered in Buenos Aires were never expected to agree great reforms, with relatively minor and unrelated proposals on the table, including discussions on fishing subsidies and e-commerce.

But a discordant intervention by US Trade Representative Robert Lighthizer on the first morning effectively left the conference adrift, since the WTO requires consensus – unanimity among all 164 members – to reach any agreement.

Even the perfunctory joint ministerial statement looked uncertain.

Driven by President Donald Trump's "America First" strategy and a preference for bilateral deals, the United States had already blocked ambassadors from drafting a text in Geneva, rejecting references to the WTO's central role in the global trading system and to trade as a driver of development.

WTO spokesman Keith Rockwell told reporters that the chairwoman of the conference, Argentina's former foreign minister Susana Malcorra, was still hoping to get ministers to agree on one text later on Wednesday.

"There still seems to be significant gaps. Whether they can find wording that can bridge those gaps I don't know," Rockwell said.

The failure to reach any major deals means that negotiations on the same topics will continue into 2018, with no deadline and no heavyweight ministerial momentum to get agreement. "It's very appropriate to stay at this stage that we are in a forward-looking mode," Rockwell said.

"The focus of most of the work here is on work programmes, and while there is disappointment that we couldn't get a little further in terms of concrete outcomes, being able to nail down an effective work programme is very important."

https://www.dawn.com/news/1376457

JUMP IN TRADE DEFICIT
Business Recorder, December, 15th, 2017

Trade data is again disappointing. According to the July-November 2017 data released by the Pakistan Bureau of Statistics (PBS) on 11th December, trade deficit of the country has swelled nearly by 29 percent to dollar 15.03 billion in the first five months of the current fiscal year. On year-on-year basis, trade deficit surged by 19.44 percent to dollar 2.924 billion in November, 2017 from dollar 2.448 billion in November, 2016.

Pakistan's exports increased by 10.49 percent while imports surged by 21.12 percent during July-November, 2017 as compared to the corresponding period of last year. Exports rose to dollar 9.030 billion from dollar 8.173 billion and imports to dollar 24.060 billion from dollar 19.864 billion during July-November, 2016.

Imports increased by 16.48 percent during November, 2017 over the same month of last year while exports posted a growth of 12.35 percent. Compared to the previous month, trade balance improved by 3.85 percent in November, 2017 as a result of a 4.56 percent growth in exports and a 0.63 percent contraction in imports. Exports have increased to dollar 1.974 billion in November, 2017 from dollar 1.888 billion in October, 2017 while imports decreased to dollar 4.898 billion from dollar 4.929 billion in the same period.

The latest developments on the front of trade account are almost frightening and speak volumes about the emerging problems in the external sector account of the country. It may be recalled that trade deficit of the country which was less than dollar 20 billion in FY14 had surged to dollar 32.58 billion during 2016-17. The trend during the current year suggests that this deficit could be as high as nearly dollar 37 billion which would be about dollar 5.0 billion more than last year.

Although home remittances and DFI are also increasing, the rate of rise is not as robust as to cover the aggregate trade deficit with the result that current account deficit of the country could be substantially higher than last year's. The recent accrual of dollar 2.5 billion from Sukuk and Eurobonds will obviously not be sufficient to cover such a high level of deficit and the government of Pakistan may be forced to borrow more from the international market and foreign banks.

There could be a number of reasons for the disappointing performance of the trade account. Importers may be anxious to build inventories and increase stocks in anticipation of devaluation of the rupee or some other measures by the government to restrict imports while exporters may be handicapped by loss of competitiveness of Pakistani products abroad, political uncertainty, etc.

Fortunately, however, the government, of late, has become more conscious about the issue of widening trade deficit and taken several measures. For instance, Prime Minister's export package has been launched, a regulatory duty has been imposed on non-essential items of imports and disbursement of refund claims has been expedited. With these measures in place, exports have grown, imports have contracted somewhat and trade deficit during November, 2017, has shrunk by a moderate amount.

The visiting IMF mission also seems to have convinced the Pakistani authorities to depreciate the Pak rupee. The protracted absence of Ishaq Dar from the scene would facilitate the introduction of this measure. Obviously, the country cannot afford to spend more than double the amount of foreign exchange on imports than what it earns from exports.

