January 2019

NEWS COVERAGE PERIOD FROM JAN 21st TO JAN 27th 2019

76 WTO MEMBERS PUSHING FOR NEW E-COMMERCE RULES

Reuters January 26, 2019

DAVOS: Impatient with a lack of World Trade Organisation (WTO) rules on the explosive growth of e-commerce, 76 members – including the US, China, the European Union and Japan – agreed on Friday to start negotiating a new framework.

China, which is locked in a trade war with the US, signalled conditional support for the initiative but said it should also take into account the needs of developing countries, in comments likely to rile Washington.

E-commerce, or online trade in goods and services, has become a huge component of the global economy. A WTO report put the total value of e-commerce in 2016 at $27.7 trillion, of which nearly $24tr was business-to-business transactions.

On the sidelines of the World Economic Forum in Davos, negotiators from the 76 countries agreed to hammer out an agenda for negotiations they hope to kick off this year on setting new e-commerce rules.

"I've said for quite some time it was unacceptable that … the WTO won't have a deeper, more effective conversation about a phenomenon that is driving the global economy today," said WTO Director General Roberto Azevedo. "China was not an original signatory but now they are. They have reaffirmed their intention to start negotiations on e-commerce. I think this is a welcome development," he told a briefing in Davos.

Japan's trade minister Hiroshige Seko said his country hopes to use its presidency of this year's Group of 20 meetings of major economies to help accelerate negotiations.

Published in Dawn, January 26th, 2019

https://www.dawn.com/news/1459864/76-wto-members-pushing-for-new-e-commerce-rules

GERMANY INTERESTED TO INVEST IN SMES IN PAKISTAN

By Salman Siddiqui Published: January 23, 2019

KARACHI: Germany, the largest economy of Europe, is keen to expand trade and investment ties with Pakistan, especially in the area of small and medium-sized enterprises (SMEs).

"We see growing interest from the SMEs and this is a vast domain where trade and bilateral relations could be extended," German Consul General Eugen Wollfarth said during his visit to the Pakistan Stock Exchange (PSX) on Wednesday.

SMEs are termed the backbone of German economy as they steer exports from the country. In fact, 99.6% of all companies in Germany are SMEs which employ nearly 60% of the entire workforce of the European economic powerhouse.

A handful of these SMEs are global leaders in their respective niche segments such as Bayer, BASF, Daimler, Volkswagen and Siemens.

According to Germany's trade and investment website, the said companies contribute extensively to the country's manufacturing industrial base.

Recalling that a German business delegation paid a five-day visit to Pakistan in October 2018, Wollfarth noted that substantial efforts were made to attract businessmen from big companies, however, most of them were already present in Pakistan.

Discussing a proposal to transform the German-Pakistan Chamber of Commerce and Industry into one that stood on a par with German standards, he pointed out that such a move would lead to more German businessmen visiting Pakistan.

He anticipated that the ongoing stabilisation programme in Pakistan would bear fruit. "The good news is that…Pakistan will continue stabilisation in the country," the consul general said, referring to the announcement of second mini-budget later in the day.

He insisted that the stock exchange was an important and integral part of an economy as it promoted investment.

"If the two nations can do something… together with the stock exchange or other financial institutions, the German side is prepared to (invest)," he said. "Let's look forward and hope for a good day, a good month and a year to come."

https://tribune.com.pk/story/1895174/2-germany-expresses-interest-investing-smes/

NEWS COVERAGE PERIOD FROM JAN 14th TO JAN 20th 2019

CANADIAN HC FOR TRADE RELATIONS WITH PAKISTAN

RECORDER REPORT | JAN 19TH, 2019 | KARACHI

The Canadian High Commissioner Wendy Gilmour has said there is great opportunity for Pak-Canada trading relationship for direct merchandise trade, services, and investment in both directions. She was talking to the journalists during her visit to Pakistan Stock Exchange (PSX) on Friday.

The Canadian HC and her team visited the PSX to open the trading session with the gong ceremony. Board chairman Sulaiman Mehdi, managing director Richard Morin, board members Ahmed Chinoy and Shehzad Chamdia and senior management of PSX received the distinguished guests and led them to the Trading Hall for the ceremony. Welcoming the guests, the PSX team apprised HC Gilmour and her team about the role of PSX in developing the capital market and the macro economic impact on the capital market.

Opening the trading day with the gong ceremony, the Canadian High Commissioner thanked the PSX team for inviting her. She said “We are ready and interested to work with Pakistan business community and take advantage of the abundant opportunities that Pakistan offers for socio-economic growth with multifarious business opportunities in a wide spectrum of industries and economic sectors.”

After the gong ceremony, an informal meeting took place between the PSX team and Canadian High Commission team. In the meeting, matters relating to Pakistan economics, Investment environment, Capital market and the new government were discussed. The possibilities of investment by Canadians including the Pakistani diaspora in Canada were also discussed. From the Canadian investors’ perspective, the main concerns brought to the table include access to the Stock Market as well as profit repayments procedures. Furthermore, the potential attractiveness of the market was also emphasized.

PSX MD Richard Morin explained and identified options of portfolio fund managers in Canada who can assist and provide access to the Canadian investors to Pakistan Stock Exchange. He also highlighted that there is a US based ETF on Pakistan in US, so Canadian investment managers can work with PSX to develop offer for the investors in Canada.

PSX board chairman Sulaiman Mehdi talked about the general economic environment of Pakistan, its political and security situation. He emphasized that the situation is bound to get better in the country with the necessary steps being taken by the current government in the right direction. He mentioned that Pakistan was making efforts to transition from a trade-oriented economy to an industrialized one.

On the subject of business facilitation via subsidies, PSX Board member Ahmed Chinoy commented that government has offered subsidies across all major sectors to enhance business activity and improve investment climate.

PSX board member Shehzad Chamdia added that the current economic situation will hopefully straighten out and foreign currency reserves will stabilize in the near future as the efforts start taking effect. This is turn will allow a smooth and speedier remittance mechanism in the near future, he added.

Canadian HC Wendy Gilmour said Pakistan and Canada enjoy historical ties based on trust and friendship. She added that Canada has endeavoured to help Pakistan in its strides to develop economically and in other spheres of national importance, as well, like development assistance, safety & security, governance, democracy, human rights and climate change. She hoped that good relations between the two friendly countries will prevail and would allow for continuation of Canadian assistance to Pakistan in the future in other spheres as well such as Information Technology and Renewable Energy.

Richard Morin and the PSX team thanked the Canadian High Commissioner and her team for their visit. Morin hoped that further economic cooperation between Canada and Pakistan will lead to better prospects for the development and progress of Pakistan’s economy while providing for trade benefits and further cooperation for Canada.

https://fp.brecorder.com/2019/01/20190119440740/

PM KHAN FORMS COMMITTEE TO BOOST TRADE WITH TURKEY

The Newspaper’s Staff Reporter Updated January 17, 2019

ISLAMABAD: Prime Minister Imran Khan has constituted an eight-member ministerial committee to negotiate a long-term Strategic Economic Framework (SEF) arrangement with Turkey.
This comes as a follow-up of the prime minister's recent visit to Turkey during which the two countries had agreed to putting in place a framework to enhance bilateral economic cooperation with a special focus on trade and investment.
The two sides had also agreed that a draft plan for economy under the SEF would be developed in a month. The vice-president of Turkey and Finance Minister Asad Umar were designated to lead the task from their respective sides.
The committee led by Mr Umar has been asked to assess the potential, identify bottlenecks and work out a plan that could be discussed with the Turkish side. The committee comprises federal ministers: Zubaida Jalal (Defence Production), Khusro Bakhtyar (Planning, Development and Reform), Aamir Mehmood Kiani (National Health Services, Regulation and Coordination), Muhammad Mian Soomro (Privatisation Division and Aviation), Omar Ayyub Khan (Power), Dr Fehmida Mirza (Inter-provincial Coordination), Abdul Razak Dawood (Adviser on Industries and Commerce) and Haroon Sharif (Minister of State/chairman Board of Investment).
Soon after the notification, the committee held a preliminary meeting on Wednesday for formulating the proposed Pak-Turkey Strategic Economic Framework.
Finance Minister said that the proposal for establishment of the framework was discussed and agreed with the Turkish side during the visit. The minister made special mention of the exemplary headway that Turkey has made in the realm of tourism and said that Pakistan could greatly benefit from developing its own tourism sector.
During the meeting, the current level of Pak-Turkey economic cooperation and the existing structure and mechanism for such cooperation were discussed at length. Ministers attending the meeting and senior officials of various ministries presented their views on the proposed framework and its related aspects. Besides trade and economy, the spheres of health, defence production, aviation, tourism, housing and mineral exploration were also highlighted for strengthening bilateral cooperation.
Mr Umar directed the concerned ministries along with the BoI to provide their inputs for the proposed framework within two weeks which will be consolidated by the Economic Affairs Division as a draft document and subsequently finalised to be shared with the Turkish side.
The minister added that the framework would help boost the existing Pak-Turkey cooperation to a much stronger level.
APP adds: Separately, addressing the 11th annual report, launched by Burky Institute of Public Policy, the finance minister said that Iran was an important neighbour of Pakistan in the West and the world should stop creating impediments in trading between the two countries.
"Whenever the World Bank and other international bodies come to me, they always say that intra-regional trade is extremely important for boosting economic growth, and also they advise to resume good trade ties with India, but strangely nobody ask me about another important neighbour in the West which is Iran," he added.
He said the prime minister had already taken the initiative to start developing trade relationships with India and hopefully the new leadership of India after the general election, would give positive response to the move.
"Impediments have been created for trading between Pakistan and Iran and I am mixed up that how that criteria fix in the economic theory that trade with neighbour in East is good whereas trade with neighbours in West is not good."
He hoped that hypocrisy of the global community will also reduce with the time.
Published in Dawn, January 17th, 2019
https://www.dawn.com/news/1458075/pm-khan-forms-committee-to-boost-trade-with-turkey

ECC APPROVES MAJOR CHANGES TO IMPORT, EXPORT POLICIES

By Shahbaz Rana Published: January 16, 2019
ISLAMABAD: The government has approved the replacement of the sponsor of 300-megawatt Gwadar power plant of the China-Pakistan Economic Corridor (CPEC) and has agreed on re-introducing non-tariff barriers for the import of used cars.
Headed by Finance Minister Asad Umar, the Economic Coordination Committee (ECC) of the cabinet on Tuesday also approved major changes to import and export policies, allowing the import of certain goods from India for export-oriented units.
The ECC allowed the import of used electric vehicles up to five-year-old under the personal baggage, transfer of residence and gift schemes meant for overseas Pakistanis.

It allowed the replacement of the sponsor of Gwadar power plant. In March 2017, the ECC had approved the award of the power plant to China Communication Construction Company (CCCC). It also issued the Letter of Intent to CCCC as the sole sponsor of the project in May 2017.
But the Chinese side informed Pakistan that the CCCC, being a public listed company on capital markets in China, was encountering time-consuming difficulties and complexities in getting requisite approvals for investment in the project. Accordingly, it requested Pakistan that CCCC may be substituted with its holding company China Communications Construction Group (CCCG) through its wholly owned subsidiary investment arm CCCC Industrial Investment Holding Company Limited (CIHC). The Private Power Infrastructure Board, last Friday, allowed the substitution of CCCC with CCCG through its subsidiary, subject to the approval of the ECC.
The ECC re-introduced certain restrictions on the import of used cars after one year in a bid to curb their imports. It approved the Commerce Division's proposal that duty and taxes on all imported vehicles in new and used condition under the personal baggage or gift scheme would be paid out of the foreign exchange arranged by Pakistani nationals themselves or the local recipient supported by a bank encashment certificate, showing the conversion of foreign remittance into local currency.
Under the import policy order, the import of used vehicles is allowed only to overseas Pakistanis but this scheme is being misused by the dealers. In October 2017, the then government had also placed the condition of payments of duty and taxes will be paid out of foreign exchange arranged by Pakistani nationals or the local recipients. But this led to a situation where over 6,000 vehicles were stranded at the ports. But in February last year, the ECC waived off these conditions.
Only 5% of the used vehicles are imported by bona fide overseas Pakistanis, according to the Commerce Division.
The commerce ministry on Tuesday issued the notification to give effect to the decision. According to the notification, the remittance for payment of duties shall originate from the account of Pakistani national sending the vehicle from abroad. The remittance shall either be received in the account of Pakistani national sending the vehicle or in account of his family member.
The ECC approved regulatory amendments in the Export Policy Order 2016 and Import Policy Order 2016 as proposed by the Commerce Division aimed at increasing ease of doing business. Earlier, in May 2018, the last government had made changes in import and export policies.
The ECC allowed re-export of imported goods to those who supply part of shipment from domestic production and the remaining part by sourcing from other countries. Similarly, it allowed re-exporting imported goods without payment of duties in case where the source of entire shipment is from a third country and reshipping parts of shipment from Pakistan to the foreign buyers.
The ECC also waived off the condition of foreign exchange arrival for export of goods for humanitarian purposes to all destinations by the relief organisations subject to the provision of encashment certificate of foreign exchange from the authorized dealers.
The ECC allowed exporting PVC and PMC materials to Afghanistan by excluding it from the negative List. It also gave sales tax concessions on export of these items to the neighbouring country.
The ECC deferred a proposal to allow export-cum-reimport of hunting arms and ammunition by Pakistani hunters visiting abroad. The ECC also did not accept the proposal to lift a complete ban on export of sugar, which currently exported with prior permission of the ECC.
The ECC also did not accept the commerce ministry proposal of abolishing the condition of No Objection Certificate for export of dual-purpose technologies, material and equipment. The exports of these goods are currently subject to NOC from Ministry of Foreign Affairs under the Export Control on Goods, Technologies, Material and Equipment related to Nuclear and Biological Weapons and their Delivery Systems Act, 2004. The Ministry of Commerce is of the view that that NOC should be replaced with licensing regime to align it with the law.
The ECC also allowed re-export of imported pulses after value addition and decided to lift the ban that had been imposed to stabilise the prices.
The ECC approved to make 10 more changes in the import regime. It allowed replacing the pictorial warning on cigarette packets with the words "smoking is injurious to health".
The ECC allowed the export-oriented units to import raw materials from India that are currently banned under the negative list. It also allowed import of restricted items to export-oriented units. So far the import of restricted items

and raw materials from India is allowed to the export houses, manufacturing bond and temporary importation schemes.
The ECC exempted the processed food products and non-food products from certification requirements. These certificates work as non-tariff barriers. However, the processed food will still be subject to quality standards specified by the Pakistan Standards and Quality Control Authority.
The ECC also allowed the pre inspection of up to 15 years old machinery import. The ECC took the decision after the prime minister refused to condone the condition on case to case basis. The ECC accorded approval for withdrawal of customs duty, additional customs duty and sales tax on import of cotton effective February 1 till June 30, 2019 to ensure sufficient supply of cotton.
Published in The Express Tribune, January 16th, 2019.
https://tribune.com.pk/story/1889031/2-ecc-approves-major-changes-import-export-policies/

NEWS COVERAGE PERIOD FROM JAN 7th TO JAN13th 2019

TRADE DEFICIT SHRINKS 5% TO $16.8B AS IMPORTS GO DOWN

By Shahbaz Rana Published: January 11, 2019
ISLAMABAD: The trade deficit in first half of the current fiscal year shrank 5% to $16.8 billion on the back of numerous measures to squeeze imports but exports could not pick up pace despite a steep currency depreciation of 33% in the last one year.
The trade deficit, which stood at $17.7 billion in July-December 2017, shrank 5% to $16.8 billion in the corresponding period in 2018, stated the Ministry of Finance in a late-night press statement.
It was unusual that the finance ministry issued a statement to announce the trade figures as the data is periodically released by the Pakistan Bureau of Statistics.
Overall imports during July-December 2018 shrank by over 2% or $700 million to $28 billion, it added.
The finance ministry said the trend was even more pronounced in respect of imports under the regulatory duties' regime. The import value declined from $5.2 billion in July-December 2017 to $4.4 billion in July-December 2018, showing a contraction of 16%, it added.
The government's policy measures have resulted in narrowing of the trade deficit, decline in imports and increase in exports which augurs well for the overall balance of payments of the country, said the finance ministry. However, the results are not very encouraging when it comes to exports, which is the key reason behind the declining non-debt creating foreign exchange earnings. The exports during the first half of the fiscal year amounted to only $11.2 billion - higher by just 1.8% or less than $200 million in the first half.
This is despite the fact that the central bank in consultation with the Ministry of Finance has devalued the currency by 32.7% since January last year. The central bank devalued the currency by over 15% since the start of this fiscal year.
Against an addition of $200 million in exports despite steep currency devaluation, the federal government booked additional Rs1.2 trillion in its external debt due to change in rupee-dollar parity since July.
Pakistan closed the last fiscal year with a $37.6-billion trade deficit, which became the key reason behind the highest ever current account deficit of $18.9 billion in the previous fiscal year. The PTI government wants to slash the trade deficit close to $26 billion, which seems highly impossible now.
The value of exported goods was 250% lesser than the value of imports. The imports of the country have started to ease due to the State Bank of Pakistan (SBP)'s numerous policy and administrative measures. Additionally, the federal government has imposed heavy regulatory duties on imported goods.
The trade balance in December 2018 compared to December 2017 shrunk by 19% from $2.9 billion to $ 2.3 billion, stated the finance ministry. This was also because of the contraction in imports instead of any major improvement in exports.
In December 2018, the imports in dollar terms declined to $4.3 billion compared to $4.9 billion in December 2017, which reflected an import compression of over 12%, said the finance ministry.
This trend is even more pronounced in December 2018 in respect of imports under regulatory duties regime (effective on 1994 tariff lines) wherein the imports declined from $896 million in December 2017 to $691 million in December 2018, said the finance ministry. It said that the import compression in December alone was 23%.

The data indicates that the import compression measures taken in the supplementary Finance Act, 2018 have firmly taken hold and are now effectively curtailing imports as per policy regime of the government. The data on import of containerised cargo also has shrunk by 9%.
There is a growth in exports of 5.5% in December 2018 compared to December 2017, said the finance ministry.
Published in The Express Tribune, January 11th, 2019.
https://tribune.com.pk/story/1885631/2-trade-deficit-shrinks-5-16-8b-imports-go/

PAKISTAN SEEKS GREATER TRADE COOPERATION WITH CANADA

The Newspaper's Reporter Updated January 10, 2019
ISLAMABAD: Pakistan is seeking technical assistance from Canada to improve Sanitary and Phyto-sanitary (SPS)Measures and develop quality infrastructure as per international standards to increase rice and mango exports to the North American country.
Minister for National Food Security and Research Sahibzada Mehboob Sultan told the Canada's High Commissioner to Pakistan Wendy Gilmour on Wednesday that both countries should specify mutual areas in research for long-term implications in existing and potential trade agreements.
He urged the envoy that Canada must consider and take steps to open its markets for Pakistani mangoes and rice which are of exceptional quality. Currently, Canada is importing these products from Mexico and Brazil.
Bilateral trade could be accelerated through harmonisation of SPS measures, Mr Sultan said while highlighting the need for liaison between importers and exporters of agro-commodities.
Ms Gilmour said Canada was eager to explore new areas of cooperation with Pakistan. Moreover, she assured the minister that she will take steps to increase rice and mango imports from Pakistan.
"This is a tremendous opportunity between the two countries and we are cognizant of the best practices which are human and environment friendly," she added.
Mr Sultan said Pakistan could benefit from Canada to minimise post-harvest losses of perishable food items by constructing packing houses and cold storages equipped with the state-of-the-art technology so that fruits and vegetables could be saved from wastage and available for export.
"We could jointly work in establishment of pest and disease free areas across Pakistan which will not only minimise the risk associated with our agro exports but will reduce post-harvest cost of plant and plant material and will give sound footings to Pakistan in the international market," he suggested.
Mr Sultan said bilateral relations could be extended into bilateral trade which can help benefit Pakistan's agri-research and development.
However, prudent formalities like pest-risk analysis and stringent conditions make trade difficult, and in this regard, the Ministry of National Food Security and Research is trying to secure maximum market access for agro-commodities, he added.
Pakistan's imports from Canada mostly include pulses and canola seeds. Last year the country imported 880,525 tonnes of oil-seed and pulses. The volume of exports to Canada was 14,521.36 tonnes of agro-products.
Published in Dawn, January 10th, 2019
https://www.dawn.com/news/1456629/pakistan-seeks-greater-trade-cooperation-with-canada

VENEZUELA LAUNCHES WTO LEGAL CHALLENGE AGAINST US SANCTIONS

RECORDER REPORT | JAN 9TH, 2019 | GENEVA
Venezuela launched a legal challenge at the World Trade Organization Tuesday against a raft of US sanctions, even as Washington announced new measures targeting the crisis-hit country. Venezuela's complaint takes aim at four rounds of sanctions adopted by President Donald Trump's government against Caracas last year.
The measures target Venezuela's financial system and key members of President Nicolas Maduro's inner circle. The new sanctions announced by the US Treasury Department Tuesday, which are not named in Venezuela's WTO complaint, focus on seven individuals including the owner of news network Globovision for allegedly plundering billions of dollars through black-market currency exchanges.

In the complaint circulated to the WTO's 164 members, Caracas accuses Washington of trying "to isolate Venezuela economically." The complaint, known as "a request for consultations" in WTO parlance, accuses the US of multiple violations of international trade law, including the illegal use of "coercive trade-restrictive measures." Under WTO rules, the US has 60 days to respond to Venezuela's complaint, posted Tuesday on the WTO website.
If the two sides fail to reach a compromise through consultations – a near certainty given the hostility between the Trump and Maduro governments – Venezuela can ask for an arbitration panel to hear the case. The complaint came days before Maduro is to be sworn in for a new term after a controversial re-election.
https://fp.brecorder.com/2019/01/20190109438256/

FREE ECONOMIC ZONE WITH PAKISTAN TO OPEN SOON: IRANIAN CONSUL

The Newspaper's Staff Correspondent Updated January 08, 2019
QUETTA: Iranian Consul General Mohammad Rafiee in a meeting with Balochistan Chief Minister Jam Kamal on Monday said that the Pak-Iran free economic zone would be inaugurated in Mirjaveh city of Sistan-Baluchestan province in the coming days.
During the meeting, the two sides called for expanding Pak-Iran border trade and economic zones to foster economic relations. They also discussed implementation of decisions taken by the Pak-Iran Border Commission and Joint Border Trade Commission.
Published in Dawn, January 8th, 2019
https://www.dawn.com/news/1456208/free-economic-zone-with-pakistan-to-open-soon-iranian-consul

NEWS COVERAGE PERIOD FROM DEC 31st TO JAN 6th 2019

PM ASKS TURKISH TRADERS TO INVEST IN PAKISTAN

The Newspaper's Staff Reporter Updated January 04, 2019
ISLAMABAD: Prime Minister Imran Khan on Thursday invited Turkish businessmen and investors to invest in various fields and industries in Pakistan, including construction, tourism and exploration of natural resources.
Addressing the Turkish business fraternity at the Türkiye Odalar ve Borsalar Birligi in Ankara, the prime minister said the Belt and Road Initiative of China would bridge communication gap between Pakistan and Turkey and help increase trade between the two countries.
Prime Minister Khan, accompanied by his economic team, is on his first official two-day visit to Turkey.
In his late-night address, the prime minister said that trade between Pakistan and Turkey remained quite low in the past and they could not get benefit of trade due to lack of road and rail routes.
He said that with a population of 210 million people, including 120m below the age of 35 years, Pakistan was a big market for foreign investors.
Prime Minister Khan said that Pakistan had ample tourism attraction due to its fascinating hilly ranges, plains, sea and rivers. "Out of 12 highest peaks in the world, half of them are in Pakistan," he added.
He said that his government had streamlined the governance system and removed red-tapism and hurdles in Pakistan to facilitate foreign investors. "We want to provide ease of doing business to the businessmen and investors for wealth and jobs creation," he said.
The prime minister invited Turkish investors and construction firms to invest in his government's five-year plan of building five million houses.
Earlier, the prime minister and his delegation arrived in Konya.
To pay homage to Maulana Jalaluddin Rumi, the prime minister and his delegation visited the great Sufi saint's mausoleum. He also visited the symbolic grave of Allama Iqbal located in the graveyard where Maulana Rumi's mausoleum stands.
The prime minister was accompanied by Minister for Foreign Affairs Shah Mehmood Qureshi, Finance Minister Asad Umar, Minister for Planning, Development and Reforms Makhdoom Khusro Bakhtyar, Adviser to the PM on Commerce, Textile, Industry and Production Razak Dawood and Special Assistant to the PM on Overseas Pakistanis Zulfikar Abbas Bukhari.
During the visit, the prime minister will also meet President Recep Tayyip Erdogan.

It is expected that the prime minister's visit to Turkey will bring some respite in the prevailing economic crunch in Pakistan as some memoranda of understanding on trade and investment are likely to be inked between the two sides.
Published in Dawn, January 4th, 2019
https://www.dawn.com/news/1455418/pm-asks-turkish-traders-to-invest-in-pakistan

IRANIAN CG FOR PROMOTING BILATERAL TRADE WITH PAKISTAN

RECORDER REPORT | JAN 4TH, 2019 | PESHAWAR
Iranian Consul General in Peshawar Muhammad Baqir Beigi has stressed the need for promotion of bilateral trade between Pakistan and Iran and suggested that governments of both the countries and business communities should play their due roles in this regard.
He said this while talking to business community representatives at Sarhad Chamber of Commerce and Industry on Thursday. According to a statement issued here the envoy invited the business community to an exhibition to be held on Jan 27, 28 in Iran.
The envoy said that Iran was giving importance to the bilateral trade with Pakistan and for the purpose both the states would have to play due role in promotion of regional trade.
Referring to the demands of SCCI representatives, the envoy agreed to promote trade volume with Pakistan. He said besides the states the business community of both the countries would also have to make their efforts for the purpose.
Earlier, SCCI President Faiz Mohammad Faizi invited the Iranian business community to invest in the hydel power generation, oil and gas, jewellery, marble, medicines, match, ghee and oil, petrochemical and other different sectors.
The chamber's Vice President Haris Mofti, Ziaul Haq Sarhadi, Ghazanfar Sawal, Jawad Kazmi, and Deputy Consul General of Iranian Consulate Syed Ibrahim were also present on the occasion.
He stressed the need for removal of the obstacles in the bilateral trade and asked for increase in its volume.Faizi suggested that the people of both the countries should come closer through delegations of business community and other segments of the society.

February 2019

NEWS COVERAGE PERIOD FROM FEB 18th TO FEB 24th 2019

INDIAN EXPORTERS TO SUFFER MORE FROM CESSATION OF TRADE WITH PAKISTAN, DATA SHOWS

Mubarak Zeb Khan Updated February 24, 2019
ISLAMABAD: The volume of Pak-India bilateral trade posted a growth of nearly five per cent in the first seven months of the current fiscal year from a year ago despite border tension for the past few months between the two countries, Dawn has learnt.
Following the attack, last Friday New Delhi withdrew the MFN status to Islamabad, which it granted in 1995. The grant of this status means that a country will treat all WTO member states equally in matters of tariffs on imports. A day later, it slapped 200pc import duty on Pakistani goods.
It is still unclear how much the tensions – which have now escalated to a new high in the backdrop of Pulwama attack – will affect the flow of bilateral trade.
However, the Indian government's decision to impose 200pc additional duty will bring them no tangible results as Pakistan' annual exports to the country are worth few million dollars.
Bilateral trade grew 5pc in first seven months of FY19; 80pc of this was New Delhi's exports to Islamabad
However, trade statistics, available with Dawn, show a complete picture that New Delhi will feel the pinch of the current stand-off. The total aggregate volume of bilateral trade between July-January 2018-19 has reached to $1.122 billion, up by 4.96pc from $1.069bn over the corresponding period of last year.
The first seven-month data of this fiscal year shows that Indian exports to Pakistan constitute 79.33pc of the total bilateral trade volume.
This composition exists even in the annual trade between the two countries.