It is quite clear that current account deficit of the country would widen further, and foreign exchange reserves held by the State Bank could dwindle to very low levels in the absence of a slew of corrective steps, forcing the country to negotiate a harsh conditionalities-laden programme with the IMF anytime soon.

https://fp.brecorder.com/2017/12/20171215327401/

SPEAKER NA FOR ENHANCING TRADE TIES WITH GERMANY
Business Recorder, 15 December 2017

ISLAMABAD: Speaker National Assembly Sardar Ayaz Sadiq has emphasized the need of increasing bilateral trade relations between Germany and Pakistan. Pakistani industries can greatly benefit from German technological advancements and a growing middle class population offers great potential to any foreign investor in Pakistan.

He expressed these views while inaugurating the newly established office and showroom by BSH Hausgeräte GmbH, a 100% subsidiary of Robert Bosch GmbH Germany, which has established its second official products showroom in Pakistan in Blue Area Islamabad.

Speaking on the occasion BSH Home Appliances FZE CEO Tomas Alonso said that German companies consider Pakistan a preferred destination for trade and business and Pakistani market offers immense potential of bilateral trade between two countries.

BSH Home Appliances FZE has established its showrooms and offices with local business partner Mega Home Appliances in Pakistan. Managing Director Mega Home Syed Adnan Shah was also present on the occasion.

BSH Home Appliances aims to expand its sales and distribution footprint in Pakistan and working to expand its retailer/distributor network across country.

While addressing the local media Alonso, BSH Home Appliances FZE CEO who is in charge of all Middle Eastern and South Asian region said, “We are targeting to become the No. 1 home appliances supplier in Pakistan by doubling the T/O year-on-year.”

Alonso said that in a country like Pakistan which has been facing power shortage issue, its imperative that hundreds of millions of daily usage household appliances such as refrigerators, oven, dishwashers and washing machines etc. consume less energy to save the power and Bosch small and large home appliances are super efficient in terms of less energy consumption undoubtedly the best choice for Pakistani households.

In a low inflation high growth economy like Pakistan, there is a growing affluent consumer base, which is forecasted to increase by around 6% annually. Both factors are having an overall positive effect on local purchasing power.

Pakistan is the sixth most populous country in the world, making it a very attractive market indeed for the BSH Home Appliances.

“On account of the growing population and a young population with the low median age of 22, we see good business opportunities in Pakistan for Bosch in the medium and long term,” said Alonso.

Syed Adnan Shah, Managing Director Mega Home Appliances said that Pakistani consumers understand the value of German Technology and he is confident that Bosch Home Appliances and Mega Home will together make Bosch, Pakistan’s most preferred home appliances brand.

Adnan Shah also thanked Bosch Home Appliances Management for their trust and partnership with Mega Home Appliances in Pakistan.

The company will focus on the sale of home appliances products for growing Pakistani consumer base.

BSH Hausgeräte GmbH is the largest home appliance manufacturer in Europe, and the 2nd largest worldwide. BSH's product portfolio spans the entire spectrum of modern household appliances that includes everything from stoves, ovens, extractor hoods, dishwashers, washers, dryers, refrigerators, and freezers to small appliances like vacuum cleaners, coffee machines, electric kettles and irons.

This makes BSH the only full-range provider of home appliances globally.—PR

https://epaper.brecorder.com/2017/12/15/9-page/687814-news.html

MORE JAPANESE COMPANIES HEADING TOWARDS PAKISTAN
The Express Tribune, December 14th, 2017.

Improving security condition has brought some new Japanese companies to Pakistan and it is expected that more companies will follow the path, said Consul General of Japan in Karachi Toshikazu Isumura.

"I am personally trying to bring Japanese companies to Pakistan," he said while speaking at an event which was organised by the Pakistan Japan Business Forum (PJBF) on Tuesday night.

Isumura, who spoke in fluent Urdu, said that the current bilateral trade of $2 billion between Japan and Pakistan is too low. He said that companies from both countries should do more business with each other to increase opportunities for trade and investments.

The consul general said that Japan has been importing Pakistani mangoes for the last two to three years and the imports can be increased in coming years.

Due to the presence of about 100,000 members of South Asian communities in Japan, Pakistan can also increase its rice exports to Japan, Isumura highlighted.

Speaking on the Pakistani market, he said that Pakistan's population of about 210 million is big enough to create more business opportunities for both countries.

"Despite all the political and economic challenges, Pakistan's chances to achieve higher economic growth are bright," commented PJBF Chairman Sohail P Ahmed. "Statistics show Pakistan is not a poor country."

Inequality in Pakistan is 52.6% compared with 58% in Bangladesh and 83% in India, he said while quoting a report of Credit Suisse, a Swiss multinational financial services holding company.

According to the report, inequality in Sri Lanka is 66.5%, 67.3 in Nepal and 78.9% in China. Ahmed said that mobile phone penetration and overall internet speed in Pakistan are also better than in India.

"My point to mention all these statistics is to highlight that there is much to be done," he added. Since Japan is the third biggest economy in the world, Pakistan and Japan need to collaborate more on economic fronts.

Pakistan-Japan trade is heavily in favour of Japan. Out of the $2 billion bilateral trade, Pakistan exports to Japan are just over $200 million while the rest are all imports from Japan.

https://tribune.com.pk/story/1583511/2-japanese-companies-heading-towards-pakistan/

‘NON-MUSLIMS DOMINATE HALAL FOOD BUSINESS’
The Express Tribune, December 16th, 2017.

Livestock is an integral part of the agricultural sector of Pakistan and has the potential to grab a huge share in the international halal trade of over $300 billion, which requires the framing of favourable policies on the part of the government.

These views were exchanged between Lahore Chamber of Commerce and Industry (LCCI) President Malik Tahir Javaid and Punjab Agriculture and Meat Company (Pamco) Chairman Mumtaz Khan Manais.

Heading a delegation to the state-of-the-art slaughterhouse, Javaid highlighted that livestock was the biggest economic activity in rural areas and a major source of women empowerment. “The livestock sector is producing its own energy through biogas,” he said.

He asked the government to join hands with the private sector in an attempt to secure a huge share in the international halal trade. He anticipated that meat demand around the world would double in the next two decades and Pakistan had all the resources to become a global leader in that area.

Though the global market of halal food runs into billions of dollars, Pakistan’s share is still insignificant.

“It is high time to give a boost to Pakistan’s economy not by getting aid from foreign countries, but by exploiting the untapped potential of halal food that has created a halal economy,” he said.

https://tribune.com.pk/story/1585341/2-non-muslims-dominate-halal-food-business/

NEWS COVERAGE PERIOD FROM DECEMBER 4th TO DECEMBER 10th 2017
AFTER 2015, HALAL FOOD AUTHORITY ALL SET TO RESUME FUNCTIONING

The Express Tribune, 5 December, 2017

Currently, there is no way to guarantee that imported food items are 100% halal as the authority solely responsible for the task has been dysfunctional since it was established in 2015.

However, in order to address this serious concern and to tap the international halal food market, Federal Minister for Science and Technology Rana Tanveer Husain on Monday announced that the Pakistan Halal Food Authority (PHFA) will be made functional at the earliest.

“Once functional, it [PHFA] will help Pakistan earn precious foreign exchange to strengthen the economy,” he said while chairing a meeting of the Ministry of Science and Technology.

The PHFA’s main purpose is to promote and enhance trade of halal food products to gain share in the international market, he added.

The minister, who will also be the head of PHFA, said, “The importance of setting up PHFA is not only to promote trade in food, but in medicine and cosmetics as well.”

Back in 2015, a bill for setting up an authority to regulate trade in food products strictly within what is permissible by Islamic laws was passed. The authority was established, but unfortunately it became dysfunctional soon after.

Furthermore, the PHFA, established under Ministry of Science and Technology, is not acceptable by many as they believe that it should either function under the Ministry of Commerce or the Ministry of Religious Affairs.

It is strange that a country where strictly halal food products are consumed lacks a legal body to guarantee that the imported food and other items contain ingredients that are 100% halal.

An official privy to the meeting, told The Express Tribune that at present, "work is underway on formulating the rules and roles of the PHFA and once done it will be fully functional".

He said the consumers in Pakistan do not have any platform from where they could guarantee that the ingredients used in certain food products, cosmetics and medicines were halal.

"Almost every day we get to hear news about some haram ingredients being used in certain food items imported by Pakistan as there is no check and balance mechanism in place," he said.

Moreover, in other countries the demand of halal food items is increasing and Pakistan has a very little role to play in this regard.

https://tribune.com.pk/story/1575768/1-2015-halal-food-authority-set-resume-functioning/

ADB SEES CHANCE FOR PAKISTAN TO EMERGE AS TRADE HUB

The Express Tribune, 5 December, 2017

The Asian Development Bank (ADB) has suggested that Pakistan should emerge as a centre of trade and commerce by removing barriers on its international borders as two continents – Asia and Europe – are rapidly growing.