Pakistan imports from India between July-Jan 2018-19 has reached to $890.05m from $871.71m over the corresponding period of last year, showing an increase of 2.11pc. Pakistan's imports have already entered negative growth with almost all countries except India.
In the year 2017-18, Indian exports to Pakistan have reached $1.84bn as against $1.64bn over the previous year, showing an increase of 12.2pc.
The product wise details show that in the first seven months Pakistan imported $97.77m worth p-Xylene (an important chemical feedstock) as against $41.33m over the corresponding months of last year, showing an increase of 136.56pc.
The second biggest imports from India are of polypropylene (a thermoplastic polymer used in a wide variety of applications) which reached to $36.73m this year as against $38.76m, showing a decline of 5.24pc.
The third importable product reactive dyes and preparations based thereon stood at $30m as against $26m over the last year, showing an increase of 15.4pc. The fourth product includes pharmaceutical imports which reached to $26.4m as against $12.23m over the last year, showing an increase of 115.8pc. The import value of 12 products ranges between $10m to $24m during the period under review.
The import value of other 84 products remains less than $10m during the July-Jan 2018-19. Most of these products value even less than $5m.
Pakistan's exports to India reached $231.98m during the July-Jan 2018-19 as against $198.05m over the corresponding period of last year, indicating an increase of 17pc. It clearly shows that Pakistan's exports to India are less than half of the imports during the period under review.
The product wise details show that Pakistan exported nearly $70m worth fresh fruits to India during the first seven months of the current fiscal year from a year ago. These fruits include dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried.
Cement exports to India stood at $34m during the July-Jan 2018-19 as against $37.6m over the corresponding months of last year, showing a decline of 9.6pc. The third biggest exports to India are Sesamum seeds, which reached to $13.56m during the period under review as against $0.43m, showing a hefty growth of 3053pc.
The fourth biggest exports figure to India is of gypsum which reached $10.5m as against $9.4m over the corresponding period last year, showing an increase of 11.7pc. The net volume of 96 products remains below a value of $5m during the period under review.
In the year 2017-18, Pakistan's annual exports to India have reached to $342.44m as against $340.78m from a year ago, indicating a meagre growth of 0.49pc.
In March 2012, Islamabad placed 1,209 items on the negative list and opened up rest of the products for trade with India. Before that decision, Pakistan used to trade with India only in 1963 items.
Pakistan's exports to India stood at $288.134m in 2004-05 and reached $340.78m in 2016-17 in the wake of liberalisation of the trade regime with India. Indian exports to Pakistan were $547.458m in 2004-05 and shot up to $1.64 billion in 2016-17.
The unilateral trade liberalisation in goods and services, after resumption of the composite dialogue in 2004, benefited India whereas Pakistan's exports stagnated. The tripling of exports to Pakistan is despite the fact that Islamabad has placed 1,209 products on the negative list.
In the wake of the Pulwama attack, India has withdrawn Most Favoured Nation status. However, Pakistan has not reciprocated it as yet of today.
When approached the Secretary Commerce Younus Dagha told Dawn that Commerce Division has already worked out different options. However, he did not disclose the details. "No plan yet to announce it anytime soon" he said, adding "But we will give a measured response whenever the government also decides", the secretary responded to another question.
Aamir Shafaat Khan from Karachi adds: Amid threats by Indian traders to halt exports to Pakistan, local importers are urging the government to impose duty on Indian tea imports.
As per foreign media reports, Indian Tea Exporters' Association (ITEA) had threatened to stop shipments to Pakistan if Indian government shuts the door on bilateral trade. The nation and the security of our forces and fellow countrymen comes first and commerce is secondary, ITEA said adding exporters would support any decision by the central government in retaliation for the attack that was the worst-ever in Jammu and Kashmir against the forces since militancy erupted in the state in 1989.

In response to ITEA's threat, Chairman Pakistan Tea Association (PTA) Shoaib Paracha told Dawn, "We strongly urge the government to impose heavy import duties on Indian tea so that it cannot find way into our country."
High import duty on Indian tea would hardly make any impact in tea blending process as the share of Indian tea in total imports of black tea is 8pc.
However, the share of Indian tea in total imports had risen to 8.45pc in 2018 out of total import of 189,809 tonnes. The share of India tea in 2016 and 2017 was 6.77pc against total imports of 172,910 tonnes and 173,994 tonnes, respectively.
Pakistan imports tea from 24 countries for blending purpose in which the share of Kenya is 70pc. Cumulative taxes and duties on import of tea come to 43pc. A sizable quantity of black tea also arrives from informal channels.
Mr Paracha said local traders will support the government if any strict decision is taken as Pakistan's integrity stands first above all trades and relationship.
Published in Dawn, February 24th, 2019
https://www.dawn.com/news/1465709/indian-exporters-to-suffer-more-from-cessation-of-trade-with-pakistan-data-shows

INDONESIA OFFERS MARKET ACCESS FOR 20 PRODUCTS

The Newspaper's Staff Reporter February 23, 2019
ISLAMABAD: Indonesia has issued a formal notification for the correction of Indonesia-Pakistan preferential trade agreement (PTA) by offering immediate market access for 20 products of Pakistan's prime interest, a press release issued on Friday said.
A formal notification for the inclusion of additional tariff lines in the Indonesia-Pakistan PTA has been issued after the Indonesian president's approval and will be effective from March 1, 2019.
The priority products include mangoes, broken rice, ethanol, tobacco, yarn and fabric, home textile, terry towel, apparel and knitwear.
Adviser to the Prime Minister on Commerce, Textile and Industries Abdul Razak Dawood thanked the Indonesian government for understanding the negative impact of the PTA on Pakistan's trade and addressing it. The adviser further said that Pakistan will review other free and preferential trade agreements to make them more beneficial for the country.
A memorandum of understanding to amend the PTA between the two countries was signed during the visit of President of Indonesia Joko Widodo in January, 2018.
Following this, a meeting was held between the Indonesian trade minister and Secretary Commerce Younas Dagha on the sidelines of the Shanghai Expo 2018. Secretary commerce had underlined the need for such correction and requested for early resolution of the issue. He also took up the issue of non-tariff barriers imposed on Pakistani agriculture products by Indonesia. Long and sustained efforts of the Ministry of Commerce bore fruition and Indonesia was finally offered unilateral market access for Pakistani products.
Published in Dawn, February 23rd, 2019
https://www.dawn.com/news/1465540/indonesia-offers-market-access-for-20-products

INDIA TO SUFFER ITSELF AFTER ANTI-PAKISTAN TRADE MOVES: ASAD

Khaleeq Kiani Updated February 22, 2019
ISLAMABAD: Finance Minister Asad Umar on Thursday said India would itself suffer for its decision to withdraw Most Favoured Nations (MFN) status to Pakistan and impose 200pc duty on its products.
The 'inappropriate and unwise' decisions of the Indian government on trade with Pakistan "tantamount to harm its own on economy instead of causing any loss to Pakistan", said the minister when asked for comments on Indian move after the Pulwama attack.
He said the steps taken by India demonstrated its immaturity that would be more harmful for its own economy. Exports to New Delhi, he said, will suffer because of imposition of duties.

In response to a question on meetings of the Financial Action Task Force (FATF) currently in progress in Paris, Umar hoped the global watchdog on terror financing and money laundering would give a satisfactory report on Pakistan. He said the FATF would share its assessment on Friday.
Responding to another question, the minister said the differences with the International Monetary Fund were narrowing down and technical level discussions were an ongoing process. He said the two sides had technical level discussions last week and another round would follow next week during which the two sides exchange data and information.
“The (Fund) mission would be invited for final talks when we get closer to an agreement through technical level discussions,” the minister said when asked about the schedule of upcoming visit of the IMF mission. He said the regular interaction with IMF technical teams allowed for better communication and greater exchange of data. This has helped us narrow the existing gaps.
Earlier, speaking at third Pakistan Leadership Convention, organised by Association of Chartered Certified Accountants (ACCA) of Pakistan, the minister said the government was introducing governance reforms to improve functioning of the public sector so that the country could move on the path to national progress and prosperity.
He recalled he had made his first presentation on ‘Leadership in 21st Century’ after joining corporate world decades ago and added that challenges faced by a company could replicate to any society or country as a whole.
The biggest challenge for Pakistan, he said, was existing gap between potential and reality of the country. “Pakistan’s potential is staggering while it’s far from reality,” he said, adding that reality was not reflective of the country’s potential.
The minister said it was a challenge for a visionary leadership to put right people for the right job while the country’s governance structure was highly flawed and preference was being given for additional degrees rather than the relevant degree from high ranking universities like Havard.
He said it was sad to note that kinship on account of clans, connections and political affiliations were considered as criteria for high-profile jobs but the PTI government was working under the guidance of Dr Ishrat Hussain to revamp government structures.
He said that quality of governance could not be improved without overhauling bureaucracy and placing right men for the right job and professionals given preference over connections. For this, professionals would have to be extended full facilities and incentives to serve the country and take it to new heights. He said Pakistan was full of capable human resource but it was important to employ their expertise for the progress of the country.
He said the private sector provided better opportunities to professionals and resultantly they perform to best of their capabilities.
“Today, Pakistan is fortunate to have a leadership that has a vision for its future. If that vision materialises, then I can guarantee that Pakistan will be among the world’s top five economies by the end of this century,” the minister hoped.
Published in Dawn, February 22nd, 2019
https://www.dawn.com/news/1465350/india-to-suffer-itself-after-anti-pakistan-trade-moves-asad

IMPORTS FROM INDIA CONTINUE UNABATED

Aamir Shafaat Khan Updated February 21, 2019
KARACHI: As Pakistan’s exports to India face suspension after Pulwama attack on Feb 14, the trading and import of Indian goods, on the other hand, has so far been moving at normal pace.
Some businessmen, however, want a “tit-for-tat action” from Pakistani government in view of up to 200 per cent duty imposed by India on import of Pakistani goods.
Sources said that exports of cement, gypsum and dry dates from Wagah Border have come to a halt from Sunday as importers on the Indian side refuse to purchase goods following up to 200pc duty imposed by their government. But imports of cotton and PSF yarn, plastic molding compound (PMC) etc continue to arrive from India through Wagah Border.
Pakistan has already banned imports of tomato and potato from India for the last two years in fear of disease.
A random visit to Jodia Bazaar and Marriot Road, the country’s hub of imported commodities, revealed that traders continue to display Indian products like artificial jewellery, cosmetics etc more prominently at their shops claiming that “consumers have not shown any sign to halt Indian goods’ purchase after tensions escalated between the two countries.”

Traders said Indian jewellery is easily available at markets while there has been no suspension in their imports so far after Pulwama attack. Artificial jewellery has been arriving without any interruption from Dubai or directly from India, they claimed. They said that the ongoing war of words between the two governments has not had any impact on prices.
A leading trader and former president of Karachi Chamber of Commerce and Industry, Haroon Agar, who imports cumin seed, copra, coriander seed, peanuts, big cardamom, glucose, chemicals etc from the neighboring country said, “import trade with India has been going normal so far after Pulwama attack.”
“I think that thriving imports from India should be curbed in retaliation of the duty imposed on Pakistani goods,” he said adding that the “our government should take a firm stand by imposing heavy regulatory duty on Indian goods as well. Traders and businessmen would follow our government’s decision in any case.”
President Sindh Industrial Trading Estate Association of Industry Saleem Parekh said that “it is time for Pakistan to react. I mean tit-for-tat by imposing heavy duties on Indian goods.”
“There should also be a check and balance as a sizable volume of Indian goods is finding its way into Pakistan through Dubai,” he said referring to imports of biscuits, food items, jewellery, clothes, cosmetics etc.
Federation of Pakistan Chambers of Commerce and Industry Standing Committee on Plastic and Plastic Products Convener Ehteshamuddin said traders and industrialists are now worried as they are reluctant to open fresh letters of credits for import of PMC from India. Pakistan imports around 100,000-125,000 tonnes on PMC from India every year.
He said the market is abuzz with reports that the government may also decide to raise the duty on import of Indian goods. “Whatever step the government is planning for Indian items’ import, we are with our government,” he added.
Pakistan’s exports to India during the last fiscal year totalled to $484 million against imports of about $1.8 billion.
It has been noted that most of the trade bodies and associations have remained silent and chosen not to react to India’s decision to impose 200pc import duty on Pakistani goods as a number of industries procure their raw material from the eastern neighbour.
Published in Dawn, February 21st, 2019
https://www.dawn.com/news/1465069/imports-from-india-continue-unabated

KNITWEAR EXPORTS POST 11PC GROWTH IN 7 MONTHS

RECORDER REPORT 2019/02/20/
KARACHI: With 11 percent growth, Knitwear garment exports have maintained its first position with highest export in textile chain.
Knitwear garment exports posted 11.35 percent growth during the first seven months of this fiscal year. Pakistan exported $1.72 billion worth Knitwear garment in July-January of FY19 compared to $1.54 billion in same period of last fiscal year (FY18). Month on Month basis, Knitwear garment exports posted an increase of 16.25 percent to $248 million in January 2019 as compared to $213 million in January 2018.
Muhammad Jawed Bilwani, Central Chairman, Pakistan Hosiery Manufacturers & Exporters Association (PHMA) has said that provided the government accords deserving considerations to proposals of textile industry and its implementation and with continuous support, knitwear garment sector’s can achieve new milestones and its export can be enhanced 20 percent every year.
Bilwani said that Knitwear Garment Sector is ranking on the top of Textile Group for last three years since 2015-16 also provides highest employment in the Textile Group. Knitwear Sector includes knitted products of Hoodies, Shirts, T-Shirts, Jersey, Pullover, Trousers, Jackets etc. World’s knitwear garment products imports stood at $225 billion annually and there are massive opportunities for Pakistani exporters, he added.
He appreciated the government for taking out all necessary measures for enhancement of exports by according priority to export sectors and introducing separate tariff of Gas and Electricity enabling them to enhance the export efficiency.
He also said that if the government gives genuine considerations to the proposals of knitwear sector and address all their problems and issues, knitwear sector alone would be 50 percent of total textile in next few years. He also termed the knitwear sector as the lifeline of exports and said that Pakistan being the fifth largest cotton producer can earn more foreign exchange.
https://epaper.brecorder.com/2019/02/20/5-page/764176-news.html

PAKISTAN, SAUDI ARABIA TO TAKE TRADE TO NEW HIGHS

By APP Published: February 18, 2019

ISLAMABAD: While focusing on new areas of trade, investment and development, Pakistan and Saudi Arabia on Monday vowed to promote bilateral trade and exploit its full potential as currently the trade volume stood at $3.7 billion, which was far below the potential.

"There are many untapped potential areas, which could be explored for the benefit of both countries in order to take advantage of trade opportunities and attract investments," said Adviser to Prime Minister on Commerce, Textile and Industry Abdul Razak Dawood while speaking at the Pakistan-Saudi Investors Conference. Saudi Commerce Minister Majid bin Abdullah Al-Qasabi also spoke on the occasion.

Both countries had a huge potential as Pakistan possessed natural, agricultural and human resources whereas there were many untapped potential resources in Saudi Arabia including mining, logistics and religious tourism, he said.

The adviser reiterated government's resolve to provide Saudi investors with a level playing field in exploring trade and investment opportunities in various sectors of the national economy.

He emphasised that Pakistan's economy was heading in the right direction, but was facing energy shortage, adding that in such a scenario, China came forward and made heavy investment in energy generation projects under the China-Pakistan Economic Corridor (CPEC).

He highlighted that Pakistan was formulating a renewable energy policy in a bid to change its energy mix, reduce reliance on costly energy sources like oil and gas, and produce alternative energy, which currently has only 4% share and would be enhanced to 30% by 2030.

Besides Saudi investors, he pointed out, all domestic as well as foreign investors would also be provided a level playing field and facilities to promote investment, economic development and social prosperity in Pakistan.

"We are extremely grateful to the Saudi crown prince for coming forward and bringing huge investment in Pakistan," he remarked.

The PM adviser stressed that it was a quality-based market investment with strong representation from private sectors of both the countries. There were fruitful discussions with the Saudi investors and businessmen, who expressed keen interest in investing in petroleum and energy production, as a huge scope for investment existed with lucrative returns, he said.

Dawood told the Saudi investors that currently Pakistan heavily depended on expensive energy production and intended to switch to a cheap energy mix by cutting costs and focusing on alternative sources such as wind and solar power. "Saudi investors are invited to take the opportunity and invest in this sector," he said.

The adviser invited the Saudi investors to also pour capital into other sectors like mines and minerals, agriculture and food processing, adding that joint ventures in different sectors would be equally beneficial for both the countries as a youth bulge and skilled workforce was available in Pakistan.

He expressed the hope that trade talks and meetings with Saudi counterparts would open more avenues and expand the scope of bilateral trade and investment.

Addressing the conference, Saudi Minister for Commerce Majid bin Abdullah Al-Qasabi termed the current bilateral trade volume of $3.7 billion low, saying the trade level was very moderate and it should be enhanced by exploiting new areas of trade and development.

He said the current visit of the Saudi crown prince would help ease the bureaucratic challenges on both sides. He vowed to work jointly to take bilateral trade to new highs.

The Saudi commerce minister said both the countries had formed the Pak-Saudi Supreme Council, headed by Saudi Crown Prince Mohammad bin Salman and Prime Minister Imran Khan, which would have great positive impact on improving the partnership. "We are investing in the oil sector, which is a strategic commodity, will invest in the downstream industry, which will help create more business opportunities and lead to job creation," he added.

Published in The Express Tribune, February 19th, 2019.
https://tribune.com.pk/story/1913024/1-saudi-investment-highly-significant-pakistans-economic-growth-dawood/

NEWS COVERAGE PERIOD FROM FEB 11th TO FEB 17th 2019

CHINESE DELEGATION VISITS FPCCI

Parvez Jabri February 17, 2019

KARACHI: President, All- China Chamber of Industry and Commerce (ACCIC) Gao Yunlong has underlined the importance of interaction between business people, expansion of trade and creation of joint ventures investment between Pakistani and Chinese nations.

This he said in a meeting with FPCCI President Engr. Daroo Khan Achakzai and members of the Federation, said a statement issued here on Saturday.

The visiting Chinese delegation led by Gao Yunlong, who is also Chairman, Council of the China Federation for Peace & Development (CFPD) discussed various bilateral trade and economic related issued between Pakistan and China during the meeting held at the Federation's Islamabad office.

While welcoming the delegation, Engr. Daroo Khan Achakzai, highlighted the contribution of China in economic development of Pakistan.

He also talked about the level playing field and significant share of Pakistan in imports of China for reducing trade deficit.

He acknowledged the Chinese investment in Pakistan in the backdrop of CPEC which will improve infrastructure and energy situation of Pakistan.

Gao Yunlong stated that Pakistan and China relations had entered into strategic partnership which would go a long way in economic and social development of both the countries.

The meeting was attended by Dr. Ikhtair Baig, Sr. Vice President FPCCI, Ghazanfar Bilour Immediate Past President FPCCI, Vice Presidents FPCCI Abdul Waheed Sheikh, Muhammad Ejaz Abbasi, Muslim Muhammedi, Qurban Ali, Former Vice Presidents Atif Ikram Sheikh and Mian Shaukat Masud, Malik Sohail Hussain, Senator Mian Atique, Ms. Amna Malik and other prominent businessmen.

https://www.brecorder.com/2019/02/17/474728/chinese-delegation-visits-fpcci/

PULWAMA ATTACK: INDIA HIKES 200 PC CUSTOMS DUTY ON PAK GOODS

Monitoring Report February 17, 2019

NEW DELHI: The Union government has hiked the basic Customs duty on all goods imported from the neighbouring country to 200 percent with immediate effect, reports the Indian media. This comes after India revoked the 'Most Favoured Nation' (MFN) status to Pakistan on February 15, following the Pulwama terror strike, that killed 50 CRPF jawans."India has withdrawn MFN status to Pakistan after the Pulwama incident. Upon withdrawal, basic customs duty on all goods exported from Pakistan to India has been raised to 200 percent with immediate effect," Finance Minister Arun Jaitely said in a tweet. Increasing duties would significantly hit Pakistan's exports to India, which stood at $488.5 million (around Rs 3,482.3 crore) in 2017-18.

https://www.thenews.com.pk/print/433087-pulwama-attack-india-hikes-200-pc-customs-duty-on-pak-goods

NEWS COVERAGE PERIOD FROM FEB 4th TO FEBY 10th 2019

US-CHINA TRADE TALKS RESUME NEXT WEEK, FOCUS ON INTELLECTUAL PROPERTY

Reuters Updated February 10, 2019

WASHINGTON: US negotiators are preparing to press China next week on longstanding demands that it reform how it treats American companies' intellectual property in order to seal a trade deal that could prevent tariffs from rising on Chinese imports.

A new round of trade talks begins in Beijing on Monday, after the most recent set of negotiations concluded in Washington last week without a deal and with the top US negotiator declaring that a lot more work needed to be done.

A White House official said on Friday that preparations were under way and the talks would continue to focus on pressing Beijing to make structural reforms.

The White House announced a timeframe for the Beijing talks in a statement. It said lower-level officials will kick off the meetings on Monday, led on the American side by Deputy US Trade Representative Jeffrey Gerrish.
Higher principal-level talks will take place Thursday and Friday with US Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin.
Lighthizer, named by Trump to spearhead the process after agreeing a 90-day truce in the trade war with Beijing, has been a strong proponent of pushing China to make such reforms and end what the United States views as unfair trade practices including stealing intellectual property and forcing US companies to share their technology with Chinese firms.
China has denied it engages in such practices.
“The United States is a great producer of technology, and innovation, and know-how, and trade secrets. And we have to operate in an environment where those things are protected,” Lighthizer said last week after talks at the White House.
“I’m by no means predicting success; there is a lot of work that has to be done,” he said.
The two sides are trying to hammer out a deal ahead of the March 1 deadline when US tariffs on $200 billion worth of Chinese imports are scheduled to increase to 25 per cent from 10pc.
China’s ambassador to the United States, Cui Tiankai, said in Michigan on Friday that a “zero-sum game” mindset was destructive to China-US ties, the state-run news agency Xinhua reported.
Chinese and US companies should compete as well as cooperate with each other, Cui said.
“The real story in business is not that black and white,” the report quoted him as saying.
Trump said on Thursday he did not plan to meet with Chinese President Xi Jinping before that deadline, dampening hopes that a trade pact could be reached quickly.
“We are hearing the list of issues the two presidents will ultimately have to make decisions on is being narrowed, so that’s an indication that things are being addressed. But we’re also hearing that there’s a lot of work to be done,” said Erin Ennis, senior vice president of the US-China Business Council, who says she has spoken with officials in both the United States and China. “I dont think either side is expecting a draft of something next week.” Another source who had been briefed on the talks said a lot of work also needed to be done on an enforcement mechanism for a potential deal.
“If there’s some indication that they’re making progress on subsidies, forced tech transfer and the constellation of issues there and an enforcement mechanism, that would be interesting. The word coming out of this last round was that there was very limited, measly progress on those issues,” the source said.
Escalating tensions between the United States and China have cost both countries billions of dollars and roiled global financial markets.
If the negotiations do not progress sufficiently, the US officials said increased tariffs will take effect. Washington could agree to extend the deadline without a deal if talks are progressing. Trump said last week he did not think the deadline would need to be extended, though he said a deal might not be on paper by then.
Published in Dawn, February 10th, 2019
https://www.dawn.com/news/1462932/us-china-trade-talks-resume-next-week-focus-on-intellectual-property

PAKISTAN NOT TO ATTEND WTO E-COMMERCE TALKS

Mubarak Zeb Khan Updated February 07, 2019
ISLAMABAD: As more than 75 member countries of the Geneva-based World Trade Organisation (WTO) sit down to design a framework to govern e-commerce, Pakistan has decided to not be a part of these negotiations, sources familiar with the matter informed Dawn on Wednesday.
On Jan 25, 2019, around 75 WTO member states, who make up for the 90 per cent of the total global e-commerce market share, decided to launch negotiations to regulate online marketplaces.
A senior official, while talking to Dawn, said Pakistan is totally cut off and isolated from multilateral trading system and has opted out of the forum while the group of countries has agreed to develop rules under the ambit of multilateral trade system.
“E-commerce global rules will be formulated and we will have no say”, he lamented.
Former commerce minister Khurram Dastgir Khan was once leading the e-commerce debates at the WTO forum and the previous government had also directed the ministry to draft e-commerce policy. However, former government had

expressed concern over the inability of the commerce and information technology ministries to formulate a sound national e-commerce policy.

The newly appointed Adviser on Commerce Razak Dawood is yet to visit WTO and take part in negotiations despite being in government for the last six months.

The current size of Pakistan's e-commerce industry has not been ascertained, but the commerce ministry estimates it is likely to cross $1 billion mark by 2020.

As per the joint WTO declaration of January 2019, 75 countries showed their willingness to commence negotiations on trade-related aspects of e-commerce. It was also agreed to achieve a high standard outcome that builds on existing WTO agreements and frameworks with the participation of as many members as possible.

The group also vowed to take into account the unique opportunities and challenges faced by members states including developing countries and least developed countries as well as by micro, small and medium sized enterprises, in relation to e-commerce.

"We continue to encourage all WTO members to participate in order to enhance the benefits of electronic commerce for businesses, consumers and the global economy", the joint statement read.

As per the earlier direction, the proposed policy will primarily focus on developing rules to govern e-commerce market along with related financial and legal issues.

The Electronic Transaction Ordinance 2002 and Prevention of Electronic Crime Bill 2016 provide the basis for legislative infrastructure for e-commerce in Pakistan. Additionally, an Electronic Certification and Accreditation Council has also been established to deal with e-signatures and e-contracts for digital transactions.

Moreover, a separate law has been proposed which may include a provision for seller protection, specifying rights, obligations, liabilities and penalties for both sellers and consumers operating online.

But there is a weak regulatory mechanism for consumer protection, data and information privacy, insurance liability and dispute resolution for e-commerce transactions.

Published in Dawn, February 7th, 2019

https://www.dawn.com/news/1462331/pakistan-not-to-attend-wto-e-commerce-talks

NEWS COVERAGE PERIOD FROM JAN 28th TO FEB 3rd 2019

TRADE DEFICIT TO SHRINK BY $5-6BN, CLAIMS DAWOOD

Mubarak Zeb Khan Updated January 30, 2019

ISLAMABAD: The government's battle against bloated trade deficit is finally bearing fruit, driven primarily by a consistent fall in international oil prices, according to the Prime Minister's Adviser on Commerce and Industry Abdul Razak Dawood.

Speaking to media personnel at the Pakistan Secretariat, he said that the import bill is likely to contract in line with the declining trend seen in the last few months shrinking the trade deficit by $1 billion year-on-year in January.

He now estimates a full year reduction in the trade deficit to be in the range of $5-6bn by June 2019. The trade deficit has been on declining trend for the past few months on the back of reduction in global commodity prices — including oil — which has remained at or below $60 per barrel since November 2018.

His remarks came on the same day that the State Bank of Pakistan in its report said that first quarter imports of energy (oil and gas) soared "past the $4bn mark for the first time since Q1 FY15" on the back of high international prices prior to the month of November.

Low oil prices are the primary cause; next budget might see duty reductions on iron and steel

"This [increase] offset much of the gains from a decline in non-energy imports, continued growth in exports, and a healthy uptick in workers' remittances," the SBP highlighted. The decline in oil prices that began in November is finally beginning to show up on the economy's external account.

The adviser said that he was not happy with the pace of compression in imports thus far. He said the dip in import bill is due to three factors—decline in commodity prices, reduction in oil prices and imposition of regulatory duty on luxury items.

Now, he said the government has banned import of furnace oil, the bill for which is normally in the range of around $1bn. "We have raised duty on import of non-essential items to discourage its imports", the adviser added.

With help of these measures, he said the reserves are expected to go up and the trade deficit will shrink by June 2019. Last year, the total trade deficit touched its record high of $37bn.
Secretary Commerce Younus Dagha, who accompanied the adviser, said the import suppression was not because of regulatory duty (RD) but mainly due to reduction in oil prices. He said the RD imposed on non-essential items and restriction of imports of certain commodities was not in violation of World Trade Orgainsation rules.
He also added that the import of raw material will go up while that of finished products will drop to expand domestic production.
On exports, Dawood said that this year, proceeds will cross the $25bn mark easily. He also claimed that a stretched target of $27bn, which was projected for the current fiscal year, is unlikely to be met.
However, he failed to answer question on how the government is planning to achieve the target and to quantify the real impact of the measures taken in the recent mini-budget with respect to export promotion.
In recent past, similar questions were also asked from the commerce ministry officials at the standing committee when the issue of reduction in duty on raw materials came up for discussion and its impact on increasing exports from the country. During that hearing too, the officials failed to explain how they have quantified the impact of their measures on the trade numbers.
On the issue of industrial policy, the adviser said a draft policy is being finalised which will be shared with the commerce chambers for feedback. “We will then present in the cabinet for approval”, he said adding that the duty reduction on iron and steel sectors will be considered in the upcoming budget.
When asked about the status of additional $1bn market access to China, the adviser said that things are moving in positive direction.
However, he did not share whether it will be achieved this year or not.
The adviser said Pakistan is on track to comply with the UN conventions in compliance with the terms of the EU GSP+ scheme. “We are mostly compliant except in three areas”, the adviser said, adding “we will make progress in those areas until next review”.
He said that he was against the subsidy on export of sugar; however, he pointed out that the government has received Rs6-7bn claims of subsidy but said that the government has only allocated only Rs2bn for sugar subsidy in the budget.
Regarding Rs30-35bn export development funds stuck with the finance ministry, Dawood said that finance minister has already issued directions to work out a mechanism for settlement of these funds.
Commenting on the plan to revive Pakistan Steel Mills (PSM), the adviser said that three Chinese and three Russian companies have shown their interest to run the PSM on lease. However, he said the committee will decide future course of action in due time.
Published in Dawn, January 30th, 2019
https://www.dawn.com/news/1460699/trade-deficit-to-shrink-by-5-6bn-claims-dawood

PAKISTAN-UZBEKISTAN TRADE RISES THREEFOLD

By Imran Rana Published: January 30, 2019
FAISALABAD: Direct hurdles obstructing Pakistan-Uzbekistan trade have been removed while steps are under way to promote banking and air services besides ensuring safe transit of trade consignments through Afghanistan, said Uzbekistan Ambassador Furqat Siddiqov.
Addressing business community at the Faisalabad Chamber of Commerce and Industry (FCCI), the envoy disclosed that trade between the two nations registered a three-fold growth compared to the previous year. Highlighting that Uzbekistan Air was already flying on the Lahore-Tashkent route on a weekly basis, he said introduction of direct Karachi-Tashkent flights was on the cards.
Underscoring the need for establishing banking channels, he pointed out that National Bank of Pakistan was present in Tashkent while a Swiss bank was expected to establish its branch shortly to promote international banking links.
In response to a question, Siddiqov replied that the Uzbek government was contemplating to initiate Islamic banking and policies were being framed in that regard.
“Uzbekistan imports sugar, pharmaceuticals and potatoes from Pakistan. In return, it can export agricultural machinery,” he suggested.
The Uzbek ambassador was of the view that cooperation in textile products should be encouraged since both the countries were engaged in cotton production.

Reiterating the fact that several Pakistani enterprises were already present in Uzbekistan, he highlighted the availability of joint-venture opportunities in that area. He offered credit facility to Pakistani investors.
"Uzbekistan, Tajikistan, Russia, Afghanistan and Pakistan are considering a proposal to open a land route through Afghanistan," he revealed. "This would be done by offering logistics, trade and transit facilities to the exporters of this region."
Published in The Express Tribune, January 30th, 2019.
https://tribune.com.pk/story/1899692/2-pakistan-uzbekistan-trade-rises-threefold/

March 2019

NEWS COVERAGE PERIOD FROM MARCH 11th TO MARCH 17th 2019

UMAR GIVEN THE ALL-CLEAR TO LEGALISE BITCOIN TRADE

SOHAIL SARFRAZ | MAR 17TH, 2019 | ISLAMABAD
Pakistan's premier intelligence agency has recommended to Finance Minister Asad Umar to legalise the business of crypto-currencies, register around 5,000 crypto currency/Bitcoin exchanges/dealers, classify such currencies as an 'investment' with all net gains to be taxed, establish a national task force to monitor flow of transactions through crypto-currencies and bring this business into the formal tax regime.
Top intelligence agency has shared policy, regulatory and enforcement plan with Finance Minister Asad Umar to effectively deal with fast emerging trend of crypto currency (Bitcoin) trade in Pakistan, which is providing a platform for tax evasion.
Sources told Business Recorder here on Saturday that the top intelligence agency has also made a set of recommendations, way forward and countermeasures to the finance minister for phase-wise implementation in June 2019 and December 2019.
"Irrespective of the option GoP adopts, ie, declaring crypto-currencies as legal or illegal, a robust oversight mechanism (mapping, investigation and prosecution) will have to be put in place as soon as possible," the premier intelligence agency added.
Reportedly, there are over 5,000 dealers/exchanges involved in this illegal trade through cash/online payment system in approximately 100 cities of the country and it is expanding with a growth rate of 400 percent per year. Prevailing international environment demands a serious and speedy attention by all stakeholders to evolve a befitting response in this regard, the premier intelligence agency added.
According to the letter of the intelligence agency to Asad Umar, the finance minister's efforts towards revival of economy and recent steps taken in countering the terror financing (TF) convey volumes about his vision, professionalism and dynamism. The intelligence agency would take the opportunity to highlight a fast emerging trend of crypto currency (Bitcoin) trade in Pakistan; providing an easy/anonymous platform for the tax evasion, money laundering (ML), TF and funding for other criminal activates. This posses serious implications for the GOP and can be a cause of embarrassment at international level, especially in the absence of robust/comprehensive oversight mechanism to map/monitor the illegal business.
The finance minister's office is requested to sensitise the relevant ministries/ departments/ law enforcement agencies about the said issue in order to initiate concerted efforts for desired response. The following recommendations, way forward and countermeasures have been suggested:
1. Declaration of Crypto-currencies as legal: All such currencies have definite future prospects and are likely to cap the overall financial market in near future. Pakistan also needs to capitalise on such business opportunities to her advantage like other modern countries instead of declaring these as illegal. The responsibility may be given to MOF/SBP and timeline should be June 2019.
2. Registration of Crypto-currency exchanges and individuals: In order to monitor/ bring under tax net, the crypto currency/Bitcoin exchanges and individuals involved in trade need to be registered under Pakistan Stock Exchange(PSX) and Securities and Exchange Commission of Pakistan (SECP) for mapping/clear visibility purposes and to increase taxation. The responsibility may be given to MOF/SBP/SECP/PSX and timeline should be June 2019.
3. Classification of Crypto currencies: There is a need for new classifications of crypto-currencies as "an investment" with all net gains to be taxed. For example, the US tax authority (IRS) has classified crypto-currencies as "property" for the purpose of federal taxation, whereas the US Treasury Department's FinCEN (Financial Crimes Enforcement

Networks) has classified crypto-currencies as “value” for the purpose of AML/CFT obligations. Other countries have taken a different approach, avoiding a formal classification and focusing instead on the nature or type of transactions being conducted. The responsibility may be given to MoF/SBP/FBR and timeline should be June 2019.
4. Develop a coordinated virtual currency strategy: It should include outcome goals, a description of how the GoP intends to achieve these goals, and an action plan with a timeline for implementation. In addition, the strategy should be to use the tools available to FBR and identify how the FBR is going to meet its Bank Secrecy Act (BSA), criminal investigation and tax enforcement obligations as related to virtual currencies as well as identify how actions will be monitored and the methodologies used to measure the actions taken. The responsibility may be given to PTA/MoF/SBP/FBR and timeline should be June 2019.
5. FATF report and guidance: All concerned are also required to carry out study of FATF reports including ‘Virtual Currencies Key Definitions & Potential AML/CFT Risks-June 2014’ and ‘Guidance for a Risk-Based Approach-Virtual Currencies June 2015.’ All countries are required to implement the relevant AML/CFT requirements specified by the FATF as international standards to convertible virtual currencies (VC) exchanges. This should include three areas like know your customer procedures, maintaining certain transactional records and reporting suspicious transactions of various types. The responsibility may be given to all departments and timeline should be June 2019.
6. Monitoring of crypto-currencies: It is the most difficult part which needs specific expertise/laws through which crypto-currency trade being carried out via hidden platforms needs to be brought under a registered banner. For the purpose, following is recommended:
A): Analysis of models adopted by different countries and promulgation of relevant laws.
B): Training to acquire technical expertise to oversee/track such trade i.e. through exchanges and well as individual based trading.
C): Establishment of a special department within the SBP to study the impact of trade and deal with such currencies housing financial experts, cyber experts, data analysis and representatives of intelligence agencies.
D); Nomination of a lead agency/deportment to carry out related investigation. Recom-mended department is FIA.
E): Stringent KYC and scrutiny of transactions by financial institutions (FIs).
F): It is suggested that GoP to establish a national task force on the module of Australia and the USA comprising members from all concerned departments to monitor the flow of transactions through crypto-currencies.
G): Examples of establishment of a monitoring department of virtual/crypto currencies by contemporaries: In December 2017, Australia passed an amendment to AML/CFT legislation to cover digital currency exchanges which are being monitored by AUSTRAC under the amended legislation i.e. Digital Currency Exchange Providers Law under which they are required to register in AUSTRAC’s new digital currency exchange register.
In USA, a Bill titled ‘Financial Technology Innovation & Defence Act’ aims to form a new task force headed by secretary of treasury, with other members (attorney general & directors from LEAs including FBI, CIA & secret service) who can propose regulations to counter such activities.
South Korea has banned anonymous trading of crypto-currencies and introduced the real-name system which went into the effect immediately.
The following countermeasures have been suggested:
Investigation: Until the government collectively enforces the regulatory principles, the responsibility will fall on the law enforcement and bank AML units to identify suspicious transactional behaviour at the points of ingress and egress between the financial institutions and basic crypto exchanges. For banks, this approach should be two-fold i.e. investigator training and crypto-exchange focused detection scenarios. Many legitimate investors regularly transact between banks account and basic exchanges. As with any AML operation, segmenting normal customers from possible money launderers requires specific considerations. The GOP also needs to adopt this model. The responsibility may be given to MoF, SBP, FIA, FMU and PTA with timeline of December 2019.
Human Resource (HR) Training: It is of utmost importance that requisite capacity building of HR/LEA/representatives of intelligence agencies dealing with the subject be done through technical training in order to effectively play their role. The responsibility may be given to MoF and SBP with timeline of June 2019.
Creation of Framework for Initial Coin Offering (ICOs): ICOs are the basic tool for Bitcoin users to go through its future process. It is a new business model for the exchanges/companies offering new coins. If an exchange wants to offer ICOs, the regulation should require them to ensure that the ICO meets certain criteria. A clear set of rules on what is and isn’t acceptable should be set out.

https://fp.brecorder.com/2019/03/20190317455987/

'PAKISTAN HAS UNTAPPED EXPORT POTENTIAL OF $15BN'

RECORDER REPORT 2019/03/17
LAHORE: The Pakistan Industrial and Traders Associations Front (PIAF) has asked the government to adopt an approach aimed at developing both the agricultural and industrial sectors to increase the country's exports.
PIAF former chairman Irfan Iqbal Sheikh also suggested the businessmen to adopt an aggressive marketing strategy to get their due share in the international market. Regional trade is another neglected area where due attention is direly needed.
He said Pakistan had an untapped export potential of $15 billion, as there is potential in home textile products, apparels, leather products and cereals to double the exports within a year. "Despite having best quality, Pakistani merchandise are not finding their way to the most parts of the world just because of lack of aggressive marketing strategy, he said. The regional trade is another neglected area where we have to do a lot of work through public-private partnership," he added.
He said that promotion of regional trade was a must to enhance exports which are showing a declining trend. "It is a matter of concern that our exports are going down at a time when our competitors are writing new stories of success in the global market," he maintained.
"We are still struggling to achieve our minimal export target despite having all resources to move forward while those countries are far ahead of us which were following our economic role model in the past," he said.
Irfan Iqbl Sheikh said there was a need to devise a comprehensive strategy to promote the industry on commercial basis which would not only support the manufactures but also increase exports. He said good working environment would enhance the capacity of workers enabling them to compete internationally.
He suggested the cabinet to pursue radical economic reforms through a long-term stable administration. The Ministry of Commerce should explore potential in 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 supply chain, enhancing use of technology and providing competitiveness in a bid to enhance volume of international and internal trade. As a result of high tariffs and taxation, cost of production is increasing and cannot compete in the global market thus badly hampering the export substantially, he said.
Moreover, it is essential to have an agricultural policy that increases the supply of raw material to agro-based industries, both domestic and foreign, so that it could help domestic textile producers regain lost competitiveness in the world market. Furthermore, there is a need to diversify the range of value-added traditional industrial goods, such as consumer textile and leather products, as well as of non-traditional industrial goods, he said.
https://epaper.brecorder.com/2019/03/17/3-page/768394-news.html

GOVERNMENT TO ANNOUNCE TRADE POLICY SOON

By Our Correspondent Published: March 17, 2019
LAHORE: A new trade policy will be announced soon, said Prime Minister's Adviser on Commerce Abdul Razak Dawood on Saturday.
Addressing a seminar on 'Trade opportunities in China, Indonesia and the United States of America', he said that the new trade policy was being formulated in consultation with all stakeholders to make it more effective and fruitful.
The event was organised by the Ministry of Commerce and the Trade Development Authority of Pakistan (TDAP) to maximise its outreach to the business community. In this regard, all registered chambers and trade associations from across the country were invited to give their input in these consultative sessions.
Dawood said that a committee had also been constituted to control de-industrialisation in the country, asserting that the tariff policy would soon be presented before the federal cabinet for its approval. The PM's adviser said that elaborative measures were being put in place to provide a platform to the entire business community to share their views and to resolve issues.
"The present effort has been made to ensure the widest possible and inclusive coverage, for providing a platform to the business community to share their concerns and suggestions to overcome the issues being faced by them," he added.

He said that the current sessions seek to focus not only on China but also mean to raise awareness about the opportunities emerging in Indonesia and the USA, in the wake of recent developments in these markets. The Free Trade Agreement (FTA) between Pakistan and China was being deliberated upon, and in this connection the commerce secretary would pay a visit to China as well, he remarked.
Elaborating on efforts to promote business, Dawood said the Pakistan Tehreek-e-Insaf (PTI) government was focused on providing maximum facilitation to the country's business community, enabling it to have a level playing field in their respective sectors. He said that the reforms package was aimed at encouraging the business community to attract more investment to enhance the country's exports.
The adviser was of the view that Pakistan would have to explore and add new sectors and markets for boosting exports. He said the government was committed to creating jobs for the youth, adding that a vibrant export-oriented industry would help create job opportunities. He called upon the business community to play its due role in the economic well-being of the country and assured them of his full cooperation and support in resolving all their problems.
Also present at the event, Commerce Secretary Younus Dagha gave a detailed presentation on Pakistan-China trade relations with specific reference to review of tariff lines.
Within the perspective of China-Pakistan Free Trade Agreement (CPFTA), Dagha emphasised that Pakistan had gained unique bargaining power with China such as inclusion of balance of trade clause in the agreement and revision of safeguard provisions.
In addition to this, Pakistan also gained a favourable consideration on immediate elimination of tariff on Pakistan's top 65 priority items.
"This breakthrough in negotiations is expected to enhance Pakistan's exports to China," he added. "It may also benefit our exporters in achieving greater market access in Indonesia and USA in the wake of withdrawal of GSP status from India and Turkey by USA."
Also speaking on the occasion, representatives of trade associations and chambers appreciated the outreach initiative of the commerce ministry. They highlighted the importance of incorporating stakeholders in the policy making process and market access negotiations.
Published in The Express Tribune, March 17th, 2019.
https://tribune.com.pk/story/1931018/2-government-announce-trade-policy-soon/

INDIAN GOODS TAGGED AS PAKISTAN-MADE BEING TRANSPORTED TO AFGHANISTAN

By Umer Farooq Published: March 13, 2019
PESHAWAR: Indian goods were being transported to Afghanistan and Central Asian Republics (CARs) without having been profiled and against no foreign exchange, sources said on Tuesday.
Goods were smuggled from India into Pakistan then transported to Afghanistan and CARs on fake Form-E showing the products as made in Pakistan with connivance of the custom clearing agents including those having been convicted by the Custom courts in the past, officials requesting anonymity said.
Form E stands for Export Form which is issued by a bank at the time of export to client. It is a declaration that this export is being processed against the foreign exchange either it has arrived in the exporting country or is contracted to arrive after shipment maturity.
Officials said that executing agencies were shocked to know about the Indian commodities exported to Afghanistan under the garb of Pakistani exports. Some of the commodities, according to senior Custom officials, were seized and destroyed.
Interestingly, the goods were being exported through Form-Es issued by Pakistani authorised dealers clearly stating that both the importer and exporter were known to the bank authority which however was contrary to the fact that the goods were transported to Afghanistan and Central Asian Republics without having been profiled.
Form E clearly states that goods were Pakistani and the Form E was certified by the bank authorities and filed with the Good Declaration to Customs authorities however it has been learnt that Customs never questioned Bank Credit Advise (BCA) which violates not only the International Law but law of the land.

Official sources stated that Afghan traders purchase commodities in India, smuggle the goods into Pakistan where fake Form-E come into existence followed by the goods' transportation into Afghanistan and CRA under the garb of Pakistani goods.

"Yes, we have confiscated the Indian goods as well as the fake Form-E on multiple occasions and have also initiated cases against the fake exporters where in some cases, some 15 clearing agents were proceeded against," a senior Customs official told The Express Tribune adding 'many were convicted by the Custom courts sending them behind bars for five years.'

The official stated that it was strange the convicts ran the similar business after having obtained national tax number in names of their relatives. Pakistan is the shortest possible land route for exports into Afghanistan and CARs where at the same time is the shortest possible route [Chabahar even] for Afghanistan and CARs exports into the Sub-continent, Sri Lanka, Malaysia, Bangladesh and other far-eastern countries.

"It needs to be streamlined and we need a gentle push in order to boost our economy from around $2billion to maximum which shall definitely overcome the current trade deficit within minimum possible time," the official informed however requested anonymity since he was not entitled to speak to media.

Published in The Express Tribune, March 13th, 2019.

https://tribune.com.pk/story/1928153/1-indian-goods-tagged-pakistan-made-transported-afghanistan/

CPFTA-II MAY BE FINALISED PRIOR TO PM'S CHINA VISIT

MUSHTAQ GHUMMAN | MAR 11TH, 2019 | ISLAMABAD

Pakistan and China are holding 11th round of second phase of Free Trade Agreement (FTA-II) on March 12-13, 2019 in Beijing, hoping positive outcome of the much supported parlays, well-informed sources told Business Recorder.

Pakistan's negotiation team will be headed by Shafiq Shahzad Baloch (Chief Negotiator). Other members of the team will be Yasmin Abdul Wahab, Consultant, MoC, Ghulam Qadir, Trade Economist, MoC, Khuda Bukhsh Rind, EDB, and one representative each from Ministry of National Food Security and Research, Textile Division and Federal Board of Revenue (FBR).

The agenda of talks will be market access of trade in goods, claw back, investment text and customs data exchange.

The sources said, both countries want to finalise CPFTA-II prior the second visit of Prime Minister Imran Khan to China scheduled in April 2019.

China has indicated that the items under zero tariff have been agreed and rice, yarn and sugar have been included in the items prior to implementation of FTA-II, and given an assurance to Islamabad that it would procure additional products worth $ 1 billion.

"China has conveyed that it is ready to work out the final details and modalities of second phase of FTA during 11th round of talks," the sources continued. The first phase of CPFTA was completed in 2012 and the two sides are presently negotiating the second phase for further liberalization. Both sides were almost ready to sign the FTA-II during Abbasi-led government, but it was deferred at the eleventh hour on the request of the business community. The then government's action was appreciated by the business community and Lahore Chamber of Commerce and Industry (LCCI) visited the office of the then Commerce Minster, Pervaiz Malik to applaud his efforts to safeguard local industry.

Pakistan maintains that China must extend unilateral concessions on its priority export items to restore eroded Margin of Preference (MoP) which was the result of subsequent China's FTA's with other countries especially Association of Southeast Asian Nations (ASEAN) in 2011.

Pakistan had sought unilateral concessions on 313 items but China was willing to give concessions on only around 55 items. However, now the situation is far different due to Pakistan's stiff stance. "We want a win-win situation for both the countries in the second phase, as the outcome of first phase has been asymmetrical resulting in huge trade deficit," said an official on condition of anonymity.

https://fp.brecorder.com/2019/03/20190311453536/

NEWS COVERAGE PERIOD FROM MARCH 4th TO MARCH 10th 2019

CHINA HOPEFUL ON US TRADE TALKS

RECORDER REPORT | MAR 10TH, 2019 | BEIJING

Beijing is hopeful about its next round of trade talks with the US, China"s vice minister for commerce said Saturday, after revealing that top negotiators had tried to hammer out a deal over burgers and eggplant chicken. China and the United States have been locked in a bruising trade war since last year, imposing tit-for-tat tariffs on more than $360 billion in two-way trade, which has left global markets reeling. Top-level negotiators have met three times in an attempt to reach an agreement before next week, when additional tariffs could be levied on Chinese goods entering the US as a truce period expires.
“When you ask about the prospects for the next Sino-US economic and trade consultation, I feel that there is hope,” Vice Minister for Commerce Wang Shouwen told journalists at a press briefing on the sidelines of China"s National People"s Congress. He added that Beijing"s top economic official Liu He and US Trade Representative Robert Lighthizer held talks over a packed lunch of burgers and eggplant stir-fried with chicken – a common Chinese dish – in Washington last month.
“Vice Premier Liu ate a beef burger, and Lighthizer ate eggplant and chicken (with rice),” Wang said. “Throughout the consultation process, there was coffee and tea… but both drank plain water.” “This was to find common ground,” he added.
https://fp.brecorder.com/2019/03/20190310453369/

PBIF ASKS GOVERNMENT TO REVISIT ALL BILATERAL TRADE AGREEMENTS

RECORDER REPORT | MAR 8TH, 2019 | KARACHI
President of Pakistan Businessmen and Intellectuals Forum (PBIF) Mian Zahid Hussain has suggested that all trade agreements with different countries need to be reviewed in order to make them more beneficial and supportive for strengthening Pakistan’s exports. “The export sector products should be diversified and customised in accordance with international demand for which research and development centres need to be established across country so that Pakistani products may be sold at better prices in international markets,” he proposed, adding that new international markets ought also to be looked for in order to boost exports.
Taking to a group of business community, Mian Zahid expressed concern that the balance of bilateral trade was negative for Pakistan despite having preferential trade agreement with Indonesia.
He said several amendments had been made to FTA in order to make it more favourable for Pakistan due to efforts of ministry of commerce and secretary commerce Younus Dagha who met Indonesian minister of commerce and stressed on removal of non tariff barriers for Pakistani products to enter Indonesian markets.
He said that Indonesia officially offered access to twenty export products in to make the balance of trade in favour of Pakistan. Those items include: mangoes, broken rice, tobacco, apparel, knitwear and other textile products. This facility will help Pakistan to improve its exports to Indonesia, he said.
PBIF president said that the continuous efforts of Pakistan come to fruition and direct access was granted to 20 export items of Pakistan’s choice effective from March 1, 2019, which would tilt the balance of bilateral trade in the country’s favour.
He noted that the FTA between Pakistan and Indonesia came into existence in 2012 but it adversely affected Pakistan’ exports to Indonesia where Pakistan’s exports were declined to $ 141 million in 2016 which were $ 236 million in 2011; however, it jumped to $ 296 million in 2017.
He said bilateral trade stood at $ 1.6 billion at the time of signing FTA which increased by $ 1.2 billion in 2017 to $ 2.8 billion given to huge rise in Indonesian exports to Pakistan from $ 1.5 billion in 2013 to $ 2.5 billion in 2017.
Veteran business leader said Pakistan had exported 200,000MT of wheat and white rice to Indonesia the previous year. He said special permission of exporting mangoes in the coming season was granted to Pakistan, which would help in boosting exports and would tilt the balance of trade in Pakistan’s favour.
https://fp.brecorder.com/2019/03/20190308452494/

PAKISTAN, INDIA RESUME BARTER TRADE

RECORDER REPORT | MAR 6TH, 2019 | OCCUPIED SRINAGAR
India and Pakistan resumed barter trade at a border crossing in Kashmir on Tuesday, an Indian official said, but tension in the contested region continued with a general strike and more fighting between Indian security forces and

freedom fighters. Trade across the border, known as the Line of Control (LoC), was part-suspended after repeated mortar and small arms fire at Uri, a border town where the exchange of goods takes place.
But on Tuesday the route re-opened after firing in the region eased, said Riyaz Ahmad Malik, an official in the Indian-occupied part of Kashmir. Thirty-five trucks left for Chakothi on the Pakistani side of the border with a similar number moving in the opposite direction, he said.
Trade across the LoC operates on a barter system, where no money is exchanged.
“This trade is heavily dependent on the trust factor,” said Pawan Anand, president of a local trading association in Indian-occupied Kashmir.
“We neither meet traders of Pakistan nor can check the quality of the imported goods until they reach us.”
Ashfaq Ahmad, a trader in occupied Srinagar, the capital of Indian-occupied Kashmir, said that he quotes rates on WhatsApp with his Pakistani counterpart.
“I send cumin and chilli seeds to Pakistan and in return order prayer mats and cloth,” he said. “If there is any difference, it is adjusted in the next consignment. It is all trust-based trade but it is working.”
Indian traders export cumin, chilli pepper, cloth, cardamom, bananas, pomegranate, grapes and almonds. Prayer mats, carpets, cloth, oranges, mangos and herbs return from the Pakistani side.
Indian security forces continued a campaign against freedom fighters fighting for independence from India, in the wake of the Feb 14 attack that killed at least 40 paramilitary police.
Two freedom fighters of the separatist Hizbul Mujahideen were martyred in a gun battle with Indian troops in occupied South Kashmir”s Pulwama district on Tuesday. Both freedom fighters were locals, said Tahir Saleem Khan, a police official.
Since the Pulwama attack, 15 freedom fighters have been martyred in six separate gun battles in occupied Kashmir. Twelve Indian security personnel were killed during the operations, while two civilians also lost their lives.
Cross-border shelling between India and Pakistan has killed four civilians, with 18 injured including seven Indian troops.
Several trading groups called a strike on Tuesday to protest a ban on the Jamaat-e-Islami (JeI) political movement that wants independence.
Indian police have arrested more than 300 leaders and activists belonging to JeI, alleging it has links with the freedom fighters. The group denies this.
Shops and businesses were closed in many areas of occupied Srinagar, and traffic was thin on the roads. Police and paramilitary troops were heavily deployed in sensitive areas of the city and other major towns.
https://fp.brecorder.com/2019/03/20190306451933/

US TO END PREFERENTIAL TRADE STATUS FOR INDIA, TURKEY

RECORDER REPORT | MAR 6TH, 2019 | WASHINGTON
Washington will scrap the preferential trade status of India and Turkey, the US trade chief”s office said, as President Donald Trump ramps up his battle against what his administration views as unfair foreign trade practices. Trump has made an overhaul of global trade and the slashing of American trade deficits a central plank of his presidency.
The Generalized System of Preferences (GSP) program for developing nations had granted favorable treatment to both countries for a range of manufactured goods imports, such as automotive parts, tires and appliance parts. But the Trump administration will end “India”s and Turkey”s designations as beneficiary developing countries” saying they no longer qualified for the reduced tariffs, US Trade Representative Robert Lighthizer said in a statement late Monday.
India, the biggest beneficiary of the GSP program, had failed to assure Washington that it would allow required market access to American firms, and instead erected “trade barriers that create serious negative effects on United States commerce,” the statement said.
New Delhi played down the effect of the decision, with Commerce Secretary Anup Wadhawan saying the withdrawal of the program would not have a “significant impact” on Indian trade. Of India”s $80 billion in annual exports to the US, only $5.6 billion were covered by the preferences, he said, according to a report by the Press Trust of India news agency.
New Delhi”s commerce ministry said India”s tariffs were in line with its commitments to the World Trade Organization, while imports of US oil and natural gas had narrowed the US trade deficit with India in recent years.