The advice comes at a time when Pakistan is struggling to improve relations with neighbours India and Afghanistan, which have become a stumbling block to any initiative for regional economic cooperation.

"With the rapid economic expansion of RICE countries – Russia to the north, India to the south, China and Japan to the east, and emerging Europe, there is a unique opportunity for Pakistan to emerge as a centre of trade and commerce to achieve higher levels of economic growth and reduce poverty," said Xiaohong Yang, the ADB Country Director.

She was speaking at the formal launch of the Central Asia Regional Economic Cooperation (Carec) Strategy 2030, which is a new long-term strategic framework for regional cooperation.

The strategy is aimed at creating an open and inclusive regional cooperation platform that connects people, policies and projects for shared and sustainable development.

The ADB country director said at present, except for China, the value of Pakistan's trade with other Carec member-countries stood at a very low level and Carec platform had the potential to help Pakistan create a much larger and much-needed integrated regional market.

She emphasised that by reducing or removing barriers at the border and behind the borders, economies of scale could be tapped.

Carec has 11 members but the new strategy is aimed at strengthening coordination with other international and regional cooperation mechanisms including China's Belt and Road Initiative.

Afghanistan, Azerbaijan, China, Mongolia, Kazakhstan, the Kyrgyz Republic, Tajikistan, Uzbekistan, Pakistan, Turkmenistan and Georgia are members of Carec.

"Carec is very much aligned with the China-Pakistan Economic Corridor and both regional initiatives are natural partners of each other," said Safdar Parvez, Director Regional Cooperation and Operations Division, Central and West Asia Department of the ADB.

Carec's new strategy recognises the importance of economic ties with non-member neighbouring countries and will coordinate activities with relevant entities, especially in commercial and academic spheres.

A main stumbling block to Pakistan's endeavour to reach Central Asia is Afghanistan, according to analysts. Kabul wants access to India in return for clearing the route for Pakistan to Central Asian Republics.

Carec forum could contribute to long-term political and economic stability, thereby creating a peace dividend, Xiaohong commented, adding it could provide the impetus for maintaining a stable and sustained growth, which was needed to alleviate poverty and keep Pakistan move forward.

Economic Affairs Division Secretary Arif Ahmed Khan assured the stakeholders of Pakistan's support in mobilising resources for improving and developing regional connectivity as outlined in the new strategy.

Since Pakistan joined Carec seven years ago, the country has benefited from regional connectivity investments worth $1.5 billion, of which the ADB has provided $800 million. Roads have been developed, railway strategies are being prepared and energy projects are under way.

While commenting on the cost of the new strategy, Parvez said the ADB president had announced the bank would provide $1 billion per annum for the next five years to the Carec initiative, but actual cost would be known once projects were conceived and operationalised.

At the end of September 2017, investments in Carec member-countries amounted to $30.5 billion covering 182 projects. The current Carec vision has twin goals of expanded trade and increased competitiveness, but member-countries have confronted complicated challenges spanning different sectors and areas.

The Carec 2030 strategy aligns its activities with national strategies and development plans and with the new international development agenda. It focuses on five operational clusters, which are economic and financial stability; trade, tourism and economic corridors; infrastructure and economic connectivity; agriculture and water; and human development.

https://tribune.com.pk/story/1576003/2-adb-sees-chance-pakistan-emerge-trade-hub/

POSSIBLE POLICY SPACE LIMITS: PAKISTAN WON"T SUPPORT ANY PROPOSAL AT WTO
Mushtaq Ghumman

Business Recorder, December, 10th, 2017

Pakistan has reportedly decided not to support any proposal at the Ministerial Conference (MC) of World Trade Organization (WTO) which can limit its existing policy space in Green Box, Blue Box (development programme) and de-minimis limits, well-informed sources told Business Recorder.

The WTO"s four-day Ministerial Conference is commencing on December 10, 2017 (today) in Buenos Aires (Argentina). Pakistani delegation headed by Minister for Commerce and Textile Pervaiz Malik and comprising Secretary Commerce Younus Dagha and other senior officials including Pakistan" Permanent Representative to WTO Dr Tauqeer Shah has already reached Argentina.