Meanwhile, Turkey"s trade minister said Washington"s plan conflicted with the NATO allies" push to increase commercial exchanges. “This decision contradicts our mutual objective of reaching bilateral trade volume of $75 billion… The decision will also negatively affect US small and medium-sized enterprises and manufacturers,” Ruhsar Pekcan said on Twitter on Tuesday.
“We still would like to pursue our target of increasing our bilateral trade with the US who we see as our strategic partner, without losing any momentum,” she said. The changes cannot take effect for at least 60 days following the notification to Congress and the countries affected – a process Trump began Monday with letters to the speaker of the House of Representatives and the president of the Senate.
The change for India came after “intensive engagement” between New Delhi and Washington, Trump wrote in one letter, released by the White House. “I will continue to assess whether the government of India is providing equitable and reasonable access to its markets, in accordance with the GSP eligibility criteria,” the president wrote.
And USTR said Turkey has demonstrated a “higher level of economic development,” meaning that it can be “graduated” from the program. In his letter on Turkey, Trump said the country"s economy “has grown and diversified,” and noted that Istanbul has already “graduated from other developed countries" GSP programs.”
https://fp.brecorder.com/2019/03/20190306451951/

20% QUOTA SET FOR OVERSEAS PAKISTANIS IN TRADE MISSIONS

By Our Correspondent Published: March 6, 2019
ISLAMABAD: Prime Minister Imran Khan has approved the reservation of 20% quota for overseas Pakistanis for appointment on the post of trade officers in Pakistan's missions abroad.
The decision was taken in a meeting held at the Prime Minister's Office which discussed reforms in the process of posting trade officers abroad. Earlier, the prime minister had directed the Ministry of Commerce to revamp the entire system of posting trade officers in overseas trade missions in order to promote trade and commercial interests of the country.
A new policy, approved by the premier, targets transparent and merit-based selection of trade officers, market diversification, involvement of Pakistani diaspora, rationalising expenditures, broad-based monitoring and performance evaluation and automation of processes.
In an attempt to effectively promote commercial interests of the country, especially in emerging markets and various regions across the globe, trade clusters have been given due attention in the new policy to ensure optimum utilisation and maximum mission outreach.
The prime minister was told that in order to ensure broad-based and real-time monitoring of the performance of trade officers, the entire evaluation process had been automated. Commerce Secretary Mohammad Younus Dagha briefed the prime minister about the national trade data analytics system, being developed by the commerce ministry. The data analytics system will help in better evaluation and promotion of trade interests.
Published in The Express Tribune, March 6th, 2019.
https://tribune.com.pk/story/1923747/2-20-quota-set-overseas-pakistanis-trade-missions/

PAKISTAN, INDIA RESUME BARTER TRADE AMID TENSIONS

By Reuters Published: March 5, 2019
SRINAGAR: India and Pakistan resumed barter trade at a border crossing in Kashmir on Tuesday, an Indian official said, but tension in the contested region continued with a general strike and more fighting between Indian security forces and Kashmiri fighters.
Hostilities between the nuclear-armed neighbours escalated dramatically late last month, after a suicide attack in the Pulwama district of Indian-controlled Kashmir on February 14. Firing along the border became a common sight, disrupting trade and travel.
Trade across the border, known as the Line of Control (LoC), was part-suspended after repeated mortar and small arms fire at Uri, a border town where the exchange of goods takes place.
But on Tuesday the route re-opened after firing in the region eased, said Riyaz Ahmad Malik, an official in the Indian-controlled part of Kashmir.
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https://tribune.com.pk/story/1923620/2-pakistan-india-resume-barter-trade-amid-tensions/

PAKISTAN SHIFTS AWAY FROM INDIAN GOODS IMPORT

By Aadil Nakhoda Published: March 4, 2019
KARACHI: Recent events relating to trade and investment present numerous opportunities as well as challenges for Pakistan. The opportunities were provided by friendly countries in the form of financial assistance and investments in various sectors and industries to boost domestic production. On the other hand, trade linkages with India faced a backlash due to the Pulwama attack.
With new economic partnerships as well as increasing uncertainty in regional trading activities, the trade composition between Pakistan and major players, particularly Saudi Arabia, the United Arab Emirates (UAE) and India needs to be further analysed in order to gauge the overall impact.
Trading patterns are analysed with the help of data from ITC's Trademap.org. Pakistan imported more than $2.7 billion of goods from Saudi Arabia and $1.7 billion of products from India in 2017. Saudi Arabia is the fourth largest source of imports into Pakistan while India is the seventh largest source.
Furthermore, Pakistan imported $7.5 billion of goods from the UAE in 2017, its second largest source of imports after China. Therefore, recent developments will impact the trading patterns for Pakistan.
According to data from BP's Statistical Review of World Energy 2018, Pakistan consumed approximately 589,000 barrels of oil (bpd) per day, with growth rate per annum of 4.8% between 2006 and 2016. On the other hand, its refining capacity was only 401,000 bpd, increasing 3.7% per annum between 2006 and 2016.
Pakistan imported $13.7 billion of mineral fuels in 2017 and $3.1 billion of crude oil, mainly from Saudi Arabia and the UAE. Mineral fuels constitute 54% of total imports from Saudi Arabia and 85% of imports from the UAE.
However, 88% of the mineral fuels imported from Saudi Arabia comprised crude oil, with considerably smaller amounts of other forms of mineral products.
On the other hand, approximately 30% of the mineral fuels imported from the UAE were in the form of crude oil. Pakistan imported $4.3 billion of furnace oil, high-speed diesel and motor spirit from the UAE in 2017.
With a $10-billion oil refinery planned to be built in Gwadar, which is expected to slash imports of refined petroleum products into Pakistan, imports of crude oil will likely increase. The refinery is expected to produce 300,000 bpd.
Once it starts operations, the composition of mineral fuel imports will likely shift towards crude oil, substituting the imported refined petroleum products. With Saudi Arabia as an investor and a major supplier of crude oil, imports of crude oil from it may further increase. In the short run, imports of plant, machinery and equipment will increase in total imports. In the long run, the reliance on imported refined petroleum may fall.
However, it is essential that the government boosts exports of refined products as well as develops complementary downstream industries, such as petrochemical and other synthetic products that can benefit from the refined as well as residual products produced by the new investments.
Even though profit repatriation is expected from foreign investors, better trade policies will help decrease the current account deficit.
India recently retracted the most favoured nation (MFN) status awarded to Pakistan, imposed additional tariffs on goods imported from Pakistan, cancelled export orders from Pakistan and banned the export of certain products to Pakistan such as tomatoes.

According to the data extracted from Trademap.org, Pakistan exported $335 million of goods to India in 2017, which was approximately 1.5% of total exports from Pakistan. The range of products exported was limited, mostly comprising cement, gypsum and dried dates.
Pakistan exported $90 million worth of fresh or dried dates, $65 million of Portland cement, $14.4 million of medium oils and preparations, $13.9 million of gypsum and $13.6 million of tanned leather. Pakistan is by far the largest source of Portland cement and fresh or dried dates into India. Pakistan is also one of the leading exporters of Portland cement and dried dates around the world. In essence, exports from Pakistan to India are limited to a few products in which Pakistan has relative advantage in the global market.
Furthermore, cement and dates contributed only 1.4% of total exports from Pakistan to all its trading partners in 2017.
On the other hand, out of $1.7 billion of goods imported by Pakistan from India in 2017, $555 million was paid for chemicals or allied products, $203 million for raw cotton, $141 million for cotton yarn and $68 million for polymers of propylene in primary form. In essence, India supplied mainly raw material and intermediate goods to Pakistan.
Pakistan reduced imports of vegetables from India in 2017. For instance, it imported more than $100 million worth of fresh or chilled tomatoes from India in 2016, approximately 86% of total import of the commodity from all partners. However, in 2017, it stopped the import of tomatoes.
Similarly, more than 50% of the total raw cotton imported into Pakistan was sourced from India in 2014 and 2015. In 2017, the share of Indian raw cotton fell below 27%.
The United States replaced India as the largest source of raw cotton as $279 million worth of the commodity was imported from it. This is primarily due to the resurgence of the US as a significant exporter of raw cotton globally.
Furthermore, Saudi Arabia has been a major source of polymers of propylene. In essence, Pakistan has shifted away from Indian imports, replacing it with other sources.
According to the World Bank's "Glass Half Full: The Promise of Regional Trade in South Asia", trade potential between Pakistan and India is estimated at $37 billion. Uncertainties in the relationship between the two countries not only impede trade but have rather led to trade diversion in recent years.
Considering the recent economic opportunities and challenges, Pakistan must further strengthen its trading relationship with important trading partners by pursuing trade and investment agreements. It must take full advantage of the renewed geopolitical and economic interests.
The writer is the Assistant Professor of Economics and Research Fellow at CBER, IBA
Published in The Express Tribune, March 4th, 2019.
https://tribune.com.pk/story/1922412/2-pakistan-shifts-away-indian-goods-import/

April 2019

NEWS COVERAGE PERIOD FROM APRIL 1st TO APRIL 7th 2019

SAUDI ARABIA THREATENS TO DITCH DOLLAR OIL TRADES

News Report April 7, 2019
LONDON/DUBAI: Saudi Arabia is threatening to sell its oil in currencies other than the dollar if Washington passes a bill exposing OPEC members to US antitrust lawsuits.
Option had been discussed internally by senior Saudi energy officials in recent months. Reuters quoting sources reported that the plan had been discussed with OPEC members and one source briefed on Saudi oil policy said Riyadh had also communicated the threat to senior US energy officials.
The chances of the US bill known as NOPEC coming into force are slim and Saudi Arabia would be unlikely to follow through, but the fact Riyadh is considering such a drastic step is a sign of the kingdom's annoyance about potential US legal challenges to OPEC.
In the unlikely event, Riyadh were to ditch the dollar, it would undermine its status as the world's main reserve currency, reduce Washington's clout in global trade and weaken its ability to enforce sanctions on nation states.
"The Saudis know they have the dollar as the nuclear option," one of the sources familiar with the ma
"The Saudis say: let the Americans pass NOPEC and it would be the US economy that would fall apart," another source said. Saudi Arabia's energy ministry did not respond to a request for comment.
A US state department official said: "as a general matter, we don't comment on pending legislation."

The US Energy Department did not respond to a request for comment. Energy Secretary Rick Perry has said that NOPEC could lead to unintended consequences.
NOPEC, or the No Oil Producing and Exporting Cartels Act, was first introduced in 2000 and aims to remove sovereign immunity from US antitrust law, paving the way for OPEC states to be sued for curbing output in a bid to raise oil prices.
While the bill has never made it into law despite numerous attempts, the legislation has gained momentum since US President Donald Trump came to office. Trump said he backed NOPEC in a book published in 2011 before he was elected, though he not has not voiced support for NOPEC as president.
https://www.thenews.com.pk/print/454445-saudi-arabia-threatens-to-ditch-dollar-oil-trades

WTO SIDES WITH RUSSIA IN LANDMARK NATIONAL SECURITY RULING

GENEVA: The World Trade Organization on Friday issued its first-ever ruling in a dispute where national security was invoked to justify otherwise illegal trade restrictions, setting a precedent that could have implications for Washington.
The global trade body said that Russia had the right to invoke national security concerns as justification for imposing restrictions on road and rail transit of Ukrainian goods.
Kiev had brought the case against Moscow in September 2016, complaining that the Russian restrictions, imposed following fighting that broke out in 2014 after a popular uprising ousted the pro-Kremlin president and Russia annexed Crimea, violated a range of international trade agreements.
In Friday’s ruling, a panel of experts set up by WTO’s Dispute Settlement Body acknowledged that if Russia had imposed the restrictions during normal times Ukraine would have had a case.
But it found that in light of the clear tensions between the two countries, Russia had the right to invoke national security concerns, meaning that Ukraine’s objections were moot.
“As of 2014, there has existed a situation in Russia’s relations with Ukraine that constitutes an emergency in international relations,” and “each of the measures at issue was taken in time of this emergency in international relations,” the panel concluded.
Some 13,000 people have been killed in the fighting in eastern Ukraine since 2014.
Friday’s ruling is significant because it marks the first time the WTO’s Dispute Settlement Body has arbitrated a case that involved its national security clause — known as Article 21 — which was first enshrined after World War II in the General Agreement on Tariffs and Trade (GATT).
GATT was a predecessor to the WTO, which was established in 1995.
The fact that the WTO panel determined in Friday’s ruling that the agency has the “jurisdiction” to rule in cases where national security concerns are invoked could also have implications for a slew of cases brought against the United States.
Marking a departure from a decades-long US-led drive for free trade, President Trump has justified slapping steep tariffs on some imports from a long line of countries with claims they threaten US national security.
He has based his move on a rarely used procedure in US trade legislation: article 232 which allows him to limit the import of certain products to protect national security.
The US maintains that the WTO does not have the authority to review countries’ claims that their national security is threatened.
Washington also warned late last year that if the organisation did review the invocation of Article 21, the WTO would undermine the legitimacy of its dispute settlement system, a Geneva trade official said at the time.—AFP
https://epaper.brecorder.com/2019/04/06/1-page/775321-news.html

I’VE SEEN THE BEST AND WORST OF CHINA. BE WARY.

By Nicholas Kristof April 3, 2019
President Trump and President Xi Jinping of China will probably soon reach a trade agreement, but that won’t solve the biggest problems.

The Chinese regime is interning people based on religion in a more systematic way than any other regime since perhaps the Nazis. Its tolerance of fentanyl trafficking leads to some 20,000 drug overdose deaths in the United States each year. It steals intellectual propertyand ratchets up persecution at home.
I lived in China, speak Chinese and deeply admire the country. Yet I am increasingly repulsed by Xi's China, for he is dragging the country in the wrong direction by imprisoning lawyers, journalists and people of faith; tightening controls over the internet; creating international security risks in the South China Sea; and fostering a personality cult around himself.
In fairness, it's also true that the Chinese government has helped lift more people out of poverty than any other government in human history. Just since 1990, the mortality rate for children under 5 has fallen in China by 83 percent — suggesting, by my calculations, that an additional 676,000 Chinese children survive each year who previously would have died.
Those of us who condemn China for human rights violations must also acknowledge this uncomfortable truth: A child born in Beijing today has a substantially longer life expectancy (82 years) than a child born in Washington, D.C. (77 years).
In short, the Xi regime is complicated. It cheats, oppresses and brutalizes, but it also educates, enriches and saves lives.
I've seen the worst of China: I was on Tiananmen Square in 1989 when troops opened fire on the crowd I was in. I've also seen the best: impoverished families in western China moving out of caves into modern homes and sending their children to universities. I used to believe that China was best approached with ambivalence, but in the last few years the ambivalence has faded into wariness.
When a trade deal is reached, President Trump may hail it as a triumph, and it will probably result in announcements of Chinese purchases of American goods. A trade deal is a good thing, but I hope that the United States will work with allies and firmly stand up to China on three issues in particular.
First, to the extent possible, we should try to curb Chinese high-technology firms' access to Western markets. These businesses are a security threat, and the Trump administration is right to be concerned. If a company like Huawei is asked to cooperate with Chinese State Security spies, its executives simply can't say no.
This doesn't mean that China is evil. American companies sold telecommunications equipment to China beginning in the 1980s that let us intercept officials' conversations there, and we have inserted cyber "back doors" into goods and software sold to China so that we can cause damage in the event of a conflict. China purchased a Boeing 767 in 2000 to be its presidential jet and it arrived riddled with listening devices. China inevitably will try to do to us what we already did to it.
Second, we should continue to highlight human rights, especially China's internment of perhaps one million Muslims in re-education camps. This is a staggering affront to religious liberty, with Chinese officials reportedly forcing Muslims to violate their faith by eating pork and drinking alcohol.
Bravo to Secretary of State Mike Pompeo for forthrightly denouncing China's "awful abuses" in detaining "hundreds of thousands and possibly millions of Uighurs," as well as its persecution of Christians. The Chinese authorities have even installed monitoring cameras inside Muslims' homes, and they have sent many Muslim parents to re-education camps, leaving the children left behind to be brainwashed in boarding schools.
Third, we need continued pressure on China over its exports of fentanyl, the synthetic opioid that is killing Americans in huge numbers through overdoses. Two-thirds or more of the fentanyl in the U.S. originates in China, where the authorities have been promising since 2016 to crack down on it.
A few days ago, China announced that it would soon ban all variants of fentanyl, a welcome step that may make a difference. But China often promises cooperation that does not materialize, and everything will depend on enforcement over the country's 160,000 chemical companies. Too many lives hang in the balance to take China at its word.
About 20,000 Americans appear to be dying each year from Chinese fentanyl (some of it entering via Mexico). That's a toll of devastation far greater than that caused by terrorists in the U.S. over multiple decades, and it should arouse far more outrage than Chinese companies pirating videos.
So, sure, a good trade deal with China is welcome. But when so many Americans are dying from Chinese fentanyl, when one million Muslims are interned, when Emperor Xi is dragging China in the wrong direction, let's not celebrate but, instead, keep up the international pressure.

https://www.nytimes.com/2019/04/03/opinion/trump-china-trade-deal.html

GOVT REFUSES TO BUDGE ON IMPASSE WITH FMCG IMPORTERS

Nasir Jamal Updated April 03, 2019
LAHORE: The government has categorically refused to reverse its decision of imposing new labelling requirements on the imported Fast-Moving Consumer Goods (FMCGs) or even to delay their implementation in spite of pressure brought from large importers, including multinational companies (MNCs) operating in Pakistan.
"We are not considering any proposal to delay, let alone revoke, the implementation of the order" Mohammad Ashraf, the Director-General Trade Policy at the Ministry of Commerce, tells Dawn from Islamabad. "This is exactly the situation at this moment."
He said the ministry has not received any recommendation from the Federal Board of Revenue (FBR) to allow importers some time to clear the consignments that have already arrived or are on their way to reach Karachi port.
"No, we have not received any such request from any quarter. I do not think the ministry will give any such concessions."
But, the DGTP clarified, if an importer had valid LC (letter of credit) opened before Feb 19 — the day the SRO mandating stringent labeling requirements on all imported food products went into effect, that assignment will be cleared.
"If an importer produces the required evidence his shipment will be cleared whenever it arrives at the port," he added. "The order applies to every importer — large or big and MNCs."
The statutory regulatory order (SRO) issued on Feb 19 by the ministry required importers to ensure that the "labelling should not be in the form of a sticker, overprinting, stamp or scratched labelling," and their shipments be accompanied by a Halal certificate. In addition, no product with less than 66 per cent of shelf life from its date of manufacturing would be allowed to enter the country, according to the amended IPO.
At present 40 consignments of food products in consumer packaging are lying uncleared at the Karachi Port and the Port Qasim even though some importers, including multinationals like Unilever and Nestle, have filed Goods Declaration. Chief Collector Customs Suraiya Ahmed Butt has requested the FBR member (customs-operations) to take up the issue with the ministry of commerce in view of "genuine hardship" faced by the importers and to ensure "due collection of (tax) revenue".
Published in Dawn, April 3rd, 2019
https://www.dawn.com/news/1473596/govt-refuses-to-budge-on-impasse-with-fmcg-importers

GLOBAL TENSIONS TO FORCE TRADE SLOWDOWN IN 2019: WTO

Shoaib Ur Rehman April 2, 2019
GENEVA: Global trade growth is expected to be lower in 2019 than it was last year, the World Trade Organization forecast on Tuesday, citing widespread "tensions" and economic uncertainty.
The WTO had in its preliminary estimates predicted a 3.7 percent expansion of trade for this year, but has revised that down to 2.6 percent, marking a decline on the three-percent growth recorded in 2018.
"The fact that we don't have great news today should surprise no one who has been reading the papers over the last 12 months," WTO director-general Roberto Azevedo told reporters in Geneva.
In its main annual forecast, the 164-member WTO renewed its concerns about systemic threats that could continue to disrupt the world's economy, notably retaliatory tariffs between China and the United States.
There are indications that ongoing talks between Washington and Beijing could resolve the bruising tariff battle, but timelines for a possible deal are not clear.
Asked if he saw either side emerging victorious in the trade spat between the world's two largest economies, Azevedo said "there will be many losers".
It was therefore becoming "increasingly urgent" that tensions are resolved, he added in a statement.
The WTO is "definitely hoping that we will hear good news" from the US-China talks, said Azevedo, who is a Brazilian national.
A year ago, the WTO projected that trade growth for 2018 would be 4.4 percent.
The fact that the final number was 1.4 percent lower than the initial estimate highlights the considerable downside risks plaguing the global economy, WTO economists said.

For this year, the downside risks again outweigh the upside potential, but a "relaxation" of tensions, especially the lifting of restrictive trade measures, could see 2019 beat the projections, the WTO said.
The projections released Tuesday are based on a "relatively smooth" Brexit playing out over the next two years, WTO economist Coleman Nee told reporters.
Britain leaving the European Union without a withdrawal agreement, or the various other possible Brexit scenarios that remain in play, will impact global trade, Nee said.
But "the situation is so fluid," Nee added. "We will have to wait and see what the final outcome is," before fully understanding Brexit's influence on world trade.
Azevedo stressed that the WTO leadership was available to help nations work together to improve the global trade climate, but conceded that when tensions mount countries "tend to try to go on their own".
https://www.brecorder.com/2019/04/02/485118/global-tensions-to-force-trade-slowdown-in-2019-wto/

A TAX ON A TAX: US CUSTOMS DEMANDS BIGGER BONDS AS TRADE TARIFFS RISE

Rajesh Kumar Singh April 01, 2019
Stephen Wang is counting the costs of President Donald Trump's trade war. He had to put down 12 times more cash as a guarantee to United States customs that he would pay the bill for tariffs on the Chinese-made pumps, valves and motors he imports.
The cost of the guarantee — a US customs bond — has shot up, an additional hit to importers already facing steep customs bills adding up to tens of billions of dollars for tariffs imposed by the Trump administration on incoming Chinese goods, as well as steel and aluminium imports.
Since coming into effect last year, the tariffs have pushed up manufacturing costs, upended decades-old global supply chains and inflated prices for consumers, resulting in lower sales and forcing companies to defer investments. This, in turn, has dimmed global growth outlook, roiling financial markets.
Other ripple effects are less obvious, among them the rising expense of US customs bonds. But for small companies that can ill-afford the added cost, the impact can be crippling.
Given the extra duties associated with Trump's tariffs, importers have been forced to post bonds that
In some cases, customs bond requirements have increased 500-fold, according to Reuters interviews with a dozen importers, underwriters and customs brokers
are worth much more to guarantee they can cover the added cost of bringing Chinese imports, and foreign steel and aluminium, into the United States.
In some cases, customs bond requirements have increased 500-fold, according to Reuters interviews with a dozen importers, underwriters and customs brokers.
"Managing the cash flow has become tough," said Wang. If the tariff war drags on, he warns, companies operating with thin profit margins and a weak capital base could go bust.
Wang is the chief executive of Hengli America, which procures supplies from China for customers such as CNH Industrial's construction and farm equipment units.
After duties on its merchandise surged from zero to $6 million a year, US Customs required Hengli to post a $600,000 bond. Its previous bond was $50,000.
Other importers reported similarly sharp increases.
Lisa Gelsomino, chief executive officer at underwriting firm Avalon Risk Management, said one client recently had to replace a $50,000 bond with one worth $26m.
The rise in tariffs means that US Customs and Border Protection (CBP) has issued thousands of importers with notices that their bonds are inadequate.
The CBP has issued about 3,500 insufficiency notices since January, it said. That compares to an average of 2,070 notices a year for the period between 2006 and 2017, according to data compiled by Roanoke Insurance Group. If importers fail to post a new bond within a month of receiving an insufficiency notice, customs officials can hold the cargo and charge additional fees. The CBP has around 224,000 active bonds on file.
No importer can ship goods into the country without posting a customs bond. The bonds are set at 10pc of the importer's total estimated annual duties, fees and taxes.

The Trump administration's 25pc import tariff on $50 billion of Chinese imported goods, and another 10pc on $200bn of imports, has added up. The annual tariff bill on Chinese goods alone stands at $32.5bn — requiring $3.25bn in additional customs bonds.
Separately, Washington has levied a 25pc duty on imports of steel and a 10pc duty on those of aluminium.
"You are talking millions of dollars that is going out," said David Meyer, head of customs brokerage and freight logistics company DJS International Services Inc.
"But you don't have a million-dollar tree that you are shaking in your backyard to make sure that you have got that money… it has definitely become a burden for importers." More than half of Meyer's clients have seen at least a tenfold increase in their bond amounts.
What is proving painful for some importers has been a bonanza for the firms that underwrite the bonds.
More costly bonds mean higher underwriting fees. They also mean higher collateral requirements. Since underwriters are on the hook if importers fail to pay duties, they want collateral that matches the value of the bond; underwriters usually require 1-1.5pc of the bond amount to guarantee the bond.
At Roanoke Insurance Group, the workload has increased so much that staff is working on weekends to handle it, said Colleen Clarke, vice president at Roanoke.
In one example, she said, Roanoke required $9m in collateral from a steel importer that was asked to post a $9m bond after duties on its imports surged from zero to $90m a year.
The steel importer also paid $90,000 in premium for the bond. The end result: the importer needed to come up with just over $99m a year to continue to import $360m of steel.
That is complicating finances for importers. The trade war has also driven up some raw material, freight and warehousing costs, raising the risks that some importers might default on payment obligations.
"Most of the importers are not used to paying these duties," said Roanoke's Clarke. "The risk is do they have cash infusion from somewhere else to pay these duties?" Amy Magnus, who heads the National Customs Brokers and Forwarders Association of America, whose members work with over 250,000 importers and exporters, said a client who used to import Canadian steel went bankrupt after his shipments were subjected to a 25pc tariff. She declined to share more details. —Reuters
Published in Dawn, The Business and Finance Weekly, April 1st, 2019
https://www.dawn.com/news/1473012/a-tax-on-a-tax-us-customs-demands-bigger-bonds-as-trade-tariffs-rise

US VEHICLES, AUTO PARTS: CHINA WILL CONTINUE TO SUSPEND EXTRA TARIFFS

RECORDER REPORT | APR 1ST, 2019 | BEIJING
China's State Council said on Sunday that the country would continue to suspend additional tariffs on U.S. vehicles and auto parts after April 1, in a goodwill gesture following a U.S. decision to delay tariiff hikes on Chinese imports. In December, China said it would suspend additional 25 percent tariffs on U.S.-made vehicles and auto parts for three months, following a truce in a trade war between the world's two largest economies.
The State Council, or cabinet, said Sunday's move was aimed at "continuing to create a good atmosphere for the ongoing trade negotiations between both sides". "It is a positive reaction to the U.S. decision to delay tariff hikes and a concrete action adopted (by the Chinese side) to promote bilateral trade negotiations," the State Council said.
"We hope the U.S. can work together with China, accelerate negotiations and make concrete efforts towards the goal of terminating trade tensions." The government also said it would announce separately when the suspension would end. U.S. President Donald Trump said on Friday that trade talks with China were going very well, but cautioned that he would not accept anything less than a "great deal" after top U.S. and Chinese trade officials wrapped up two days of negotiations in Beijing. U.S. Treasury Secretary Steven Mnuchin and U.S. Trade Representative Robert Lighthizer were in the Chinese capital for the first face-to-face meetings between the two sides since Trump delayed a scheduled March 2 increase in tariffs on $200 billion worth of Chinese goods. The talks are set to resume next week in Washington with a Chinese delegation led by Vice Premier Liu He.
https://fp.brecorder.com/2019/04/20190401460143/

NEWS COVERAGE PERIOD FROM APRIL 8th TO APRIL 14th 2019

THE EXPORT CHALLENGE

Shujauddin Qureshi April 14, 2019

Although the Pakistan Tehreek-e-Insaf (PTI) government has succeeded in containing trade deficit by about 13.2 percent, exports of the key products have not increased significantly and it is now clear that the government would not be able to meet the 27 billion dollar export target for the current fiscal year.

Rupee devaluation last year has not played a significant role in increasing exports. Economic experts believe the impact of currency devaluation would be reflected in the coming months. As buyers in the international market are already aware of the currency devaluation in Pakistan, they have demanded reduction in prices as well.

Decline in trade deficit during eight months of the current fiscal year is mainly attributed to discouragement of imports as the government had imposed regulatory duties on many non-essential import items, which has caused drop in the import bill by 7.96 percent during the 9 months of the current fiscal year.

Pakistan’s imports were over $ 40.75 billion dollars till February 2019 against 44.28 billion in the corresponding period of the last fiscal year.

“It is a silver lining for the economy that imports-led trade deficit has been controlled,” says Majyd Aziz, former President Karachi Chamber of Commerce and Industry (KCCI). However, trade deficit would further decline when exports are increased due to impact of rupee devaluation by June.

Aziz believes the government is encouraging exporters to increase their production volume in the light of a number of incentives recently announced. Pakistan traditionally exports textile and its allied products like garments, hosiery and towels, but other export products like rice, surgical equipment and sports goods are also in high demand.

“There is a lot of potential to increase exports of non-traditional items like Information Technology services and software,” he adds.

Pakistan also enjoys duty free Generalised Scheme of Preference (GSP) Plus facility under which Pakistani businessmen can send their products to the European markets without paying any duty. This facility is available since 2014. Traditionally, US, UK and European Union are the main markets for Pakistani textile and leather products.

According to Aziz, Pakistan has the potential for substitute imports. “For example, import bill for edible oils has significantly reduced in recent years as the local industry is extracting soybean oil from the imported seeds.” Earlier, Pakistan used to import soybean oil for refining and packing, but now soybean seeds are imported from the US and local oil mills are extracting oil and processing it, which has not only reduced the import bill but also created a new market for export of soybean meal from Pakistan.

Soybean meal is a substance left after extracting oil, which is used in production of chicken-feed and there is also a demand of the product abroad, especially in China. Pakistan is using soybean meal in producing chicken feed as the poultry sector has increased.

Exporters have been facing various problems like lack of finances, duty drawbacks and high rates of utility tariffs for many years now, but those problems further aggravated during the current fiscal year as the export-oriented large-scale manufacturing sector’s production is subdued due to increase in input costs.

“The cost of production is still much higher in Pakistan than in our competitor countries like Bangladesh and India,” says Javed Bilwani an exporter of fashion apparel and Central Chairman of Pakistan Hosiery Manufacturers & Exporters Association (PHMA). Utility charges, for instance, are much higher in Pakistan as compared to Bangladesh and India where exporters receive subsidies.

“Closure of an export-oriented factory for one day in Karachi due to load shedding may cause 7 percent loss in the production of exportable products,” he says. The government must ensure uninterrupted power supply to the industries in order to meet the exports target.

According to Bilwani, recently the federal government has announced to cut power tariff for five export-oriented industries to provide incentives to the export sector of Pakistan. These are: textile, leather, sports, surgical and carpet. These sectors are also zero-rated in duties.

The federal government has offered some incentives to the export industries, including exemption from the recent hike in natural gas prices and reducing the price of imported liquefied natural gas (LNG) to Rs600 per one million British Thermal Units (MMBTU), from Rs1500 per MMBTU. Moreover, import duty on some raw materials used in the processing of export products have also been slashed down.

Delay in the implementation of the above incentives is a cause of concern for the exporters as they complained that due to bureaucratic snags these incentives have still not been materialised.
Textile sector is the worst hit. Many industries in Faisalabad, the textile hub, are either closed down or running in losses.
According to the State Bank of Pakistan's Second Quarterly Report, performance of the textile sector, which is the largest exporting sector of Pakistan, remained subdued as its production came down by 0.2 percent in the first quarter of fiscal year 2018-19 as against the growth of 0.7 percent during the corresponding period of the last fiscal year. That growth was also not much even though it was supported by relaxation of duties and other incentives on exports.
Pakistan's overall exports have increased just by 0.11 percent to 17.08 billion dollars during the period from July 2018 to March 2019 against the exports worth 17.06 billion dollars in the corresponding period of the last financial year, according to the Federal Bureau of Statistics.
Even though textile and garments exporters are optimistic of growth in exports in the coming months, they are also skeptical of the bureaucratic delays in the implementation of policies and incentives. They also fear that the incentives may be curtailed keeping in view conditionalities under the IMF loan, which Pakistan is currently negotiating to meet its fiscal deficit.
http://tns.thenews.com.pk/export-challenge/#.XLR98zAzbcs

EXPORTS REFUSE TO RISE

BR ResearchApril 12, 2019
Imports continue the journey south – hitting a 30-month low of $4.1 billion in March 2019, registering a 21 percent year-on-year decline. Imports are not the only ones that have tapered off of late, exports too have been softening – for four straight months now – recorded at $1.98 billion going down by 11 percent year-on-year. The provisional numbers released by the Pakistan Bureau of statistics (PBS) show the trade deficit for March 2019 went down by 28 percent year-on-year.
The 8M numbers show imports down by 8 percent year-on-year, while growth in exports has virtually flattened. Much of the import slowdown is attributed to the economic slowdown which is becoming ever so apparent and most estimates now show that Pakistan's economy is likely to grow by no more than 3-3.5 percent for the next two years.
The drop in monthly machinery imports from an average $1 billion in FY18 to $740 million in 8MFY19 has played a key role in overall imports slowdown. The reduced reliance on furnace oil, and increased generation from RLNG and coal have also reduced the overall energy import bill – and is likely to slowdown further, given more RLNG and coal plants to come online in the near future – should international oil process do not decide to go berserk.
The export performance should now start to become a worry for Islamabad – if it was not already. Granted that for exports to yield the benefits given in the form of reduced energy prices, settlement mechanism for refunds, and more importantly the massive currency depreciation – one may want to wait a bit longer. But the positives in favour of the export sector should have at least started to give a better direction, which has not been the case. Worse still, the demand drop in Pakistan's major exporting destinations of Europe dank the USA has come at the wrong time – limiting the potential to milk optimal benefit of rupee depreciation.
That said, things may be looking up for the high margin segments within the textile sector – as both the readymade garments and knitwear have shown double digit volumetric growth of late. But this alone, would not arrest the slowdown in overall exports. An immediate revival in demand from Europe and USA does not seem on the cards. This could well be time enough for the export industries to up the game, and try and cover the lost ground on value addition.
https://www.brecorder.com/2019/04/12/488470/exports-refuse-to-rise/

EXPORTS DECLINE 11PC IN MARCH

The Newspaper's Staff Reporter April 11, 2019
ISLAMABAD: The country's exports in March fell by over 11 per cent to $1.97 billion as against $2.22bn during the corresponding period last year, according to latest data released by the Pakistan Bureau of Statistics on Wednesday.
The export proceeds during July-March period reached $17.08bn, up marginally by 0.11pc from $17.06bn in the same period last year.

On the other hand, import bill dipped by 20.88pc to $4.15bn in March from $5.25bn over the corresponding month last year.
Cumulatively, import bill in the first nine months fell by 7.96pc to $40.75bn as against $44.28bn during the same period last year.
As a result, the trade deficit in the nine months narrowed by 13.02pc to $23.67bn as against $27.12bn during the same period last year. On a monthly basis, the trade deficit dipped by 28.07pc to $2.17bn in March as against $3.02bn in March, 2018.
Published in Dawn, April 11th, 2019
https://www.dawn.com/news/1475305/exports-decline-11pc-in-march

PAK-TURKEY SEF PLAN OF ACTION: PAKISTAN WANTS TO SETTLE FTA BY JUNE 2019

ZAHEER ABBASI | APR 11TH, 2019 | ISLAMABAD
Pakistan is seeking to conclude Free Trade Agreement (FTA) with Turkey by June 2019 that offers the lowest tariff on all tariff lines extended by Turkey to its other trading partners, under the Pak-Turkey Strategic Economic Framework (SEF) Plan of Action.
Sources said that Prime Minister Imran Khan approved the proposed draft Plan of Action presented to him by the Economic Affairs Division and requested the relevant authorities to begin negotiations with Turkey on Pakistan’s draft, Pakistan’s response on the Turkish draft Plan of Action and Joint Plan of Action proposed by Pakistan.
Pakistan and Turkey agreed to formalize a Pak-Turk Strategic Economic Framework (SEF) during Prime Minister Imran Khan’s official visit to Turkey in January 2019 and, subsequently, committees were constituted to finalize the draft SEF and Plan of Action for implementation.
Draft SEF, after the approval of the prime minister was sent to Turkey on 20 February 2019 and a Plan of Action was received from Turkey on 6 March 2019. Subsequently, on March 19-21, the EAD held consultative meetings with 45 ministries/organisations. The draft was approved by the finance minister on April 4, 2019 before being presented to the prime minister for approval.
The proposed areas of cooperation include trade, textile, defence production, tourism and culture, investment in industrial cooperation, auto industry, banking and finance, agriculture etc.
The proposed cooperation in the SEF action plan by Pakistani side in trade and textile include: (i) grant of GSP Plus status to Pakistan by Turkey, being member of EU Customs Union; (ii) conclusion of FTA by June 2019 on treatment basis of offering lowest tariff on all tariff lines which has been given to any other trading partner; (iii) simplification of customs procedure, electronic data exchange and technical support to Pakistan Customs; (iv) elimination of non-tariff barriers, strengthening cooperation on technical barriers to trade; and (v) early conclusion of Mutual Recognition Agreement (MRA).
The cooperation in trade and textile further includes; (i) establishment of Pak-Turk Joint Business Council; (ii) development of textile infrastructure including Garment cities in Lahore, Faisalabad and Karachi; (iii) transfer of technology for upgradation of textile industry-ginning, weaving, dyeing and finishing; (iv) joint ventures between textile houses of two countries for value added products for export to third country; (v) technical assistance for development of Pakistan Textile Technology Park; and (vi) technical cooperation for improvement of intellectual property rights in Pakistan-training, legal and technical regime.
The proposed investment and industrial cooperation under the SEF includes signing of Memorandum of Understanding (MoU) between Board of Investment (BoI) and Turkish Investment Authority for cooperation on facilitation and exchange of information on investment as well as joint ventures by Turkish companies with Pakistani counterparts in areas of auto industry, Special Economic Zones (SEZs), food processing & value addition, tourism and hospitality, housing and construction, diesel/electric locomotives and wagons and textile machinery and textile value addition as well as technical cooperation for development, regulation and operation of SEZs and technical support for SMEs policy regime.
The proposed cooperation in banking & finance includes provision of credit-line (US$350 million) for import of Turkish goods and financing projects, currency swap agreement between central banks of two countries to promote trade and investment, establishment of bank branches, and Turkish technical cooperation in establishment of credit

guarantee fund for SMEs as well as in public debt management and treasury management and anti money laundering counter terrorism financing (AML/CFT) regime.
https://fp.brecorder.com/2019/04/20190411463041/

KAZAKHSTAN URGED TO FACILITATE ACCESS OF PAKISTANI COMMODITIES

RECORDER REPORT | APR 11TH, 2019 | ISLAMABAD
President Dr Arif Alvi has said that Pakistan and Kazakhstan enjoy close and cordial relations based on the foundations of shared faith, culture and heritage. The President said this while talking to Ambassador of Kazakhstan, HE BarlybaySadykov, who called on him at Aiwan-e-Sadr, Islamabad on Wednesday, says a press release issued here.
The President said that trade between the two countries is not commensurate with the true potential and emphasised that it should be further enhanced. He urged Kazakhstan to facilitate access of Pakistani commodities in Kazakh markets. He highlighted the need to explore possibilities of cooperation and joint ventures in sectors like food processing, textile, machinery and equipment, construction and infrastructure. He also stated that given the abundance of oil and gas in Kazakhstan, Pakistan's state-owned companies can explore and invest in Kazakh oil and gas sector.
The President underscored the need for establishing air and land connectivity between the two countries, as Pakistan can provide Kazakhstan the shortest route through the newly developed Gwadar Port.
The President noted with pleasure that defence cooperation has been strengthening steadily. He also appreciated the principled position taken by Kazakhstan for non-discriminatory expansion of the Nuclear Suppliers Group's (NSG) membership. The President underlined that Pakistan is extending e-visa facilitation to 175 countries including Kazakhstan and urged Kazakhstan to consider introducing visa easement process for Pakistani tourists and businessmen as well.-PR
https://fp.brecorder.com/2019/04/20190411463084/

DESPITE NO GROWTH IN EXPORTS, TRADE DEFICIT SHRINKS 13%

By Shahbaz Rana Published: April 11, 2019
ISLAMABAD: Pakistan's exports flattened at $17 billion in first nine months of this fiscal year despite 34% currency devaluation in the last over one year, underscoring the need to review a strategy to weaken the currency for gaining export competitiveness.
Where the growth in exports flattened in nine months, it, in fact, dipped over 11% on a year-on-year basis in March. Despite almost no growth in exports, the trade deficit further contracted to $23.7 billion from July through March on back of steep reduction in imports, reported Pakistan Bureau of Statistics on Wednesday.
Trade deficit that stood at $27.2 billion in July-March period of last fiscal year shrank 13% to $23.7 billion in the corresponding period of the fiscal year 2018-19, the PBS report showed. In absolute terms, there was a reduction of $3.6 billion in the trade deficit and entire reduction came from the import side.
Overall imports during July-March period of this fiscal year dropped 8% to $40.8 billion, indicating that this year imports would not hit the record level achieved in the previous fiscal year. But the improvement was large because of a reduction in machinery imports.
Exports during the first nine months of the current fiscal year amounted to only $17 billion, higher by just 0.1% or $19 million. But the cost that the country paid to get $19 million benefit runs into billions of dollars in addition to the pain that the consumers are passing through due to increase in the cost of almost every utility due to currency depreciation.
This came despite the fact that the central bank, in consultation with the finance ministry, let the currency depreciate by 35% since January last year. The Pakistan Muslim League-Nawaz (PML-N) government had given an Rs180-billion package to the exporters. The Pakistan Tehreek-e-Insaf (PTI) government has also provided over Rs30-billion package in shape of lower gas and electricity prices.
Finance Minister Asad Umar has already announced to link the value of the rupee with the Real Effective Exchange Rate, which will require further adjustments in the months ahead.
There had been strong criticism against former finance minister Ishaq Dar for keeping the exchange rate fixed at Rs105 to a dollar till October 2017 that according to the economists damaged the exports potential. After that both, the

former finance minister Miftah Ismail and incumbent Finance Minister Asad Umar advocated devaluing the currency for gaining export competitiveness.
But Umar was of the view that the damage caused by an overvalued rupee was not only limited to exports. It also led to de-industrialization due to the influx of cheaper imports, according to Umar.
The weak rupee helped contain the imports but it also adversely hit the tax collection of Federal Board of Revenue (FBR). The arguments of the International Monetary Fund (IMF) and the finance ministry that currency depreciation would also improve revenue collection by at least Rs100 billion at the import stage have proven wrong.
The quantum of exports in the first nine months was equal to only 63% of the $27 billion annual targets that the PTI government has set for itself.
Pakistan closed the last fiscal year at $37.6 billion of trade deficit, which became the key reason behind the highest-ever current account deficit of $18.9 billion in the year. The PTI government wants to cut the trade deficit close to $26 billion, which seems highly impossible now. The value of exported goods was 240% less than the value of imports, which continuously improved because of the reduction in the import bill.
Despite the contraction in exports, the IMF has predicted a current account deficit of 5.2% of GDP for this fiscal year.
The trade balance in March 2019, as compared to the same month a year ago, improved but only because of the contraction in imports. The trade deficit shrank 28% from $3 billion to $2.2 billion in March this year. In absolute terms, there was a reduction of $849 million in the trade deficit on an annual basis.
In March 2019, the imports in dollar terms declined to $4.2 billion compared to $5.3 billion in the same month last year, which reflected a contraction of over 21%, reported the PBS. But exports also decreased by 11.1% to $1.98 billion in March, a net reduction of $248 million.
On a month-on-month basis, the exports surged 4.8% in March over the preceding month. Exports increased by only $90 million to $1.98 billion. Imports marginally contracted by 0.6% to $4.2 billion last month. Resultantly, the trade deficit contracted 5% to $2.2 billion in March over February.
Published in The Express Tribune, April 11th, 2019.
https://tribune.com.pk/story/1947793/2-despite-no-growth-exports-trade-deficit-shrinks-13/

WTO ISSUES SPLIT RULING IN US-CANADA LUMBER DISPUTE

RECORDER REPORT | APR 10TH, 2019 | GENEVA
The World Trade Organization on Tuesday partially sided with Canada in a dispute over US anti-dumping duties on lumber imports, but approved a controversial method America uses for calculating tariffs. Canadian softwood lumber has been a source of conflict in US-Canadian trade for more than three decades.
Ottawa brought its latest trade dispute with the United States over the US softwood lumber tariffs to the WTO in November 2017, after the US Commerce Department slapped duties of up to 18.19 percent on the price of Canadian lumber products. The administration of US President Donald Trump said the move was warranted after concluding that Canada had unfairly subsidised and dumped the product on the US market.
Canada at the time described the tariffs as “unfair, unwarranted and deeply troubling”, and challenged the US use of the so-called Differential Pricing Methodology in investigating alleged dumping. A panel established by the WTO’s Dispute Settlement Body to rule on the matter agreed with Canada that in using that method of calculation, the US “acted inconsistently” with an international anti-dumping agreement.
But it rejected a number of Canada’s other arguments, including a charge that the US use of a practice called “zeroing” violated international trade rules. The United States has repeatedly lost cases before the WTO over its use of “zeroing”, which calculates the price of imports compared to the normal value in the United States to determine predatory pricing and which usually leads to higher duties being imposed.
But in its ruling Tuesday, the WTO panel “agreed with the United States that such type of zeroing is permissible” in cases where targeted dumping is suspected.
The repeated rulings by the WTO appeals body especially against the use of zeroing has been one of Washington’s main complaints against the global trade body. It is one of the issues mentioned by Washington to justify its blocking of appointments of new judges to the appellate branch of a WTO dispute panel, which could force it to shut down by the end of this year.
Both Ottawa and Washington were quick to declare victory after Tuesday’s ruling.

"The WTO rules do not prohibit 'zeroing'," US Trade Representative Robert Lighthizer said in a statement, stressing that "the United States never agreed to any such rule in the WTO negotiations, and never would."
"WTO Appellate Body reports to the contrary are wrong, and reflect overreaching by that body," he said, hailing the WTO panel "for having the courage to stand up to the undue pressure that the Appellate Body has been putting on panels for many years."
https://fp.brecorder.com/2019/04/20190410462879/

U.S.-CHINA TRADE OPTIMISM TO HELP YUAN OVERCOME CONCERNS OVER WEAKENING ECONOMY

Madiha Shakeel April 4, 2019
BENGALURU: The Chinese yuan will hold on to its recent gains against the dollar, and likely make a modest push forward from current levels over the coming year, as optimism about a U.S.-China trade deal offsets anxiety over weak domestic economic growth, a Reuters poll showed.
Having slumped about 6 percent versus the dollar in 2018, with analysts wagering in early January of a move towards 7 per dollar by mid-year, the yuan has defied pressure and gained around 2.5 percent this year.
That rebound was largely driven by progress in trade talks between Washington and Beijing and the People's Bank of China (PBoC) setting consistently higher mid-point reference rates.
The yuan was expected to gain 0.6 percent to 6.66 per dollar in a year, from about 6.70 on Wednesday, according to the latest poll of over 60 foreign exchange strategists taken over the past week.
That is a modest upgrade to last month's forecast.
"Trump's backing away from tariff escalation, previously implicit in our forecasts, means our USD/CNY projections have to be lower," noted Cliff Tan, East Asian head of global markets research at MUFG.
Market watchers have shifted their attention to the latest round of negotiations being held in Washington after both sides cited progress in discussions in Beijing last week.
"There will be a currency component in any ultimate U.S.-China trade deal and FX markets initially took that to mean USD/CNY has become a one-way bet – stronger yuan. But too strong a yuan may also make for awkward future currency diplomacy," Tan said.
Expectations for a stronger yuan are also partly driven by changing fortunes for the dollar.
The dollar's outlook darkened after the Federal Reserve last month abandoned projections for further interest rate hikes this year on signs of an economic slowdown.
That could help unwind last year's slide in emerging market currencies.
"The end of the Fed's tightening cycle now appears to be more clearly in sight, and indeed there is some risk it has already been reached. Overall, evolving Fed policy should become an increasing headwind for the U.S. dollar, and an increasing tailwind for the renminbi," said Erik Nelson, currency strategist at Wells Fargo.
Forecasts in the latest poll showed a complete shift from a January survey when a majority of strategists had predicted the yuan to have breached or to trade at 7 per dollar by mid-year.
In the latest poll analysts were mostly optimistic on the yuan and only four respondents still forecast it to reach 7 per dollar or weaker over the coming year, attributing that pessimism to an economic slowdown and more policy easing.
"We are extremely concerned about the ability of the Chinese economy to keep stimulating growth without a significant weakness in the value of the exchange rate," said Jane Foley, head of FX strategy at Rabobank who predicted the yuan to hit 7 per dollar rate by end-Sept.
"Trade deal might give some short-term celebration, but again in order to keep the economy growing at the sort of rate, that the government wants it to, then it is reasonable to assume that the yuan will slide below 7," said Foley, who was the most accurate foreign exchange forecaster on major currencies in Reuters polls last year.
https://www.brecorder.com/2019/04/04/485998/u-s-china-trade-optimism-to-help-yuan-overcome-concerns-over-weakening-economy/

NEWS COVERAGE PERIOD FROM APRIL 15th TO APRIL 21st 2019

SAARC CHAMBER CHIEF HIGHLIGHTS S ASIA'S TRADE POTENTIAL

RECORDER REPORT | APR 21ST, 2019 | LAHORE

President SAARC Chamber of Commerce and Industry Ruwan Edirisinghe on Saturday said South Asia has tremendous trade potential, which needs to be tapped for greater economic integration by fully exploiting all indigenous natural resources to make the region an abode of peace, progress and prosperity. According to a spokesman, he expressed these views during a meeting with a delegation of prominent trade leaders led by SAARC CCI Senior Vice President Iftikhar Ali Malik.

He said the core trade issues should be addressed and Pakistan's role in that regard would be vital as prosperity was not possible without restoring peace in the region. He said that since its inception, the SAARC Chamber has facilitated regional cooperation in various areas for the welfare of people of South Asia. The SAARC should be more active to address major challenges the region faces, job creation for the youth of South Asia – our region's biggest asset – and alleviation of poverty, he added.

"The SAARC CCI has taken initiatives to reinforce a common South Asian identity given the region's close historical, cultural and geographical ties and the mutual aspiration and desire of all member states to promote the social and economic welfare of people. The SAARC Chamber has been proactively advocating stronger commercial and economic relations for a prosperous and integrated South Asia. Since its inception, SAARC CCI has played an integral role in providing an institutional framework for promoting economic and regional cooperation in South Asia," he added.

Ruwan Edirisinghe remarked that initiatives may be taken to utilize the potential of cooperation in the areas of tourism and energy of the region.

He said that with a view to ensuring trade facilitation in the region the problems regarding SAARC visa sticker, removal of trade barriers including acceptance of standard certificate, limitations of infrastructure in the land ports, should be removed. Speaking on the occasion, Iftikhar Ali Malik said the SAARC CCI chief's role is imperative for restoration of peace and prosperity in the region.

Pakistan always strives to make SAARC an important vehicle for regional cooperation based on principle of sovereign equality and still remained committed to SAARC objectives. He assured him full support from Pakistan to make SAARC Chamber of Commerce and Industry a successful entity in the region. He also emphasised on restructuring production and export processes to improve trans-boundary trade in South Asia.

https://fp.brecorder.com/2019/04/20190421466273/

SRI LANKA WANTS TO REVISIT FTA WITH PAKISTAN: ENVOY

RECORDER REPORT | APR 19TH, 2019 | KARACHI

Consul General of Sri Lanka, G L Gnanatheva has said that Sri Lanka wants to revisit Free Trade Agreement (FTA) with Pakistan due to some concerns and would be deliberated soon. He expressed hope that trade volume with Pakistan would increase in coming years. Speaking at a meeting of Korangi Association of Trade & Industry (KATI). Gnanatheva said that there are a lot of opportunities for Pakistani investor in Sri Lanka especially in industrial sector of the country.

He said that exports to Sri Lanka from Pakistan in pharmaceutical and construction goods were increasing and could be expended more. While responding to a question, he said that India had closed its air space and due to this Sri Lankan flight operation to Pakistan has stopped since weeks. He said that Sri Lanka has reached India on diplomatic level and the issue would be resolved soon.

President KATI, Danish Khan said that Sri Lanka is a friendly country and we have a good trade relation. He urged to explore opportunities of mutual benefits of the both countries in trade, business and especially tourism sector.

https://fp.brecorder.com/2019/04/20190419465738/

WTO LARGELY SIDES WITH US IN DISPUTE OVER CHINA GRAIN IMPORT TARIFFS

RECORDER REPORT | APR 19TH, 2019 | GENEVA

The World Trade Organization on Thursday largely sided with the United States in its Obama-era case against Beijing over Chinese restrictions on imports of American grain. Back in December 2016, Washington filed a complaint with the global trade body over what it claimed were illegal Chinese restrictions on imports of American rice, wheat and corn, describing China's use of the tariff-rate quota (TRQ) system as "opaque and unpredictable".

Washington estimated at the time that American farmers could have exported some $3.5 billion more of such crops to China if the system had been used properly, and charged that Beijing had violated its commitments under international trade rules.

A panel of experts established by the WTO's Dispute Settlement Body agreed Thursday that China had failed to adhere to the commitments it made when it became a WTO member in 2001 to administer the TRQs on a "transparent, predictable, and fair basis".

The panel however said that the US had failed to show that China violated its public notice obligation under the General Agreement on Tariffs and Trade (GATT) in respect to TRQs.

TRQs are two-level tariffs, allowing for a limited volume of imports to come in at a lower "in-quota" tariff level, and all other imports charged at an often much higher "out-of-quota" tariff.

Countries like China that joined the WTO after its creation in 1995 have had their TRQ commitments set out in their accession agreements.

When China joined the WTO, it agreed to allow 2,660,000 metric tonnes of short and medium-grain rice and the same amount for long-grain rice, as well as 9,636,000 metric tonnes of wheat and 7,200,000 metric tonnes of corn to enter the country at the lower duty rates.

Both sides have up to 60 days to appeal Thursday's ruling.

China is the world's largest producer of wheat and rice, holding significant sway over world markets. The news of the WTO ruling comes as Washington and Beijing strive to reach a new trade agreement to avoid escalating their trade war. The two sides have exchanged tariffs on more than $360 billion in two-way trade since last year, weighing on both countries' manufacturing sectors and unnerving global stock markets.

https://fp.brecorder.com/2019/04/20190419465819/

MARCH EXPORTS UP 4.76 PERCENT MOM

ABDUL RASHEED AZAD | APR 18TH, 2019 | ISLAMABAD

Pakistan's exports in March 2019 were recorded at $1.98 billion against $1.89 billion in February 2019, showing an increase of 4.76 percent but witnessed a decline of 11.13 percent as compared with exports worth $2.23 billion in March 2018. According to the provisional figures compiled by Pakistan Bureau of Statistics (PBS), in terms of Pakistani currency, exports during March 2019 amounted to Rs 275.34 billion against Rs 261.67 billion in February 2019 and Rs 249.56 billion during March 2018, showing an increase of 5.24% over February 2019 and 10.35% over March 2018.

According to provisional figures, the exports during July-March 2018-19 totalled $17.083 billion against $ 17.064 billion during the corresponding period of last year, showing an increase of 0.11 percent. The PBS data said that exports during July-March 2018-19 totalled at Rs 2,265.4 billion against Rs 1,838.87 billion during the corresponding period of last fiscal year, showing an increase of 23.19% in terms of Pakistani currency.

Following were the major items of exports in March 2019: knitwear, Rs 29.96 billion; readymade garments, Rs 29.91 billion; bed-wear, Rs 26.34 billion; cotton cloth, Rs 25.8 billion; rice others, Rs 23.76 billion; cotton yarn, Rs 12.8 billion; towels, Rs 9.92 billion; rice Basmati, Rs 8.18 billion; madeup articles (excl towels & bed wear), Rs 8.12 billion; and fish & fish preparations, Rs 6.387 billion.