Pakistan is to host a meeting of friends of E-Commerce and Development, a group which was formed by Pakistan. The group comprises Kenya, Sri Lanka, Mexico, Argentina, Uruguay, Costa Rica, Columbia, Chile, and China, etc. Minister for Commerce and Textile Pervaiz Malik will have many bilateral meetings with Trade Ministers of Qatar, Uruguay, Argentina, Paraguay, Russia and European Union. He will also attend a meeting of OIC trade ministers. The commerce minister will also attend meetings of Cairns Group and G 33. Both groups demand elimination of agriculture subsidies by developed countries.

The sources said, in order to firm up Pakistan"s stance on each deliverable, Ministry of Commerce and Textile constituted working groups comprising stakeholders from the federal and provincial governments, which analyzed the issues in detail and made recommendations. Lastly, an inter-ministerial meeting was convened by the Ministry of Commerce under the chairmanship of Minister for Commerce and Textile Pervaiz Malik on November 27, 2017 to finalize recommendations.

Some of the issues submitted by the WTO members and recommendations of inter-ministerial committee on each deliverable agreed are as follows:-

Public Stockholding (PSH) for food security purposes;- Public stockholding programs are used by some developing countries for purchase and sale of food stocks (traditional staple food) at administered prices for food security purpose. In Agreement on Agriculture (AoA), PSH is allowed under Green Box programs, if the purchases of traditional staple food are at current market prices for food security purposes and sales of food stocks are at administered prices for domestic food aid only. While, the public stockholding programs are considered to be trade distorting when they involve purchases at prices fixed by the governments, known as "supported" or "administered" prices. Therefore, the support provided under the public stockholding program at administered prices in counted as trade-distorting domestic support and it"s subjected to AMS limits. However, in December 2013, in Bali Ministerial Conference, the ministers agreed that the existing PSH program should be shielded from any legal challenge under the AoA until a permanent solution is agreed upon.

Keeping in view the demand of provinces to maintain future policy space for old and new support programs, if any, it was agreed that Pakistan may reconsider its position on G 33 proposal, provided that following safeguards shall be made part of the permanent solution of PSH: (i) the developing member, prior to the implementation of the public stockholding program, shall notify the committee on agriculture, the value of stocks to be acquired, previous stock position and the value chain for production for the previous three years of the product concerned; (ii) shall fulfill its domestic support notification requirements under the AoA; (iii) shall provide to the committee on agriculture on annual basis, full information related to its PSH program in accordance with the template contained in Bali decision, no later than 90 days after the end of the calendar (marketing, fiscal) year in question; (iv) shall provide to the committee on agriculture full statistical information not later than 90 days after the end of the calendar (marketing, fiscal) year in question, as well as any information updating or correcting any information earlier submitted; (v) if a member does not present a full and complete notification within the established timeframe, its public stockholding programs shall not benefit from agreed solution of PSH and; (vi) the entity executing any function related to implementation of public stockholding programs shall not be engaged in export operations.

However, efforts would also be made to include following safeguards in the permanent solution of PSH during MC-II: (i) any country having a specific (negotiable, eg 5 percent) percentage share of global exports of the particular product it should not be allowed to use the stock holding programs; and (ii) in any given year, if there is substantial increase in exports of the particular product, the support provided should be accounted for the AMS entitlement or de-minimis limit.

Domestic Support, under AoA, detailed policy criteria were agreed for exempt policies ie Green Box subsidies, Blue Box subsidies and subsidies for development, whereas numerical annual limits were fixed for non-exempt (Amber box) domestic agriculture measures ie schedule-based, total AMS or de-minimis (which is 5 per cent and 10 per cent for developing countries respectively). AMS entitlements have more distorting impact on international prices as compared to de-minimis limits. For example, AMS entitlement of US is $19 billion which USA can utilize either for all products or for one product only. If it uses the whole AMS entitlement for one product/crop, it results in highly subsidies production of that particular product and will have much more trade distorting impact on international prices of that product.

The inter-ministerial committee agreed that Pakistan may support those proposals that talk about elimination of AMS entitlement altogether. However, Pakistan may not accept any proposal, which may limit its existing policy space in Green Box, Blue Box and Article 6.2 (development programs and de-minimis limits).