In March 2019, the country's imports recorded at $ 4.155 billion as compared to $ 4.180 billion in February 2019, showing a decrease of 0.60 percent and by a reduction of 20.88 percent as compared to $ 5.252 billion imports in March 2018. In terms of Pakistani rupee, in March Pakistan's imports amounted to Rs 578.27 billion against Rs

579.03 billion in February 2019 and Rs 588.6 billion in March 2018, showing a reduction of 0.13 percent over February 2019 and a reduction of 1.75 percent over March 2018.
During July-March 2018-19, the country's imports witnessed a reduction of 7.96 percent as the imports recorded at $ 40.755 billion against $ 44.281 billion during the corresponding period of last year. In terms of Pakistani rupee, imports during July-March 2018-19 totalled at Rs 5,381.6 billion against Rs 4,769 billion during the corresponding period of last year showing an increase of 12.85 percent.
Following are the major imported commodities during March 2019: petroleum products, Rs 57.3 billion; petroleum crude, Rs 47.67 billion; natural liquefied gas, Rs 30.05 billion; plastic materials, Rs 26.06 billion; iron & steel, Rs 24.8 billion; electrical machinery & apparatus, Rs 21.4 billion; palm oil, Rs 20.97 billion; raw cotton, Rs 18.4 billion; power generating machinery, Rs 15.23 billion; and iron & steel scrap, Rs 15.2 billion.
Trade balance during the period witnessed a decline of 28.07 percent in US dollar term while 10.66 percent in terms of Pakistan rupee as it was $ 3.025 billion in March 2018 which reduced to $2.17 billion in March 2019.
The PBS said that during the period average rupee value against US dollar depreciated by 24.2 percent from (1$=Rs 112.068851) in March 2018 to (1$=Rs 139.166346) March 2019.
The PBS has calculated the exports, imports and balance of trade on following exchange rates: rupee value converted into US dollar on average monthly exchange rate provided by State Bank of Pakistan (SBP): March 2019 (1$=Rs 139.166346), February 2019 (1$=Rs 138.530726) and March 2018 (1$=Rs 112.068851).
https://fp.brecorder.com/2019/04/20190418465428/

TRUMP SAYS US, CHINA TRADE TALKS TO BE 'SUCCESSFUL'

Imaduddin April 18, 2019
WASHINGTON: US President Donald Trump on Wednesday held out hope the current trade talks with China will be a success, and said an announcement on the status was due "shortly."
The president's remarks followed a report by The Wall Street Journal saying US and Chinese officials are tentatively working toward signing ceremony for a new trade agreement as soon as late May.
"I have a feeling we'll be successful," Trump told reporters at the White House. "That's moving along quite well."
"You'll be hearing about it very, very shortly."
Citing an unnamed source, The Journal said US Trade Representative Robert Lighthizer was expected to travel to Beijing for a new round of face-to-face talks the week of April 29.
The USTR office declined to comment on the report.
During shuttle diplomacy in recent months, US and Chinese officials have alternated between projecting optimism and warning that success in their high-stakes talks is not guaranteed.
But a key US demand — a binding enforcement mechanism to prevent Beijing from backsliding on its commitments — has been virtually agreed, US Treasury Secretary Steven Mnuchin said this month.
The two sides have exchanged tariffs on more than $360 billion in two-way trade since last year, weighing on both countries' manufacturing sectors and unnerving global stock markets.
To help reduce Beijing's soaring US trade surplus, Chinese officials have offered to increase purchases of American farm goods and energy exports.
But analysts say it remains unclear how far China will go in meeting US demands for fundamental changes in industrial policy that could weaken the communist party's hold on power.
https://www.brecorder.com/2019/04/18/490502/trump-says-us-china-trade-talks-to-be-successful/

313 ITEMS: CHINA ACCEPTS DUTY-FREE ACCESS DEMAND: DAWOOD

TAHIR AMIN | APR 17TH, 2019 | ISLAMABAD
Advisor to Prime Minister on Commerce and Textile Abdul Razak Dawood said on Tuesday that China has accepted Pakistan's demand of duty-free market access on 313 items and both sides would sign Phase-II of Free Trade Agreement (FTA) on April 28, 2019. This he stated while briefing the National Assembly Standing Committee on Commerce and Textile which met with Naveed Qamar in the chair here on Tuesday to investigate and scrutinise the

export, import and WTO policy directions, challenges, initiatives, way forward, Vision 2019-2024, and assessment of future reciprocal FTA access trends in Pakistan.
Dawood said that Pakistan has rejected China's demand of duty-free market access, which they demanded in return for allowing Pakistani products duty free access; however access on a few items would be given. He further said that China has agreed to allow market access on the pattern of ASEAN countries.
China will give Pakistan duty-free access on 313 items. These 313 items are among those in which China's imports stand at $64 billion but Pakistan was not earlier allowed to export more than one billion dollars in these items, he added.
He further said if Pakistan gets 5 percent share in the $64 billion market of China after duty free market access and revised FTA, Pakistan exports could be increased by $3.2 billion per annum and if Islamabad succeeds in getting 10 percent market share, the exports could be increased by $6.4 billion.
China earlier did not agree to duty-free market access due to internal differences, as their commerce minister did not agree to give Pakistan market access but the Chinese prime minister and foreign minister agreed to give market access to Pakistan.
The advisor further informed the committee that many items' list (in hundreds) for reciprocal duty free export/ import (trade) to Chain is on final terms. He added that much improvement is expected in near future not only in exports to China but also to other countries including Indonesia, Bangladesh, Afghanistan, and Turkey.
The committee was further informed that Turkey is not ready to give any concession to Pakistani products, especially leather and textile. He further said that the US is also not ready to allow Pakistani products duty free access like it gives to Bangladesh and Vietnam and others due to geo-political and other reasons.
Federal Secretary Commerce Sardar Ahmad Nawaz Sukhera briefed the committee in detail on the exports of Pakistan and the World Trade Organisation (WTO).
The Ministry of Commerce and Textile Industry has projected a sluggish growth in exports owing to headwinds including slow economic growth, lack of fiscal space, contractionary monetary policy as well as geo-political uncertainty.
The secretary commerce said that Pakistan is making all-out efforts for making the FTA-II effective from July 1, but the Chinese side may take up to two months longer. The FTA-II will be signed on April 28 during the upcoming visit of Prime Minister Imran Khan to China, but after that it would be passed from the Chinese Parliament, he added.
The committee was informed that exports declined by 19 percent during 2014-17 due to global market contraction from $17.2 trillion to $14.9 trillion (16 percent), commodity crunch, and currency overvaluation (20 percent in Pakistan), while other regional currencies also depreciated i.e. India by 3 percent, RMB by 11 percent, MYR by 33 percent, BRL by 42 percent, besides competitiveness crisis (Pakistan vs Bangladesh), electricity prices and minimum wages. The committee was further informed that trade balance is improving in 2019 as exports increased by 0.11 percent in dollar terms and 25.3 percent in rupee terms while trade deficit decreased by 13.02 percent during July-March 2018-19.
There is need for enhancing export competitiveness components particularly in the areas, i.e., PM's Package, zero-rating of 5 export sectors, rationalisation of energy costs for export sectors, exemption of export sectors from load shedding, tariff rationalisation on raw material and intermediate products.
In new policy initiatives, Strategic Trade Policy Framework 2019-24, National Tariff Policy, trade-related investment policy framework and regulatory reforms may be revisited for future improvements and growth of exports and decline in imports, he said and suggested regulatory reforms as amendments in export/import policy order.
On the WTO, the secretary informed the committee about the structure and functions and current issues faced by Pakistan. The basic principles of trade were explained in detail along with advantages of the WTO. He briefed the committee on multi-trade agreements, dispute settlement body, reforms, transparency, role of e-commerce, and norms of Trade Facilitation Agreement (TFA).
The committee issued instructions to achieve objectives following the principles laid down for tariff policy, besides revisiting the relocation of value added industry, resource intensive, agro and agriculture re-processing. The ministry was directed to give a briefing on the WTO and export/import of Pakistan more conclusively in the next meeting.
The chairman informed the members with regard to a sub-committee report on the visit to Faisalabad Garment City and JICA-sponsored Faisalabad Garment City Training Centre to identify problems therein due to which the projects could not achieve objectives of their establishment. Another sub-committee was constituted with the composition of

four members with the mandate to hear the State Life Insurance Company (SLIC) and the aggrieved employees of the company.
https://fp.brecorder.com/2019/04/20190417465130/

US DENIES DUTY-FREE MARKET ACCESS TO PAKISTAN

By Zafar Bhutta Published: April 17, 2019
ISLAMABAD: The Trump administration has turned down Pakistan's demand for duty-free market access to the US for its products, disclosed a prime minister's aide.
"We want duty-free market access for Pakistan's exports to the United States, but Trump is a main hurdle," Adviser to Prime Minister on Commerce, Textile and Industry Abdul Razak Dawood said during a meeting of the National Assembly Standing Committee on Commerce and Textile on Tuesday.
The adviser said the government would again try to approach the US administration after the end of President Donald Trump's tenure.
Pakistan sought the duty relief after the US withdrew concessions given to India and Turkey. Pakistan is eying to take a big share of the US market by taking advantage of the scrapping of duty concessions for the two countries, which are major competitors of Pakistan in the international market.
Dawood revealed that China had agreed to relax duty on more Pakistani goods under phase-II of the free trade agreement (FTA-II), which would be signed on April 28 during the visit of Prime Minister Imran Khan to Beijing.
He was of the view that internal politics in China had caused the delay in inking the FTA-II. "The Chinese ambassador told me that internal politics in China delayed the FTA-II between Pakistan and China for six years," Dawood remarked.
He disclosed that the Chinese trade minister was not willing to offer duty concessions on the export of 313 Pakistani goods, but the Chinese foreign minister and prime minister were in favour of giving duty-free access to such products.
The PM adviser pointed out that the matter had been delayed for years as Pakistan had approached China in 2014 seeking duty-free access for more goods. Now, the Chinese foreign minister and prime minister are ready to approve the package.
"China has agreed to provide duty-free market access to 313 Pakistani goods under the FTA-II like the Asean grouping," he said, adding that Pakistan may be able to enhance exports to China by $1-2 billion because of the duty relief.
Talking about Pakistani markets being flooded with Chinese products, Dawood said Chinese products were being smuggled from Dubai, adding that the government was working on a plan to amend the law under which certificates of origin would be required for the export of goods from Pakistan.
He said Turkey had refused to offer duty concession on the export of leather and textile products from Pakistan.
"Turkey has warned it wants to impose 27% additional duty on the export of these products. It will result in reducing Pakistani exports further."
He pointed out that FTA talks with Turkey had failed miserably and Pakistan's exporters had also not been able to explore the potential of Indonesian markets, though Jakarta offered concessions on 20 products.
Published in The Express Tribune, April 17th, 2019.
https://tribune.com.pk/story/1952383/2-us-denies-duty-free-market-access-pakistan/

NEWS COVERAGE PERIOD FROM APRIL 22nd TO APRIL 28th 2019

PAKISTAN, CHINA TO REVIVE COOPERATION FOR INVESTMENT PROMOTION

Amin Ahmed Updated April 27, 2019
ISLAMABAD: Pakistan and China agreed on Friday to revive cooperation between the Chinese Investment Promotion Agency (CIPA) and the Board of Investment (BoI) to ensure investment promotion in prioritised sectors of information technology, textiles and agro-based products.
BoI Chairman Haroon Sharif, who is in Beijing as part of prime minister's delegation to participate in the second Belt and Road Forum, met Liu Dianxun, Director-General of Investment Promotion Agency of the Chinese ministry of

commerce, and discussed the revival of a memorandum of understanding signed between BoI and CIPA in the past. Both sides agreed to revive the cooperation.
Mr Sharif informed CIPA Chief Dianxun that BoI would encourage Chinese investors for investment as Pakistan was planning to develop new special economic zones in addition to already notified seven special economic zones.
“The development of Rashakai special economic zones is a milestone and a first step towards implementation of industrial cooperation under CPEC. Industrial cooperation was prioritised by the present government with a goal to start implementation of Special Economic Zones (SEZs) this year,” Mr Sharif informed his Chinese counterpart.
He said that BOI had received concrete investment proposals from local and foreign investors who were interested in investing in Pakistan’s priority sectors having immense potential for investment; agro-based food and industry, value-added textile, tourism and hospitality, information technology sector, light engineering, and logistics.
Published in Dawn, April 27th, 2019
https://www.dawn.com/news/1478643/pakistan-china-to-revive-cooperation-for-investment-promotion

IMPORTS WITNESS $3.5 BILLION DECLINE IN 10 MONTHS, NA TOLD

By Our Correspondent Published: April 25, 2019
ISLAMABAD: The National Assembly on Wednesday was informed that the imports have witnessed a decline of $3.5 billion over the past 10 months.
“The government has enhanced regulatory duty on finished products and as a result of which the imports have witnessed reduction of $3.5 billion over the past 9-10 months,” Adviser to Prime Minister on Commerce Razak Dawood informed the lower house of parliament during the question hour.
“We also aim to bolster our exports which will help us reduce the trade deficit,” he added.
Dawood said that China has agreed to provide Pakistan market access on the pattern of Association of South East Asian Nations (Asean), which will be beneficial for Pakistan.
The adviser revealed that a new textile policy is being formulated to boost exports of textile related items. “The policy will take into account all the different aspects of textile industry and will come up with cogent proposals for the problems faced by the industry.”
Also, Foreign Minister Shah Mehmood Qureshi, in a written reply, informed the National Assembly that there were 3,400 Pakistani prisoners languishing in jails in Saudi Arabia.
“The Pakistani embassy is busy securing the release of 2,107 prisoners,” he added.
“Crown Prince Mohammad bin Salman announced release of Pakistani prisoners in his recent visit to Pakistan. We have sought lists from the Saudi authorities which is still awaited,” the minister said in his written statement.
Responding to a question about the Jinnah House in Mumbai, the foreign minister said Pakistan has raised the issue time and again with New Delhi, but India never gave a positive response to the Pakistani moves.
Minister of State for Parliamentary Affairs Ali Muhammad Khan said the federal government in consultation with the relevant stakeholders, has chalked out a comprehensive plan to streamline the integration process of tribal districts.
Parliamentary Secretary for Overseas Pakistanis Javaria Zafar told the house that a policy is being finalised for promotion of overseas employment. She said Pakistan has signed MoUs in the fields of manpower and employment with Qatar, Bahrain, UAE, Oman and Malaysia.
“Efforts are being made to sign the MoUs with Saudi Arabia, Azerbaijan and other potential labour receiving countries,” she added. “A special task force has also been constituted to work towards the welfare of expatriate Pakistanis.”
And responding to a call-attention notice, minister of state for parliamentary affairs said that National Disaster Management Authority (NDMA) has provided relief assistance of over Rs204 million to the people affected by the recent floods in Balochistan.
Parliamentary Secretary for Commerce Shandana Gulzar Khan informed the house that Pakistan’s exports to India shrunk significantly after the imposition of 200% duties on Pakistani products by the Indian government following the Pulwama incident.
She added that 98% of dried dates were exported to India but it was affected by enhanced Indian duties. “We are exploring other markets to export our dates,” she said. “We have also increased duties on certain Indian products.”

During the proceedings, Human Rights Minister Shireen Mazari moved The Zainab Alert, Response and Recovery Bill, 2019 to make provisions for raising alert, response and recovery of missing and abducted children.
https://tribune.com.pk/story/1958891/1-imports-witness-3-5-billion-decline-10-months-na-told/

GLOBAL MARKET PRGMEA FOR MAKING TEXTILE INDUSTRY COMPETITIVE

RECORDER REPORT | APR 24TH, 2019 | SIALKOT
Chief Coordinator Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) and member of International Apparel Federation (IAF) Ijaz A Khokhar has urged upon the government to take effective steps for making the value-added textile industry competitive and vibrant in global market. Talking to reporters on Tuesday, he underscored the need of exploring non-conventional international markets for bringing big boost in export volume of the country. "We understand that in the present circumstance there was a great need of launching aggressive marketing plan to boost exports of the country. Currently our exports are on down trend."
He said exporter community was ready to play its instrumental role in enhancing the export volume which was the ultimate goal of the government.
Ijaz disclosed that IAF had decided to hold World Fashion Convention in Pakistan during current year in collaboration with Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA). The Chief Coordinator further added that the theme of the conference was "Let's grow together for a more prosperous and sustainable future."
He termed the convention as a biggest achievement towards pulling the country out of economic crisis through the exports of value-added textile products amidst GSP Plus status to Pakistan.
The PRGMEA Coordinator further stated that convention was a unique opportunity for apparel industry of the country which would provide opportunities to the domestic business community to learn about the new techniques and fast changing fashion trends.
IAF members, he said, would visit Pakistan and observe its textile and apparel industry, which would be much supportive in boosting local manufacturers in terms marketing and connection with world and pave the way for joint ventures. That international event would surely promote the soft image of Pakistan as fashion retailers and brands would visit the country and discuss Pakistan on different international forums, Ijaz said.
The PRGMEA Coordinator stressed upon Trade Development Authority of Pakistan (TDAP) that after the success of important Textile Exhibition (TEXPO) adequate efforts should be made for holding next TEXPO in Dubai, adding that Bangladesh and India were holding such exhibitions every year in Dubai.
"A large number of foreign buyers were visiting Dubai for execution of their business deals and under the circumstance we should focus attention on holding next TEXPO in Dubai," he added. "At this juncture we understand that government should take drastic steps for setting up a permanent Display Centre in Dubai to accelerate business activities and to facilitate foreign buyers," he said.
https://fp.brecorder.com/2019/04/20190424466846/

LOCAL INDUSTRY TO GET RELIEF IN SECOND PHASE OF PAK-CHINA FTA

By Our Correspondent Published: April 24, 2019
ISLAMABAD: Pakistan and China will sign the second phase of Free Trade Agreement (FTA) during the upcoming visit of Prime Minister Imran Khan to China, said Adviser to Prime Minister for Commerce, Textile, Industry and Production, and Investment Abdul Razak Dawood.
In a joint media briefing at the Board of Investment (BOI), along with BOI Chairman Haroon Sharif, he said that Prime Minister Imran would leave for China on April 25 to participate in the second Belt and Road Forum. He added that both sides had firmed up details of the FTA.
"The Chinese side will get the agreement rectified from its concerned authority and it may take one to three months," he said.
The adviser maintained that relief for local industries would be included in the second phase of the FTA, which was denied in the first phase.

He shared that the government was all set to implement electronic origin data exchange under the agreement, which would enable real time recording of trade between the two countries and help curb under-invoicing.
China has agreed in principle to extend duty free access on additional 313 tariff lines under the proposed FTA.
He pointed out that both countries had agreed on liberalisation of 75% tariff lines and 90% trade value.
“We are expecting exports to increase by $500 million in one-and-a-half-year as a result of the agreement,” he remarked.
The adviser stressed that now it was up to the business community to take advantage of China’s duty relief and tap export potential.
Published in The Express Tribune, April 24th, 2019.
https://tribune.com.pk/story/1957701/2-local-industry-get-relief-second-phase-pak-china-fta/

WHY TEXTILE EXPORTS FELL IN MARCH DESPITE FULL ORDER BOOKS?

SHAHID SATTAR & HIRA TANVEER | APR 23RD, 2019 | ARTICLE
In March 2019, Pakistan’s textile and clothing exports witnessed the largest monthly decline since May 2017. They fell 9.47 percent year-on-year basis to $1.088 billion, as uncertainty in the continuity of reduced energy rates for zero-rated industry and macro-economic instability kept the industry under pressure. However, it may be noted that the textile sector this season has its export order books at full and some major buyers are also returning to Pakistan after a long time. The decision makers and detractors need to realize that there is a time lag of almost 6 months between implementation of incentives (reduced cost of doing business) and realization of enhanced exports from reduced cost of doing business.
However, last month every major textile segment has shown a decline in exports. This March, cotton yarn exports decreased 28.23 percent year-on-year; knitwear exports declined 6.48 percent; bed-wear exports decreased 3.63 percent and readymade garments exports slipped by 3.42 percent. This reflects the export orders of 6 months ago when the power and gas rates were regionally uncompetitive.
Pakistan has had two five-year textile policies in the last decade, first five-year textile policy was developed in 2009 and the second one came in 2014, both policies were on paper but couldn’t deliver because of their non-implementation and technical shortfalls.
The Textile Policy 2014-19 which is going to expire by end-June 2019 envisaged a strategy to make textile sector competitive but failed to achieve all its targets. It missed all its objectives including doubling value addition from $1 billion per million cotton bales to $2 billion per million cotton bales; increasing textile exports from $13.1 billion to $26 billion as well as creation of 3 million jobs in five years, facilitating additional investment of $5 billion in machinery and technology; improving fibre mix in favor of non-cotton i.e. 14% to 30%; improving product mix especially in the garment sector from 28% to 45% while also strengthening existing textile firms and establish new ones.
On the contrary, during the policy implementation period, energy cost almost doubled and resultantly over one hundred mills closed down, rendering thousands of people jobless. While, overall exports dropped from $25 billion to $21 billion during this period.
The major reason behind this decline is that textile sector failed to innovate and modernize production owing to systemic inefficiencies, administrative delays, low profitability due to ever-increasing cost of doing business, squeezed profit margins and liquidity crunch due to cash flows soaked up by FBR and State Bank in delayed refund/drawbacks along with tariff and non-tariff barriers on import of raw materials.
Pakistani currency has drastically lost its weight in the last one year which has also proved to be counterproductive, as the exports did not pick up despite a 34 percent devaluation since January 2018 but the working capital requirement has gone by 34 percent in the last year due to currency devaluation. This means that in order to meet the same export order, the processing cost has increased equivalent to devaluation. On top of that, the interest rate has almost doubled from 5.75% to 10.75% during the period, further restraining investment in the sector along with increased working capital requirement, expensive raw material and machinery imports necessary for production capacity expansion owing to devaluation.

Looking at the current dismal situation of once leading export sector and future opportunities, an all-encompassing strategy is under development to restructure and revive textile industry. Textiles units, which are suffering from the general market slump but are otherwise technically viable should be helped through transitional support in the form of loan restructuring, interest rate relief, relaxation of prudential regulations, additional financing through policies like Long Term Financing Facility (LTFF) and TUF etc. Further, fresh investment in the sector should be incentivized through special interest rates, a special Credit Allocation Policy for banks necessitating each bank to lend at least 20 percent of their portfolio to industrial sector with in which 15 percent should be specified for the Textile sector at subsidized interest rate of 5%.
The survival and growth of textile sector is subject to a new Long-Term Textile Policy that will be based on actionable plans to make textiles sector competitive, robust, goal oriented and sustainable. Bringing down input costs for the textile sector should rightfully be the primary objective of the government's new long-term textile policy enabling domestic firms to compete in international textile market.
The concerned ministries should make concerted attempts for ensuring that the new policy produces an enabling environment for textile industry to raise production of value added items through innovation, modernization, diversification, maintaining the quality of their products at international standards, and development of unit clusters.
The threat of increased competition in the global textile market is serious and becoming progressively more so, in order to compete with the world and also regionally, there is need to reduce our cost of doing business and make it comparable to regional competitors like India, Bangladesh, Vietnam and Thailand and for that a long-term policy is mandatory.
The only road to Pakistan's economic growth and socioeconomic uplift, passes through fast and colossal industrialization based on market research and understanding about the changing world preferences creating enormous employment opportunities, facilitated by conducive business environment and prudent policies.
https://fp.brecorder.com/2019/04/20190423466609/

MAY, 2019

NEWS COVERAGE PERIOD FROM APRIL 29th TO MAY 5th 2019

GOVERNMENT WILL REDUCE DUTY ON RAW MATERIALS, SAYS DAWOOD

HASSAN ABBAS | MAY 5TH, 2019 | LAHORE
Adviser to Prime Minister on Commerce, Textile, Industry and Production Abdul Razzak Dawood said on Saturday the government will reduce duty on raw materials but it will not reduce the same on finish goods. Dawood was addressing a seminar on "Business Opportunities under China-Pakistan Free Trade Agreement" organized by the Trade Development Authority of Pakistan.
Federal Commerce Secretary Sardar Ahmed Nawaz Sukhera was also present on this occasion. He also said he will meet the high officials of Federal Board of Revenue on Tuesday to discuss the tariff structure. Dawood said in the last five years industries closed in Pakistan and exports declined, however, former finance minister Ishaq Dar failed to take notice. He said past governments had concealed facts from the people. "We do not want to be included in the list of importing nations and have to take care of our industries," Dawood said.
He said the government is working on industrial policy which will be announced soon. The government is trying to bring the cost of doing business down. He further said steps were being taken to bring Pakistan"s economy on the right path and the government was taking decisions which would bring results. The Adviser to PM said he will visit Japan in July where he will hold talks about Pakistan getting access to Japanese market. Efforts will also be made to have an access the Korean market as well. Abdul Razak Dawood said Indonesia had given duty-free export facility on 20 products. He also said tractors were now being built in Pakistan and exported to African countries.
He said the government would not take any steps which would not be beneficial to people. "Imran Khan"s vision is to provide relief to people but this will take time."
He was of the view that inflation was an international phenomenon and all the departments would need to work together in order to curtail it. Dawood said the second phase of China-Pakistan Free Trade Agreement (FTA) was a great opportunity to benefit from it. He also said a facility of safeguard measures was also available under the FTA to

provide protection to local industry from any threats. Industrial development was vital for increasing exports, he said, adding that the industry was heading towards betterment and there was a need to widen our product range.
While giving his suggestions, Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) chief coordinator Ijaz A Khokhar said Pakistani businessmen are facing problems in getting visas for China. He said they are getting 15 days visas while the Chinese businessman are getting six months visa for Pakistan. He demanded that Pakistani businessmen should be given six months visa like the Europe and America. He further said the businessmen are facing problems in setting up offices in China. He also suggested that raw material should not be exported in huge amount.
https://fp.brecorder.com/2019/05/20190505469988/

SAARC CHAMBER STRESSES NEED FOR FULLY EXPLOITING TRADE, INVESTMENT POTENTIALS

APP May 5, 2019
ISLAMABAD: SAARC chamber on Saturday stressed the urgent need for fully exploiting immense trade avenues and investment potentials for economic integration in the region as South Asia holds strategic position in the world.
According to a message received from Kathmandu, the leader of Pakistani delegation Iftikhar Ali Malik, currently attending SAARC CCI meeting and workshop, addressing the concluding session said that SAARC member countries must focus on removal of nontariff barriers (NTBs) and work for enhancing B2B interaction to boost trade.
He said although SAARC region holds immense trade and investment potential, being home to 21 percent of the world's population, it still remains one of the least integrated regional blocs with intraregional trade, constituting only five percent of the total world trade, in comparison to 51 percent for NAFTA and 25 percent for ASEAN.
Around 55 percent of the total potential for intraregional trade in South Asia had not been fully exploited yet and this could be improved through shared vision about objectives, transfer of technology and exchange of research and development, he said.
Malik also said that SAFTA has fallen short of expectations due to complex safeguard measures and nontariff barriers (NTBs) among SAARC member countries.
The leading business communities of all eight member countries feel that closer collaboration among the businessmen was necessary for regional integration and it was a win-win situation for all the stakeholders.
At the SAARC CCI, the aim is to facilitate businesses of South Asia and to encourage investors.
SAARC Chamber stresses the need for fully exploiting trade and investment potentials in the region and beyond, he added.
"We strongly feel that this exchange will address major challenges the region faces; job creation for the youth of South Asia, our region's biggest asset; and poverty," he added. But for this, the South Asian leaders had to go above whatever they were still thinking about SAARC, Malik said.
They had to keep in mind that they were the leaders of some of the poorest countries in the world and try to lift the region from its cycle of poverty, as SAARC could still be said to be a "bird getting wings to fly" and was yet to come to grips with the warp and woof of regional cooperation for attaining institutionalised cooperation among South Asian countries.
He said political unrest was happening across the world, including Europe and America. Therefore, he recommended the business world to look beyond it and find solutions regardless of imbalanced political situations.
Malik also said despite multiple hurdles, it is a good omen that SAARC CCI's role for the promotion of business environment in the region was appreciated by its critics.
Highlighting the importance of the South Asia in the world economy, he said after the initiation of Pak China Economic Corridor, Pakistan's role in the global trade supply chain would have multiplier effect on the socioeconomics of the region of South Asia, as well.
SAARC has made significant progress in a number of areas, including trade, finance, poverty alleviation, human resource development, women empowerment, children welfare, rural development, anti-terrorism, anti-narcotics and environment, he added
https://www.thenews.com.pk/print/467086-saarc-chamber-stresses-need-for-fully-exploiting-trade-investment-potentials

RICE EXPORTERS URGED TO PURSUE CASE

Our Correspondent May 5, 2019

KARACHI: The Union of Small and Medium Enterprises (UNISAME) has urged the rice exporters to promptly pursue matters relating to basmati geographical indications (GI) and trademark in the light of the Delhi High Court orders, setting aside pretentious restrictions imposed by the Indian government, a statement said on Saturday.

UNISAME President Zulfikar Thaver said that the judgement of the Delhi High Court had set aside the Indian government's decision to restrain production of basmati only to the Indo-Gangetic plains on the pretense of maintaining the quality and purity of seeds.

The basmati's geographical indication (GI) was restricted to the Indo-Gangetic region in seven states, which meant that only the rice grown in these specified regions would be termed basmati and the seeds so produced for basmati cultivation could not be grown outside have also been set aside by the Delhi HC.

The State of Madhya Pradesh had claimed that the 13 districts in the Madhya Pradesh state should also be included in the GI for basmati.

Since the Madhya Pradesh had contended that the Indian government's move was against the provisions of the Seeds Act, the court also carefully examined the scope and the ambit of the act, Thaver said.

The Delhi HC has negated the Indian government's move to recognise only rice grown on the foothills of the Himalaya mountains as basmati, disregarding the other aspects, namely, the features of the purity of the seeds and its germination, which inherit the aroma, taste, length and look.

Fortunately, in Pakistan the best selected seeds are used to grow basmati, which for centuries have earned the reputation across the world for its taste, aroma, length and look and Pakistan's super basmati is the banquet rice in royal families.

https://www.thenews.com.pk/print/467090-rice-exporters-urged-to-pursue-case

PTI GOVT TO REDUCE DUTIES ON RAW MATERIAL IN BUDGET

By APP Published: May 3, 2019

The adviser said the government was well aware of the problems of the growers and assured them that all their issues would be resolved soon. PHOTO: FILE

MULTAN: Duties on raw material imports would be reduced in the upcoming national budget and more relief would be provided to farmers and the business community, said Adviser to Prime Minister on Commerce, Textile, Industries and Production Abdul Razak Dawood.

Speaking at a ceremony at the Industrial Estate Area Multan, the adviser said the government was committed to turning the economy around and stressed that products manufactured in Pakistan must also be exported to earn foreign exchange.

He highlighted the government's desire to facilitate investors so they could expand their business, uplift exports and contribute massively to the national economy. "The PTI government believes in providing incentives and enhancing the ease of doing business in a conducive environment," he remarked. "Operations of multinational companies are important in Pakistan due to their strict safety standards, quality control and professional approach."

Terming Multan a hub of agriculture, Dawood pointed out that there was enormous potential and immense opportunities for investment.

He pointed out that despite a sharp fall in potato prices, farmers engaged with PepsiCo and received double prices for their potato production. He stressed that if the company wanted to export its products to Afghanistan and other countries, the government would endorse its plan.

Speaking on the occasion, PepsiCo CEO Mike Spanos said the company always prioritised Pakistan due to a large youth population. He said he was impressed by the people and food in Pakistan, adding that he would try to convince people to invest in the country.