On rules negotiations on fisheries subsidies, the inter-ministerial meeting has finalized the following recommendations; (i) fisheries subsidy discipline will not be applicable to artisanal, small scale, subsistence & livelihood, fish stocks exclusively within EEZ, RFMO quotas for DCs; (ii) members shall not provide subsidies to Illegal, Unreported and Unregulated (IUU) fishing, including: operators and vessels identified by the flag state, subsidizing member; any RFMO; an international organization; and to fishing for stocks managed by an RFMO where the member or flag state is not a party; (ii) members shall not provide subsidies to increase or maintain capacity of fishing in Areas Beyond National Jurisdiction (ABNJ) or where there is no RFMO quota or right is established;(iii) members shall not provide subsidies to fishing in ABNJ where there is no RFMO quota or right ;(iv) members shall not provide subsidies to fishing negatively effecting overfished stocks and ;(v) members may support enhanced notification requirement for fisheries subsidies.

According to Commerce Ministry, within the context of MC-11, there are currently eleven proposals tabled and being evaluated at the WTO. The current situation is that members seem to be divided along three lines. First, those that want rules or negotiations or some element of rule-making whether assessment or preparation or discussion on rules at some stage after discussions, second, those who want more formalised, horizontal and crosscutting discussion without resort to any kind of rules or negotiations. Third, those that want to continue the existing discussions under the mandated work programme and not formalising a new working group as the current one is enough, and do not want any new rules or negotiations or discussions on rule-making. Given the nascent stages of development of the e-Commerce industry in Pakistan, Ministry of Commerce is of the view that Pakistan"s approach towards the discussions and proposals at the WTO should be focused from a developmental aspect, which encourages growth, as opposed to restricting it through rule-making.

The inter-ministerial committee has recommended that as a matter of policy, Pakistan may maintain a stance that is focused on the developmental aspect of, and is opposed to rule-making on, c-commerce, whether multilateral or plurilateral. Pakistan may oppose the establishment, nor be part, of any forum, by whatever name called, that has or may have the mandate of entering into negotiations on rule-making on e-Commerce.

It was agreed that Pakistan may, keeping in view the ground realities at the WTO and assessment on merits, support a current or future proposal that is focused on the developmental aspect and improvement of developing countries, is beneficial to Pakistan, and is in line with the policy. It was also decided that Pakistan may, keeping in view the ground realities at the WTO, support the Singaporean proposal (JOB/GC/149) as long as it is beneficial to Pakistan, and is in line with the policy. Pakistan will oppose the Bangladeshi proposal of duty free and quota free access to all goods and services from all LDCs that are delivered via c-Commerce platform directly from LDCs" suppliers, due to, it"s probable negative implications on Pakistan"s economy, diversion of investments from Pakistan to LDCs, including Bangladesh, negative impact on Pakistan"s exports of goods and services and growth of Pakistan"s e-Commerce industry;

The inter-ministerial committee also evolved consensus that Pakistan may oppose any proposal on e-Commerce that provides for preferential treatment of LDCs over developing countries, including Pakistan, keeping in view its possible or probable negative implications on Pakistan. Pakistan may, keeping in view the ground realities at the WTO, also be open to being part of any future single platform for cross-cutting discussions on e-commerce providing opportunity for exploratory discussions to address the needs of developing countries, including Pakistan, as long as it is beneficial to Pakistan and is in line with the policy.

Various proposals have been tabled in the Working Party on Domestic Regulation (WPDR) which has been consolidated into a single proposal that has been jointly sponsored by 25 WTO members.

The areas include administration of measures, development of measures, transparency, technical standards, gender equality, necessity test and development in services. These proposals call for advanced disciplines in the area of domestic regulation, such as publication of laws and regulations in advance, the administration of all fees and charges in a transparent manner, the acceptance of electronic applications and copies of required documents in processing authorizations etc. These proposals aim at bringing transparency and predictability to the application of domestic laws in the area of services. The proposal ideally aims to reform countries" regime and lock-in any reforms already conducted. However, its impact on different members varies, inter alia, depending on the level of their development. It is to be noted that due to the varied and opposing standpoints of WTO Members, a decision on WPDR (domestic regulation in services) is not being considered likely during MC.

The sources said that revised consolidated proposal by the Working Party on Domestic Regulation (WPDR) and controversial paragraphs, as they currently stand, should not be accepted, as it has the potential of subjecting the sovereign legislative authority of a Member (Pakistan) to the prior review of its proposed legislation by other WTO members. Instead, they should be amended or a satisfactory clarification may be sought from the co-sponsors so as to address this concern.

https://fp.brecorder.com/2017/12/20171210325759/