In a separate event, Dawood said all possible resources would be utilised for the revival of cotton sector.

During a visit to the Cotton Research Institute Punjab, he outlined that efforts were under way to enhance cotton production and achieve the target of 15 million bales next year.

The adviser urged growers to produce contamination-free cotton in order to fetch better prices in the international market. “Government is revising policies so maximum cotton sowing can be ensured in the country and growers do not shift to other crops,” he emphasised.
Replying to a question, the adviser said the government was well aware of the problems of the growers and assured them that all their issues would be resolved soon.
Cotton Research Institute Director Dr Saghir said the Punjab government was taking concrete steps to achieve a better cotton produce. He added that high temperature and shortage of water were the two main factors which reduced the produce.
“The Punjab government is focused on the availability of certified cotton seeds, pesticides, training of growers as well as clean cotton picking,” he stressed.
Published in The Express Tribune, May 3rd, 2019.
https://tribune.com.pk/story/1964419/2-pti-govt-reduce-duties-raw-material-budget/

US, CHINA HOLD NEW ROUND OF TARIFF WAR NEGOTIATIONS

Reuters May 02, 2019
BEIJING: American and Chinese trade negotiators met on Wednesday for talks on their bruising tariff war after Treasury Secretary Steven Mnuchin said the US side might be moving toward a decision on whether to make a deal with Beijing.
Wednesday’s atmosphere appeared amicable. Mnuchin and US Trade Representative Robert Lighthizer, along with China’s economic czar, Vice Premier Liu He, smiled for photos and shook hands after their one-day meeting.
But they said nothing to reporters and no details were announced after the talks at a Chinese government guest house. Both governments have said they were making progress. That has helped to calm jittery financial markets.
In a statement, White House press secretary Sarah Sanders said the discussions “remain focused toward making substantial progress on important structural issues” and the talks would continue next week in Washington.
The US wants China to roll back industry development plans it says are based in part on stolen technology and that violate its market-opening commitments.
Mnuchin said earlier that Wednesday’s meeting and talks next week in Washington would help American officials decide whether to recommend President Donald Trump agree to a deal with Beijing.
Trump raised US duties on $250 billion of Chinese imports last year in response to complaints Beijing steals or pressures companies to hand over technology. Beijing retaliated by imposing penalties on $110bn of US goods.
The talks also cover exchange rates and possible measures to narrow China’s multibillion-dollar trade surplus with the United States.
A sticking point has been American insistence on an enforcement mechanism with penalties to ensure that Beijing sticks to its commitments. Washington also wants to keep tariffs on Chinese imports to maintain leverage over Beijing.
Mnuchin told Fox Business Network on Monday that an enforcement mechanism just “needs a little bit of fine tuning.” US officials and businesses say China has failed to keep past promises concerning its trade practices.
Critics worry any agreement might hurt other countries by shifting Chinese demand away from them. They also worry it might marginalise the World Trade Organisation, which is meant to enforce free trade rules for everybody.
The Latest on the Federal Reserve’s monetary policy meeting (all times local): 2 p.m.
The Federal Reserve is leaving its key interest rate unchanged and signaling that no rate hikes are likely in coming months, amid signs of renewed economic health but unusually low inflation.
The Fed left its benchmark rate which influences many consumer and business loans in a range of 2.25% to 2.5%. The central bank’s low-rate policy has helped boost stock prices and supported a steadily growing economy whose outlook has brightened since late last year.
The Fed did make a technical adjustment to trim the interest it pays banks on reserves to 2.35 percent as a way to keep its benchmark rate inside its approved range.
The decision Wednesday to make no change in the policy rate policy had been expected despite renewed pressure from President Donald Trump for the Fed to cut rates aggressively to help accelerate economic growth.
The Fed statement had a more upbeat view of the economy, saying that “economic activity rose at a solid rate.” In March, the Fed said that it appeared growth had slowed from the fourth quarter.

Gold prices were little changed on Wednesday ahead of Federal Reserve's latest policy announcement later in the day, while rejuvenating global equities made safety assets less lucrative to investors.
Spot gold was down 0.1 per cent to $1,282.56 per ounce as of 10:40 am EDT (1440 GMT), having hit a session low of $1,277.38 earlier in the session. US gold futures fell 0.1pc to $1,284.40 an ounce.
Investors are awaiting the end of a two-day meeting by the US Federal Open Market Committee (FOMC), after the central bank ended its three-year policy tightening drive last month, ditching projections for any interest rate hikes this year.
Among other metals, silver fell to more than four month low at $14.68 in the session, while platinum prices dropped 1pc to $876.75, its lowest in nearly a month. Palladium slipped more than 5pc to $1,310.03 an ounce, the level last seen on Jan 25.
Published in Dawn, May 2nd, 2019
https://www.dawn.com/news/1479754/us-china-hold-new-round-of-tariff-war-negotiations

AJK TRADERS PROTEST INDIAN DECISION TO SUSPEND BARTER TRADE

Tariq Naqash Updated April 30, 2019
MUZAFFARABAD: A large number of traders staged a demonstration on Monday in protest against India's unilateral decision to suspend barter trade across the Line of Control (LoC) in the disputed region of Jammu and Kashmir and demanded its immediate resumption.
The protesters assembled outside the local press club from where they marched towards the office of the United Nations Military Observers Group for India and Pakistan near Domel, the confluence of the Neelum and Jhelum rivers, while chanting slogans.
"Let the trade continue, let the poor [traders] make ends meet," they shouted.
The protesters were also holding a banner and several placards, reflecting their stance and demands about the activity.
The suspension of intra-Kashmir trade from both Chakothi-Uri and Tetrinote-Chakan da Bagh crossing points was announced by India in a unilateral move on April 18, citing alleged misuse of these routes by Pakistan-based elements.
"… The misuse involves inflows of illegal weapons, narcotics and currency. The LoC trade mechanism is therefore being suspended pending the putting into place of a stricter regulatory regime. This is to ensure that only bona fide trade takes place for the benefit of the people of Jammu and Kashmir, through this mechanism," India's Ministry of Home Affairs had stated in a 'most immediate' notification.
In its reaction on April 21, the Foreign Office of Pakistan had said that the suspension of the trade on the basis of groundless accusations and without consulting Islamabad was "deeply regrettable".
In Muzaffarabad, the protesting traders condemned the Indian move and called upon the United Nations and the international community to step in to save their "huge investments and thus future".
The traders warned that if India did not reverse its decision, they would stage a demonstration in front of its High Commission in Islam-abad in the second phase of their protest, followed by similar demonstrations by the expatriate Kashmiris in other world capitals.
The cross-LoC trade was launched pompously by India and Pakistan as their second Kashmir-centric confidence building measure in October 2008, three and a half years after the launching of cross-LoC travel.
Published in Dawn, April 30th, 2019
https://www.dawn.com/news/1479328/ajk-traders-protest-indian-decision-to-suspend-barter-trade

PAKISTAN, CHINA ENTER SECOND STAGE OF FREE TRADE

Baqir Sajjad Syed Updated April 29, 2019
ISLAMABAD: Pakistan and China on Sunday embarked on the new phase of the China-Pakistan Economic Corridor by signing memoranda of understanding (MoUs) on the first Special Economic Zone (SEZ) and socio-economic development and a new agreement on free trade.
The MoUs and the second stage Free Trade Agreement (FTA) were signed towards the conclusion of Prime Minister Imran Khan's second trip to China in six months.

The prime minister's latest visit to Beijing was for attending the second Belt and Road Forum and talks with the Chinese leadership on the expanded CPEC. The earlier visit was more about the future course of the CPEC after the change of government in Pakistan and soliciting Beijing's help for dealing with the balance of payments crisis.
Beijing to spend $1bn on 27 projects, help Pakistan Railways upgrade its capacity
PM Khan in his meeting with Chinese President Xi Jinping assured him of Pakistan's "unflinching commitment" to the CPEC and hailed its next phase, which includes newer areas like agriculture, industrial development and socio-economic uplift with livelihood projects.
The contours of the second phase of the CPEC have been finalised in view of priorities of the Pakistan Tehreek-i-Insaf government related to socio-economic projects, greater involvement of the private sector and jobs creation.
President Xi appreciated Pakistan government's agenda for socio-economic development and people-centred progress, the PM Office said.
The new phase of the CPEC would be characterised by industrialisation. The first Special Economic Zone comprising 20 factories is being set up in Rashakai, Khyber-Pakhtunkhwa. The Rashakai SEZ Joint Venture and Licence Agreement was signed between the KP Economic Zones Development and Management Company and the China Road and Bridge Corporation.
Further progress on SEZs would depend on how the Rashakai project progresses. In the next stage, Chinese are planning to cooperate with Pakistan for setting up of a heavy industry SEZ in Dhabeji (Sindh) and a hi-tech SEZ in Islamabad. Chinese investors are, meanwhile, also signing up joint ventures in a local SEZ in Faisalabad.
In his meeting with Chinese Prime Minister Li Keqiang, Imran Khan hoped that Chinese investment in the SEZs would expand Pakistan's industrial base and diversify its export basket.
The second most important MoU, signed by the two sides, was between the China International Development Cooperation Agency and Pakistan's Ministry of Planning, Development and Reforms for implementation of the projects under Joint Working Group of the CPEC on socio-economic development. The projects in education, health, human resource development, poverty alleviation, agriculture, and water and irrigation sectors are being sponsored by the Chinese government for which Beijing would spend $1 billion. Twenty seven projects have been identified by the two governments. The PTI government had placed a special emphasis on this element of cooperation.
In view of trade being an important element of the CPEC, the two sides concluded the second stage of the Free Trade Agreement. The new FTA, which was signed after negotiations spanning over seven years, is aimed at strengthening trade ties. Under the new FTA, China would open up 90 per cent of its market for Pakistani goods whereas Pakistan would share 65pc of its market with Chinese exports. This would also help in redressing, to a certain extent, the yawning trade imbalance between the two countries, which stood at $9.7 billion last year.
Premier Li hoped that the conclusion of the second phase of China-Pakistan FTA would give further boost to trade and economic relations between the two countries.
The two sides also signed an agreement on a technical package for upgradation of Pakistan's main railway line ML-1. On completion of ML-1, the Pakistan Railways will benefit in terms of increase in speed from 65km per hour to105km per hour to 120km/h to 160 km/h, increase in line capacity from 34 to 171 trains each way per day, increase in freight volumes from six to 35 million tons per year by 2025, increase in passenger trains from 20 to 40 each way per day and increase in railway share of freight transport volume from the current less than 4pc to 20pc.
Under the next phase of the agreement, the ministry of railways and the National Railway Administration of China will jointly start the construction work on the project. Prior to start of work, the final cost of the project would be worked out and agreement of financing would be finalised after considering the available options for financing, a spokesperson of the ministry of railways explained.
The signing of the 'Declaration for Preliminary Design' for completion of the first phase of Pakistan Railways' existing mainline (ML-1) has laid the foundation of cooperation between Pakistan and China in the railways sector.
Other agreements signed during PM Khan's visit were on setting up of a dry port at Havelian, economic and technical cooperation and cooperation in the field of marine sciences.
President Xi, during his meeting with Mr Khan, reiterated China's unwavering support to Pakistan's sovereignty and territorial integrity.
He expressed China's appreciation for Pakistan's sustained and successful efforts in the fight against terrorism and creating a peaceful neighbourhood.

"Both sides expressed satisfaction over the close cooperation between the two countries at multilateral fora and resolved to further deepen communication and coordination at all levels," the PMO said.
During the meeting between PM Khan and Prime Minister Li, the two sides agreed to further deepen political, security, economic, education, science and technology, cultural and people-to-people relations.
Amin Ahmed also contributed to the report
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https://www.dawn.com/news/1479031/pakistan-china-enter-second-stage-of-free-trade

INCHING TOWARDS EQUITABLE TRADE WITH CHINA

Afshan Subohi April 29, 2019
In pursuance of the new economic strategic direction, the PTI government hopes to cultivate a more intimate relationship with China focused on equitable trade and active collaboration for expanding the industrial base of Pakistan.
It also expects a greater degree of flexibility from China on the transparency of bilateral deals under the China-Pakistan Economic Corridor (CPEC).
Members of the economic dream team of the government were not sure if they would succeed in winning over the Chinese to agree to grant more time for loan repayments, particularly for commercial loans.
According to our sources, the government is willing to offer an additional markup of one to two per cent in exchange for a three-year rollover. The International Monetary Fund (IMF) has reportedly made a three-year loan package of $6-8 billion conditional on the deferment of Chinese loan repayments.
According to reports, China has thus far injected $19bn for CPEC projects — $13bn for private power projects and $6bn for 22 infrastructure projects. Government loans will be payable after five years, but the repayment for Chinese commercial loans is scheduled for mid-2019-20. Keeping the financial squeeze in sight, Chinese commercial loans were rolled over for one year during the current fiscal year.
Islamabad and Beijing have agreed to ensure electronic data exchange to curb under-invoicing as the bilateral trade statistics do not currently reconcile
A day before travelling to China with Prime Minister Imran Khan to attend the 2nd Belt and Road Forum, Adviser for Commerce, Textile and Investment Abdul Razak Dawood shared his optimistic thoughts on Islamabad-Beijing ties with Dawn over the phone.
"I am excited and going to Beijing with high hopes to get things moving for better outcomes for both the friendly countries. At the start of the next phase of collaboration, in the context of the CPEC, the focus will shift to industrial development and terms of trade that accrue greater benefits to Pakistan," he asserted.
The adviser was confident that China was comfortable with Pakistan's compliance with the IMF's demand for greater transparency in CPEC projects. He dismissed the perception that former finance minister Asad Umar had turned down the IMF's request to share details of Pakistan's bilateral agreements, but capitulated to pressure and agreed to chop the defence budget to narrow the fiscal gap.
"I don't know the details of the IMF meeting. But I don't think there was any problem on the subject of information sharing. Mr Umar publicly said that we had passed on the information the multilateral lender asked for," he said.
A source in the Ministry of Finance contested the adviser's view. He said the issue is still pending as — under the confidentiality clause — details of the country's bilateral agreements cannot be shared with any multilateral lender.
Mr Dawood declined to comment on the issue of the rollover of Chinese commercial loans. "I am sorry, but I am not aware of developments on this count and not in a position to comment," he said last Thursday.
He told Dawn that the team accompanying the prime minister this time around is well prepared. "We have done extensive homework and have already agreed on better access to the gigantic Chinese market for a wide range of Pakistani products. The galloping China expects its imports to increase from current $2.1 trillion to $5tr by 2023. With exports to China totalling $1.8 billion, Pakistan's share is miniscule in the Chinese market. The duty-free access will place Pakistan on a par with the Association of Southeast Asian Nations (Asean)," he told Dawn.
He said the policy paper on Pakistan-China ties has been approved by the cabinet that met earlier in the week. He expected the revised Free Trade Agreement (FTA) would become operational by July. It contains safeguard measures against the import of those products from China that hurt local industry.

He said the two sides have also agreed in principle to the electronic data exchange transfer to curb misdeclaration and under-invoicing. Currently, trade data of the two countries does not reconcile. The volume and valuation of Chinese exports to Pakistan are higher than imports from China reported in Pakistan.
Most FTAs that Pakistan signed over the past 20 years are perceived as flawed because they opened up Pakistan's market without the country getting reciprocal access to partner nations. Business forums say the agreements hurt the local industry, partially blaming them for the erosion of whatever little industrial base the country had.
To move away from a trade-based consumption-oriented economy, the private sector and its think tanks such as the Pakistan Business Council have long been demanding that trade deals should be revised to allow sufficient space for the local industry to stabilise and expand.
Published in Dawn, The Business and Finance Weekly, April 29th, 2019
https://www.dawn.com/news/1479112/inching-towards-equitable-trade-with-china

A ROAD MAP FOR OVERCOMING CONCERNS OVER TRADE DEFICIT

By Aadil Nakhoda Published: April 29, 2019
KARACHI: Division titled "A Roadmap for Stability, Growth and Productive Employment" recognises that the fundamental structural weakness in the economy is the large and growing gap between exports and imports. Furthermore, it associates the lack of economic growth in Pakistan to the recurring balance of payments crisis every few years. However, what is more crucial is that the report recognises the role of antiexport bias adversely affecting export growth such as the policies favouring high returns in domestic markets and investments primarily in non-tradable sectors, such as telecom and financial sectors.
The report recommends several measures to improve export competitiveness, such as enhancement of productivity, participation in global value chains, tariff rationalisation, lowering the cost of doing business and implementing the national single window strategy. Despite a change of the minister heading the Finance Division, it is essential to comply with the recommendations. However, there is a need to analyse the trade pattern of Pakistan in recent months to have a better understanding of the dynamics of the existing import-export gap.
Considering the data of the Pakistan Bureau of Statistics (PBS), the trade deficit in first nine months of FY19 dropped 13.02% over the same period of FY18. Imports decreased 7.96% and exports increased only 0.11%. Exports in March 2019 were 11.13% lower than exports in March 2018, indicating a worrying sign. However, the trade deficit decreased in March 2019 compared to March 2018, driven by a 20.88% fall in imports. Exports have not increased while the decline in imports has been the driving force behind the reduction in the trade deficit.
All groups, except for petroleum products and agricultural and other chemicals, displayed a decrease in imports in the period between July 2018 and March 2019 over the same period of previous fiscal year. The largest decline was in the transport group and machinery group. Imports of power generating machinery decreased more than 49% while imports of completely built units (CBUs) of buses, motor cars and motorcycles declined 42%. However, there was a 3% increase in imports of completely knocked down (CKD) units of motor cars.
Interestingly, imports of parts and accessories also decreased 10%, indicating the intensity of import restrictions on transportation vehicles. Such a decline has translated into higher prices of locally assembled vehicles in Pakistan.
The overall decline in imports in the transport group was approximately $1.16 billion. Total imports decreased $3.5 billion in the period between July 2018 and March 2019 over the same period of FY18.
Imports of machinery products fell $1.74 billion, with a decrease of $946 million in imports of power generating machinery. It is important to note that there was also a drop in imports of productive machinery such as office machinery, textile machinery and electrical machinery and appliances.
Similarly, imports of construction and mining machinery also decreased. Within the petroleum group, imports of liquefied natural gas (LNG) increased 49% while imports of petroleum products decreased 15% in July-March FY19 compared to the same period of previous fiscal year. This restructuring of imports is likely to drive future trends as Pakistan increases its preference for LNG to crude oil.
In textile products, imports of raw cotton decreased 28% while those of synthetic fibre increased 8%. It is important to ask whether this is due to a much-needed change in the composition of finished textile products.

Exports Data for the July-March FY19 period suggests a fall of 2.4% in food products and an increase of just 0.08% in textile products over the values reported in the same period of FY18. Exports of basmati rice and of fruits increased 5.8% and 8.7% respectively.
Among textile products, exports of knitwear had been the main contributor, which increased more than $183 million or 9.3%. However, the quantity increased 14%, suggesting a fall in unit value. Exports of bed wear increased 2.69% whereas exports of intermediate goods such as cotton yarn and cloth declined.
Considering other manufactured products, exports of sports goods, leather goods and surgical equipment declined.
Except for specific textile products, exports of major products from Pakistan were on the wane. Data from the International Trade Centre's (ITC) Trademap.org shows exports of articles of clothing (HS 61 and 62) from Pakistan increased year-on-year by 9.3% in 2018 and 8.3% in 2017. This reinforces the trend discussed earlier. Exports of articles of clothing to the US increased almost $200 million and to the European Union by $166 million.
The largest increase in dollar terms, of $238 million (18.5%), in 2018 was reported for men's or boy's ensembles of cotton. The most important recipients were the US and the EU. Overall, imports of Pakistan increased to $60.1 billion in FY18 from $57.4 billion in FY17. There was an increase of $3.4 billion in imports of mineral fuels and decrease of $1.07 billion in imports of machinery.
Imports of crude oil increased $1.7 billion, imports of LNG rose $1.62 billion and imports of coal increased $560 million. There was a restructuring of imports as the share of mineral products in total imports increased while that of machinery decreased. Within mineral fuels, LNG gained a greater share while refined products lost their share.
The new finance minister has a Herculean task ahead as he not only has to tackle the balance of payments crisis, but also has to implement reforms and face resistance from several stakeholders. Although the restructuring of imports has helped reduce the trade deficit, a sustainable export growth is necessary to eliminate the vicious balance of payments crisis that erupts every few years.
It is imperative that the government makes sure the exporters are not only globally competitive, but they continuously adopt higher and better standards in order to move up the quality ladder and generate greater export revenue.
THE WRITER IS THE ASSISTANT PROFESSOR OF ECONOMICS AND RESEARCH FELLOW AT CBER, IBA.
https://tribune.com.pk/story/1961500/2-road-map-overcoming-concerns-trade-deficit/

NEWS COVERAGE PERIOD FROM MAY 6th TO MAY 12th 2019

EXPANSION OF TRADE COOPERATION WITH TURKEY DISCUSSED

APP Updated May 12, 2019
ISLAMABAD: Pakistani and Turkish senior officials on Friday held wide-ranging consultations on Strategic Economic Framework (SEF) aimed at boosting trade and commercial ties between the two brotherly countries.
According to a press release, Turkish President Recep Tayyip Erdogan and Pakistan Prime Minister Imran Khan had agreed on Jan 4 to develop a long-term strategic economic framework for promoting a relationship that reflected the extremely close strategic and historic ties between the two countries.
Economic Affairs Divison Secretary Noor Ahmed headed the Pakistan delegation in Ankara, which included senior officials of ministries and departments concerned. Ambassador of Pakistan to Turkey Mohammad Syrus Sajjad Qazi and Pakistan Consul General in Istanbul Bilal Khan Pasha also attended the meeting.
Deputy Minister for Trade Gonca Yilmaz Batur headed the Turkish delegation.
She said that considerable progress was made on discussing the draft SEF as well as a comprehensive plan of action.
Ms Batur said that broader areas of collaboration in the proposed SEF included trade and textile, investment and industrial cooperation, banking and finance, transport and communication, low-cost housing, defence production, aviation, auto industry, agriculture, water resource management, health and pharmaceuticals, transport and communication, education and vocational training, energy, science and technology, organised industrial zones and small and medium enterprises as well as culture and tourism.
She said that it was expected that the finalised SEF would be adopted during the next meeting of the Pakistan-Turkey high-level Strategic Cooperation Council that would be co-chaired by President Recep Tayyip Erdogan and Prime Minister Imran Khan and would be held in Pakistan soon.
Published in Dawn, May 12th, 2019

https://www.dawn.com/news/1481742/expansion-of-trade-cooperation-with-turkey-discussed

TRADE DEFICIT SHRINKS 13PC TO $26.2BN

Mubarak Zeb Khan Updated May 12, 2019

ISLAMABAD: The country's trade deficit shrank by 13.1 per cent to nearly $26.17 billion in the first 10 months of this fiscal year, from $30.114bn in corresponding period last year, indicating that government's corrective measures against trade deficit are bearing fruits.

The decline in deficit — decreasing by $3.944bn during July-April — is estimated to be around $5-6bn by the end of FY19. This contraction is mainly attributable to a steep fall in the overall import bill even though export proceeds posted a mixed trend during the period under review.

On a monthly basis, trade deficit dipped by 13.77 pc to $2.498bn in April, from $2.897bn over same month last year.

This improvement has also been shared with the visiting International Monetary Fund team in Islamabad currently negotiating details of a bailout.

A senior official of the Finance Division told Dawn that Pakistan is now arguing with the visiting team that soft measures on fiscal side will also yield the desired results. The same official claimed that IMF also acknowledged the country's position on the external side management.

The average current account deficit in the caretaker government (May-July 2018) before the PTI took charge stood at $2.036bn. Had the trend continued, it could have ended up safely at $24.4bn per annum but reversed in the last few months, they claimed.

The current account deficit declined $969 million per month on an average in September-March but slowed down to an average $636m a month during January-March FY19.

According to the official, the figure will show further improvement in current account when final data are reported for April. As a visible improvement has been seen on current account, the government team is trying to convince IMF over softer measures on the fiscal side to achieve desired results.

Official figures available with Dawn show that the value of imported goods in 10 months was reported at $45.33bn, down 7.87pc or $3.875bn, from $49.205bn. In April, imports fell by 7.01pc to $4.579bn, from $4.924bn in same month last year.

The government believes the corrective measures such as the imposition of regulatory duties on luxury items and automobiles have started bearing fruits. It had also slapped a ban on the import of furnace oil in February. Similarly, the import of used vehicles also dropped significantly owing to change in the mode of import of used vehicles.

Other measures that helped in compressions of imports are improved energy supply, import substitution drive, economic stabilisation, and currency devaluation. Data indicates that measures taken in the two supplementary Finance Acts have firmly taken hold and are now effectively curtailing imports as per the policy regime of the government.

Contrary to this, the account on export side is not satisfactory.

Meanwhile, exports show a paltry growth of 0.38pc in first 10 months of the current fiscal year. In absolute terms, they hit $19.164bn in July-April, as against $19.091bn over corresponding period last year.

The export proceeds posted inched up 2.66pc to $2.081bn in April, from $2.027bn in same month last year. In rupee terms, the growth was 25.5pc during the period.

Since February 2019, exports have been on a downward trajectory with Commerce Adviser to Razak Dawood also sharing his concern over the falling proceeds. "The exports are not showing growth the way we are expecting," he said in response to a question in a press conference.

The massive 33pc rupee devaluation since July 2018 coupled with cash assistance to major sectors, mainly textile and clothing, wasn't enough to boost the country's exports. The government had earlier claimed the impact of currency devaluation will be visible in the export trajectory, anticipating a pickup in foreign sales and a steep decline in imports ithe months ahead.

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https://www.dawn.com/news/1481761/trade-deficit-shrinks-13pc-to-262bn

US-CHINA TALKS BREAK UP AFTER US RAISES TARIFFS

By Paul Wiseman and Kevin Freking May 11, 2019

WASHINGTON (AP) — Trade talks between the U.S. and China broke up Friday with no agreement, hours after President Donald Trump more than doubled tariffs on $200 billion in Chinese imports.
Trump asserted on Twitter that there was "no need to rush" to get a deal between the world's two biggest economies and later added that the tariffs "may or may not be removed depending on what happens with respect to future negotiations."
A White House official, speaking on condition of anonymity because they were not authorized to speak publicly on the matter, confirmed that the talks had concluded for the day but could not say when they would resume.
Hours earlier, the Trump administration hiked tariffs on $200 billion worth of Chinese imports to 25% from 10%, escalating tensions between Beijing and Washington. China's Commerce Ministry vowed to impose "necessary countermeasures" but gave no details.
The tariff increase went ahead even after American and Chinese negotiators briefly met in Washington on Thursday and again on Friday, seeking to end a dispute that has disrupted billions of dollars in trade and shaken global financial markets. After a short session on Friday, the lead Chinese negotiator, Vice Premier Liu He, left the Office of the U.S. Trade Representative about midday. U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin shook hands with Liu as he left.
In the afternoon, a motorcade of sport-utility vehicles and a police escort, both with lights flashing, carried the Chinese delegation away from their lodgings at the Willard InterContinental Hotel .
Hu Xijin, editor-in-chief of the Chinese newspaper Global Times, citing "an authoritative source," tweeted that "talks didn't break down. Both sides think that the talks are constructive and will continue consultations. The two sides agree to meet again in Beijing in the future."
In an interview with reporters later in the day, Vice Premier Liu He said: "We will make no concessions on matters of principle."
The Trump administration escalated the confrontation again after the Chinese delegation left town. Lighthizer announced Friday evening that he was preparing to impose tariffs on the $300 billion in Chinese imports that haven't already been targeted. The government will have to get public comment before it can target more Chinese goods.
On Wall Street, stocks fell initially Friday but turned positive on optimism over future talks.
Earlier, Trump asserted in a tweet that his tariffs "will bring in FAR MORE wealth to our Country than even a phenomenal deal of the traditional kind. Also, much easier & quicker to do."
In fact, tariffs are taxes paid by U.S. importers and often passed along to consumers and companies that rely on imported components.
American officials accuse Beijing of backtracking on commitments made in earlier rounds of negotiations. "China deeply regrets that it will have to take necessary countermeasures," a Commerce Ministry statement said.
U.S. business groups appealed for a settlement that will resolve chronic complaints about Chinese market barriers, subsidies to state companies and a regulatory system they say is rigged against foreign companies.
The latest increase extends 25% duties to a total of $250 billion of Chinese imports, including $50 billion worth that were already being taxed at 25%. Trump has said he is planning to expand penalties to all Chinese goods shipped to the United States.
Beijing retaliated for previous tariff hikes by raising duties on $110 billion of American imports. But regulators are running out of U.S. goods for penalties due to the lopsided trade balance.
Ford spokeswoman Rachel McCleery said the carmaker is most concerned about any retaliatory tariffs China might impose.
The Dearborn, Michigan-based company says 80% of the vehicles it assembles in the U.S. are sold domestically, but it does export some vehicles to China.
"While most of the vehicles we sell in China are built in China, Ford does export a number of vehicles to China from the U.S.," McCleery said. "Our biggest concerns are impacts retaliatory tariffs would have on our exports and our expanding customer base in China."
Chinese officials have targeted operations of American companies in China by slowing customs clearance for them and stepping up regulatory scrutiny that can hamper operations.
The latest U.S. increase might hit American consumers harder, said Jake Parker, vice president of the U.S.-China Business Council, an industry group. He said the earlier 10% increase was absorbed by companies and offset by a weakening of the Chinese currency's exchange rate.

A 25% hike “needs to be passed on to the consumer,” Parker said. “It is just too big to dilute with those other factors.”
Despite the public acrimony, local Chinese officials who want to attract American investment have tried to reassure companies there is “minimal retaliation,” he said. “We’ve actually seen an increased sensitivity to U.S. companies at the local level,” he added.
The higher U.S. import taxes don’t apply to Chinese goods shipped before Friday. Shipments take about three weeks to cross the Pacific Ocean by sea, giving negotiators more time to reach a settlement before importers may have to pay the increased charges.
Liu, speaking to Chinese state TV upon his arrival Thursday in Washington, said he “came with sincerity.” He appealed to Washington to avoid more tariff hikes, saying they are “not a solution” and would harm the world.
“We should not hurt innocent people,” Liu told CCTV.
Also Thursday, Trump said he received “a beautiful letter” from Chinese President Xi Jinping and would “probably speak to him by phone.”
The two countries are sparring over U.S. allegations Beijing steals technology and pressures companies to hand over trade secrets in a campaign to turn Chinese companies into world leaders in robotics, electric cars and other advanced industries.
This week’s setback was unexpected. Through late last week, Trump administration officials were suggesting that negotiators were making steady progress.
U.S. officials say they got an inkling of China’s second thoughts about prior commitments in talks last week in Beijing but the backsliding became more apparent in exchanges over the weekend. They wouldn’t identify the specific issues involved.
A sticking point is U.S. insistence on an enforcement mechanism with penalties to ensure Beijing lives up to its commitments. American officials say China has repeatedly broken past promises.
China wants tariffs lifted as soon as an agreement is reached, while U.S. officials want to keep them as leverage to ensure compliance.
“A real enforcement mechanism is critical,” the American Chamber of Commerce in Shanghai said in a statement.
AP Business Writer Joe McDonald and AP videojournalist Dake Kang in Beijing and Alexandra Olson in New York contributed to this report.
https://www.apnews.com/e8a5195c21af44e5b783082366cc2f29

GOVT WAIVES NEW CONDITIONS FOR IMPORT OF EDIBLE PRODUCTS

By Zafar Bhutta Published: May 11, 2019
ISLAMABAD: The government has caved into the pressure from traders and multinational companies and has allowed them to continue the import of edible products without following new labelling requirements, officials say.
The government has doubts that most of the Pakistani consumers are receiving edible products which are not halal and of inferior quality because of a flawed import policy. This may pose a health hazard to the consumers as well.
Keeping this in view, the government notified labelling requirements for the import of edible products in February this year. However, the traders, importers and multinational companies dealing in fast moving consumer goods approached the Commerce Division, seeking more time for compliance with the new conditions.
The traders and multinational companies were of the view that adequate time was required for making adjustments in the supply chain in order to comply with the labelling requirements. They also argued that the new conditions would hinder the supply of some of the essential edible products and cause their shortage in Ramazan.
Consequently, the government put off implementation of the labelling guidelines on the import of edible products till the start of July 2019, said the officials.
Under the new conditions, the edible products, at the time of import, should have at least 50% remaining shelf life and in case of meat it should be obtained from Halal animals and slaughtered in accordance with the Islamic injunctions.
Moreover, the consumers should be aware of the ingredients of edible products keeping in view their benefits.
The labelling requirements for food items are essential for human health and safety as many countries have made it mandatory that ingredients of food products are printed in local language for the convenience of consumers.

Since Halal certification is not mandatory under the current law, it becomes very difficult for the Customs authorities to ascertain whether an edible product is Halal or not. A meeting was held earlier in this regard with the stakeholders under the chairmanship of adviser to the prime minister on commerce and industry. In the huddle, proposals came to add some more conditions.
It was proposed that imported products should have at least 66% remaining shelf life, ingredients and details of nutritional facts, usage instructions, etc of food products should be printed in Urdu and English and the logo of Halal certification body should also be printed on the consumer packaging.
Apart from these, it was proposed that the shipment of products must also carry a halal certificate issued by a halal certification body recognised by an accrediting institution, which is a member of the International Halal Accreditation Forum.
It was also proposed that in order to comply with the World Trade Organisation (WTO) negotiations, similar conditions should also apply to the edible products manufactured locally with effect from July 1, 2019 and for that necessary instructions should be issued to the Pakistan Standard Quality Control Authority (PSQCA) and provincial food authorities. Most of these conditions were approved in February this year and were notified.
Published in The Express Tribune, May 11th, 2019.
https://tribune.com.pk/story/1970244/2-govt-waives-new-conditions-import-edible-products/

MINISTRY DISCUSSES ISSUES RELATING TO PAK-CHINA TRADE

By APP Published: May 9, 2019
ISLAMABAD: Pakistan and China are working hand in hand to further expand the range of cooperation in trade, industry and tourism sectors that will ultimately prepare the base for economic uplift of the whole region, said Ministry of Communications Federal Secretary Shoaib Ahmad Siddiqui.
He was speaking at the conclusion of a meeting on 'International Road Transport' on Wednesday. In order to promote bilateral trade relationship between Pakistan and China in context of the China-Pakistan Economic Corridor (CPEC), the meeting continued for two days at the Ministry of Communications.
Matters relating to expansion of trade ties and facilitation of transportation for passengers and goods between the two countries were discussed in detail.
On the first day, issues pertaining to exchange of information about China-Pakistan international transport volume during 2018 was focused besides the present condition of Karakoram Highway and restoration of Kashgar-Gilgit Bus Service. In addition to this, introduction of bus service from Lahore and Islamabad to Kashgar, routine bilateral talks on regular basis and granting of multiple entry visas to the drivers/crew members were also discussed.
The meeting also reviewed problems being faced by the transport companies and made recommendations of facilitation measures to be initiated by both sides. The proposal for keeping the Pak-China border open seven days a week was also considered.
Published in The Express Tribune, May 9th, 2019.
https://tribune.com.pk/story/1968782/2-ministry-discusses-issues-relating-pak-china-trade/

MALAYSIAN CG FOR DIVERSIFYING EXPORT & IMPORT RANGE

RECORDER REPORT | MAY 8TH, 2019 | KARACHI
Consul General of Malaysia, Khairul Nazran ABD Rahman has urged Pakistani business community not to focus only on traditional trade items like textile, palm oil etc, but also to diversify their product range, which may include mango, vegetables and other items.
Speaking at "Appreciation Award 2019" organized by Pakistan-Malaysia Friendship Association (PMFA), he said that Malaysia will continue to cooperate with Pakistan on matters of mutual interest for the benefit and interest of the two countries and the region.
"Malaysia and Pakistan are good friends and partners. We have been collaborating in the various sectors to increase bilateral trade between both countries. Appreciating the role of the PMFA," he said that no doubt, the major cornerstone of our relations is trade and investment. In 2018, Malaysia's total trade with Pakistan increased by 2.5% to $1.47 billion from $1.34 billion in 2017.

Palm oil remained as Malaysia's important export item to Pakistan. In 2018, Pakistan imported 1.42 million metric tons' palm oil and palm products from Malaysia worth RM3.27 billion, an increase of 4.19% in volume from 1.37 million metric tons worth RM3.43 billion in 2017.
This placed Pakistan as the fourth largest importer of Malaysian palm oil and palm products. We definitely intend to engage Pakistan more in this sector. In 2018, among South Asian countries, Pakistan was Malaysia's 3rd largest trading partner.
He further said that the Free Trade Agreement (FTA) is thus far has yet to nurture satisfactory volume of trade between our nations. We need to work together. The private sector particularly needs to capitalize the immense potential lies within the FTA with tariff reduction on various items. "I am also optimistic that Pakistani Government would consider eliminating the relevant Regulatory Duties as adequate tariff were imposed on the relevant items under the Malaysia-Pakistan FTA."
Advisor to Chief Minister Sindh, Pir Noorullah Sahib said that there is a long history of cooperation between two countries and great potential for increasing bilateral trade. Pakistani businessman should explore Malaysia's growing Halal products market and invest in meat and poultry products.
President of Pakistan Malaysia Friendship Association(PMFA), Shahid Jawed Qureshi said that PMFA since its inception in 2005 has been playing a significant role and contribution towards further consolidating the bilateral relationship between the two brotherly countries of Pakistan and Malaysia in the areas of trade, tourism, education, and health.
The objective of awards giving function is to recognize and acknowledge those Pakistani companies, mostly members of PMFA, which are doing businesses with Malaysia and contributing indirectly towards promoting the bilateral trade.
He said that EDOTCO invested $130 million in Pakistani Telecom sector and plan to expand their business, will invest $250 million in next two years. He said that tourism is an emerging area, where Pakistan and Malaysia can explore opportunities and PMFA can play a role in this regard in cooperation with the relevant tourism agencies in both countries.
"I take this opportunity to mention here that the Malaysian High Commissioner and Consul General at Karachi are playing a proactive role in promoting the bilateral relations and PMFA especially thanks to them for joining hands with us to hold this Appreciation Awards ceremony.
Shahid Jawed Qureshi announced that this awards ceremony will be a regular feature and the next one will be organized in the year of 2020 in which more sectors for awards will be added. The PMFA intends to organize a seminar after EID on 'Pakistan Malaysia Free Trade Agreement (FTA), as there is a lack of awareness about FTA in Pakistani businessmen.
Consul General presented Awards on Best Trade with Malaysia to EDOTCO Pakistan, Sunlight Wood products, Mapak Edible oils, Progressive Traders, Pacific Commodities, Paspida, Oasis Travel, Greenland Travel & Tours. Shahid Jawed Qureshi, president, Pakistan Malaysia Friendship Association. Director EDOTCO Rehan Farooqi, Director, Sunlight Wood products Hassan Jaffrani, Senator Abdul Haseeb Khan and Khalid Tawab also attend the event.
https://fp.brecorder.com/2019/05/20190508470609/

FTA WITH CHINA WILL BE A CHALLENGE FOR INDUSTRIES: DAWOOD

By Our Correspondent Published: May 7, 2019
ISLAMABAD: The second phase of free trade agreement (FTA) with China was not going to be easy as no market research was conducted before finalising the agreement, remarked Adviser to PM on Commerce Abdul Razak Dawood.
Talking to journalists on Monday, he said although Pakistan got access to Chinese markets, the real challenge would be to bring domestic industries on a par with international standards.
"China has asked for time till July 1 for implementation of the agreement," he added. Dawood was of the view that the FTA would not be easy and it may adversely impact some industries, while others may flourish. He pointed out that under the China-Pakistan FTA phase-II, Pakistan had got a level playing field with member states of the Association

of Southeast Asian Nations (Asean) in exports to China. Also, Pakistan has received duty-free market access for its 313 tariff lines.
The adviser shared with the media that China had also asked for concessions and it would get access to Pakistani markets for a period of 15 years. He gave assurances to industrialists that safeguard measures to protect local industries had also been included in the FTA.
Dawood emphasised the need for strengthening the National Tariff Commission, adding that efforts were also needed to attract more investors from China.
Published in The Express Tribune, May 7th, 2019.
https://tribune.com.pk/story/1967134/2-fta-china-will-challenge-industries-dawood/

PAKISTAN'S ONLY DEEP-WATER PORT ENTERS PHASE II OF EXPANSION

By Salman Siddiqui Published: May 7, 2019
KARACHI: Hutchison Ports Pakistan, the country's first and only deep-water port capable of berthing the world's largest container vessel, has entered into its second phase of expansion.
"The expansion will enhance the installed capacity to handle 3.4 million containers of 20-foot length each by the end of 2020 compared to 1.5 million TEUs (twenty-foot equivalent units) at present," General Manager and Head of Business Unit Captain Syed Rashid Jamil said while briefing a group of journalists at the expansion site on Monday.
A four-lane railway cargo track of around 4-5 kilometres inside the port facility, coupled with an increase in installed capacity of power production are also included in the second phase expansion plan.
The deep-water port is located at the Karachi Port Trust (KPT). It is a subsidiary of Hutchison Port Holdings of Hong Kong which enjoys 90% shareholding. KPT is a partner in the project. Some local transport and logistics firms have the rest 10% shareholding in the port. The port began commercial operations in February 2017.
Total cost of the project would be $1.4 billion, which includes KPT's share of $800 million and Hutchison Ports Pakistan's (HPP) contribution over $600 million.
So far, HPP has spent $450-500 million. "Estimates suggest that it would be spending close to $750-800 million by the time the second phase gets completed," stated reliable sources.
The firm has opted for expansion despite the growth rate of cross-border transportation of the containerised cargo remaining flat at around 3.4 million TEUs in calendar year 2018 and it shrank 5% in the first four months (January-April) of the current year.
"We are expanding containerised cargo handling capacity as per our original plans of 2007 when we signed and initiated the project on built, maintain and transfer basis," Jamil added.
The port is capable of berthing the world's largest container vessel of 25,000 TEUs as it has a depth of 18 metres at the outer approach channel and 16.5 metres on the berth side. So far, it received the largest ever container ship of 11,923 TEUs – the China India Express – in December 2018.
Earlier, Pakistan was unable to handle containerised vessels of more than 8,000 TEUs.
The reliable sources noted that growth in the cross-border transportation of containerised cargo shrank in the current year after the incumbent government imposed conditions on fast moving consumers goods (FMCGs) sector including printing details and ingredients, halal certificate and expiry date on the products packaging.
The deep-water port has a 28-megawatts (MW) diesel-based captive power plant. It would increase the power production capacity by 8MW in the second phase.
China, the single largest trading partner of Pakistan, has remained the biggest source of containerised cargo transportation at the deep-water port. Besides, it also transports import and export containerised cargo to and from Europe and the US.
Published in The Express Tribune, May 7th, 2019.
https://tribune.com.pk/story/1967137/2-pakistans-deep-water-port-enters-phase-ii-expansion/

NEWS COVERAGE PERIOD FROM MAY 13th TO MAY 19th 2019

COUNTRY'S IMPORTS DECLINE BY $4 BILLION: DAWOOD

RECORDER REPORT | MAY 19TH, 2019 | LAHORE

Adviser to Prime Minister for Commerce, Textile, Industry and Production, and Investment Abdul Razak Dawood said on Saturday that country's economy is improving and the imports declined by $4 billion. Adviser was talking to the media after attending the fund raising event 'Zakat for Scholarship Fund' organised by Namal Education Foundation for its donors, high-net-worth donors, sponsors, traders and prominent members of the business community.
He said exports were not increased according to our expectations but we hope that it will increase due to the Free Trade Agreement between China and Pakistan. He also said trade deficit is decreasing and we hope that Pak rupee will strengthen.
While addressing the fund raising event, Abdul Razak Dawood, who is also the member Board of Governors, said, "Quality higher education creates opportunities for the youth to pursue different opportunities and making it available and affordable for them will lay foundations for a healthy society." With help from the Namal family, we have been able to fill that gap by overcoming the financial constraints of 97 percent students who are deserving, academically talented and in need of this scholarship. Our target for this particular event is raising scholarships which will cover the tuition fee of a hundred students."
https://fp.brecorder.com/2019/05/20190519476560/

GOVT SEEKS EXPORT-DRIVEN ECONOMIC GROWTH

By APP Published: May 17, 2019
ISLAMABAD: The policy objectives of the Strategic Trade Policy Framework (STPF) 2019-24 are aimed at ensuring an export-driven economic growth and they will also help move towards efficiency-driven exports, said Adviser to Prime Minister on Commerce Abdul Razak Dawood.
Briefing the National Assembly Standing Committee on Commerce and Textile on Thursday, Dawood was of the view that under the STPF 2019-24, the target of innovation-driven exports would be achieved in the long term to improve competitiveness of the industry.
The meeting of the standing committee was held under the chairmanship of MNA Syed Naveed Qamar.
The government, Dawood said, was focusing on the export-oriented sector by reducing input costs, increasing productivity, attracting investment and reducing relative "disincentive" for export activities.
"We want to improve the trade ecosystem by increasing institutional efficiencies and reducing the cost of doing business," he told the committee and emphasised that the STPF vision was to make Pakistan a dynamic and efficient domestic market and a globally competitive export-driven economy.
He pointed out that the mission was to transform Pakistan from a factor-driven to an efficiency-driven economy by integrating with global and regional value chains.
The committee voiced concern over the crop insurance schemes offered to the farmers and directed the ministry and National Insurance Company to prepare better packages.
Naveed Qamar said although the wheat crop had been damaged due to weather calamities, still there was sufficient stock left from the past. "Wheat trade and market should be deregulated," he suggested.
The standing committee chairman stressed the need for changing the policy on sugarcane, saying it "is high time that the country invest in other crops".
Regarding the date crop, the committee asked the ministry to resolve the issue of running finance and remittance by taking the farmers into confidence.
The committee expressed the desire that Zarai Taraqiati Bank Limited (ZTBL) cover more and more crops.
Published in The Express Tribune, May 17th, 2019.
https://tribune.com.pk/story/1974646/2-govt-seeks-export-driven-economic-growth/

NEWS COVERAGE PERIOD FROM MAY 20 TO MAY 26th 2019

313 GRAINS OF SALT: PAK-CHINA FTA

BR Research May 24, 2019
The Pakistan-China FTA has had its fair share of criticism. The business community has complained that many of the country's SMEs have been run out of business looking for cover when the Chinese goods hit the Pakistani markets at substantially lower prices, especially after duty concessions. Others have popularly claimed that the market access

given to Pakistani goods in the Chinese market was not preferential and ASEAN countries got a much better deal which made Pakistani goods uncompetitive, despite concessions. How will the new deal fare in relation to the failings of its predecessor? Let's take a cursory look.

The government claims that it has negotiated a better deal seven years after Phase-I expired which can boost exports to $6 billion (2018 actual: $3.8 billion, 16% of Pakistan's exports globally) along the high priority 313 tariff lines where there will be no duty from day one of implementation (mind you, there are thousands more tariff lines that have concessions but for the purpose of this column, we are only looking at the priority lines).

Here's the quote from a news report: "(Razzak) Dawood said that Beijing imports around $64 billion worth of these items from across the globe, and if Pakistan is successful in capturing just 10 percent of that market share, the country's exports to China could rise to $6billion". The sentiment is the right one, but it doesn't seem the government ran any complex analysis to arrive at these numbers. In fact, the quoted $6 billion expected exports to China under the 313 tariff lines are the entire exports to the world that Pakistan made in 2018 along these tariff lines. Does this mean, Pakistan is going to/ can divert the entire exports (along the 313 tariff lines) from world to China? Seems rather unsophisticated.

The other important note is: the number of tariff lines themselves serves very little purpose. In the first phase of the FTA, there were 2681 tariff lines in China's offer list (at 8-digit HS codes) that had zero rated preferences within three years of implementation of the FTA. But the number 2681 is itself entirely inconsequential, when only 5 percent of the tariff lines were utilized during the course of the FTA. In fact, there were nearly 2500 products under that list that Pakistan never exported in. On the other hand, of the 2423 products under Pakistan's offer list to China in zero rated category, China exported in 1332 products—55 percent utilization! Is that a function of better negotiation that China made Pakistan put products that it actually could utilize given the chance, or is that luck? It definitely seems deliberate.

Let's move to the new FTA then and see if we learnt a lesson. Sure enough, based on 2018 trade numbers, Pakistan has not exported anything to China across 78 percent of the zero rated 313 tariff lines. Worse yet, 48 percent of this list is where Pakistan has no potential at all to export having never exported these products to the world. Why are these 151 products part of this list? Here's another kicker. Of the $867 million current exports in the 313 tariff lines, nearly 70 percent of that amount comes from exporting just one product in that offer list (HS 52051200: combed cotton yarn). Is 313 just a number?

There is the caveat that exports did grow during the first phase of the FTA, and concessions may have helped. Exports in the phase-I zero rated category for Pakistan grew from $92 million to $560 million between 2006 and 2012. Of course, greater market access allows exports to grow, and that is what policy makers are counting on.

But if half the products that China has given zero rated concessions are not even exported at all, is Pakistan hopeful that the domestic producers would start rolling up their sleeves to invest in them. For that to have happened, a lot of extensive economic modeling should have gone into determining which products Pakistan should potentially produce due to the FTA. Taking the phase-I example alone: in 2006, Pakistan did not export in 95 percent of the products in the zero rated category. This became 93 percent in 2012—virtually no real improvement. The FTA does not seem to have created opportunities for new sectors to join in on the spoils.

Moreover, the mechanism behind determining these product lines is also unknown. It does not seem that these offer lists have been as carefully curated as they should have been. Pakistan needs trade economists and experts that can tell the country what benefits it could reap from any FTA and the overall welfare it could potentially create. If the FTA will lead to new production, investment and trade creation, that has to be mapped out first. Did the Pakistani side do that exercise? Time will tell.

https://www.brecorder.com/2019/05/24/498929/grains-of-salt-pak-china-fta/

FCCI CHIEF HAILS DECISION TO ENHANCE TRADE WITH KYRGYZSTAN

RECORDER REPORT | MAY 23RD, 2019 | FAISALABAD

Decision to enhance bilateral trade relation between Pakistan and Kyrgyzstan to 10 million dollars is a positive sign to further enhance bilateral trade between the two countries, said Syed Zia Alumdar Hussain President Faisalabad Chamber of Commerce & Industry (FCCI).

He congratulated foreign Minister Shah Mehmood Qureshi for successful negotiation with his Kyrgyzstan counterpart during foreign ministers conference of the Shanghai Cooperation Organization in Bishkek. Zia Alumdar said that currently trade between Pakistan and Kyrgyzstan is negligible while both countries have huge potential to enhance it manifold. He said that after this decision to enhance trade volume to 10 Million dollars, Pakistan government must take immediate and appropriate measures to support and facilitate Pakistani exporters. In this connection different products must be identified which could be easily exported or imported from Kyrgyzstan.
https://fp.brecorder.com/2019/05/20190523478542/

IMPORTS SHRINK, EXPORTS STAGNATE, FDI PLUMMETS: CURRENT ACCOUNT DEFICIT DROPS 27PC

Fayaz Hussain Updated May 22, 2019
KARACHI: The country's current account deficit (CAD) contracted by 27 per cent to $11.586 billion during the first 10 months of the current fiscal year compared to $15.864bn during the same period last fiscal year, according to latest data released by the State Bank of Pakistan.
The contraction is mainly due to 5pc decrease in total imports even as exports have dropped by around 2pc despite devaluation of the local currency and incentives announced by the government. In addition to that, $1.4bn increase in workers' remittances also helped prop up overall foreign exchange reserves.
The CAD in April declined to $1.24bn, down 45.4pc from $2.275bn in April 2018.
The government has faced challenges to arrest the widening current account deficit despite bilateral borrowings from Saudi Arabia, UAE and China. However, the funds have proven inadequate to finance the CAD as the country's reserves have declined to $8.8bn — enough for less than three months of import cover due to external debt servicing according to the State Bank.
The rapid decline in reserves forced the government to approach the International Monetary Fund. The fund, after long negotiations, agreed to a 39-month Extended Fund Facility for about $6bn to restore macroeconomic stability and support sustainable economic growth and ensure additional external financing. However, the agreement comes with strings attached including, some say, commitments to roll over bilateral loans, interest rate hike, further devaluation of the currency, and hikes in utility prices including gas and electricity in the upcoming budget.
The agreement with the IMF is likely to be followed by inflows from other lending agencies including the World Bank and the Asian Development Bank.
The CAD, during the last fiscal year, hit record high of $18.619bn depleting reserves at roughly $1.5bn per month stressing government's ability to payback liabilities.
However, the government's efforts to compress imports in the ongoing fiscal year are finally bearing fruit as the total imports dipped to $44.033bn, down 7.87pc against the same period last year.
The government introduced corrective measures such as the imposition of regulatory duties and banning furnace oil imports. Furthermore, after introducing new rules governing imports of used vehicles pushing the import bill has downwards during the period under review.
The challenge for the government lies in reversing the declining trend in exports, which have declined 2pc to $20.099bn despite massive devaluation of 18pc in the rupee's value during the last 10 months and special incentives for export-oriented sectors including textile..
The government had earlier claimed the impact of currency devaluation will be visible in the exports, anticipating a pickup in foreign sales and a steep decline in imports in the months ahead, however, exports have seen no significant improvement.
As the government embarks on an arduous journey to fix the economic imbalances with the help of International Monetary Fund (IMF) bailout, the foreign direct investment (FDI) halved to $1.376 billion during the first 10 months of this fiscal year from $2.489bn in the corresponding period last year.
The FDI inflows fell to $101.8 million in April, down 42.6 per cent compared to $177.5m in March and plunged by 55.2pc year-on-year compared to $227.5m in April 2018.
Inflows from China, leading investor in the country, declined by 72 per cent to $429m during the July-April period compared to $1.731bn in the same period last fiscal year as major infrastructure-related projects under the China-Pakistan Economic Corridor near completion.

However, the United Kingdom and the United States with $156m and $76m respectively also shied away from investing in the country amid record fall in the rupee's value and economic slowdown.
On the other hand, investment from Netherlands dropped to $67.5m during the period under review from $86.5m in the same period last year.
Sector-wise, construction led the chart attracting $386.8m during the July-April period of 2018-19 followed by oil and gas exploration, financial business, and electrical machinery with $287.3m, $256.6m, and $287.3m respectively.
Power sector, however, witnessed an outflow of $281m during the first 10 months against $1bn FDI in the same period last year followed by net outflow of $144m in the communication sector.
On a monthly basis, inflows in the financial business and power sector led with $22.1m and $19.8m respectively.
The falling FDI is a troublesome for the government as the inflows from foreign countries help prop up the country's current account balance which has worsened amid declining exports.
The government, in order to avoid a balance of payments crisis, approached IMF to secure a bailout programme.
Moreover, portfolio investment outflow was $990.6m during the period under review compared to inflow of $2.45bn during the same period last year.
Published in Dawn, May 22nd, 2019
https://www.dawn.com/news/1483770/imports-shrink-exports-stagnate-fdi-plummets-current-account-deficit-drops-27pc

JUNE, 2019

NEWS COVERAGE PERIOD FROM MAY 27th TO JUNE 2nd 2019

EXPORTERS INSIST ON ZERO-RATED REGIME IN TALKS WITH PM

Syed Irfan Raza June 03, 2019
ISLAMABAD: A meeting on Sunday between Prime Minister Imran Khan and leading businessmen and industrialists of the country ended without any decision on the grant of zero-rated status to the manufacturers of products that are exported.
A participant of the meeting told Dawn on condition of anonymity that although the meeting could not take a final decision on the issue of zero-rating of exportable products, it was emphasised that their sale in the local market should be taxed.
The export-oriented industrial sectors enjoyed the facility of zero-rating from 2005 to 2009, when the government led by the Pakistan Peoples Party withdrew the incentive. The facility was revived in 2015 by the Pakistan Muslim League-Nawaz (PML-N) government.
Sale of exportable goods in local market should be taxed, meeting at Banigala told
The meeting was told that the Federal Board of Revenue (FBR) was of the opinion that export of such products should not be taxed but their sale in the local market should be taxed.
The businessmen have already been told that they will have to pay tax on all their products, including those that are to be exported. However, they will get a refund after they provide details of the products exported, in black and white.
The businessmen attending the meeting held at the Banigala residence of the prime minister said that when the facility of zero-rating was discontinued in 2009, the FBR collected less tax from the industries on their exports than the refunds it paid.
Speaking at the meeting, Prime Minister Khan said the government would formulate business policies in consultation with the business community. "The government wants that policies regarding trade and industries be made in consultation with the businessmen and industrialists so that their problems could be addressed," he said.
The businessmen and industrialists who attended the meeting belonged to the export-oriented sectors of the economy, namely information technology, textile, garment, plastic and pharmaceutical industries.
Mr Khan said the business community should be in the front line when it came to revival of the economy. "While the government will provide facilities to the business community, the community is also expected to do what it should," he added.
The prime minister said it was the government's duty to provide benefits to the taxpayers. He was of the view that the information technology sector should play a leading role in efforts to revive the economy.

The businessmen and industrialists said that major organisations got their refund easily due to their influence but it had become quite difficult for the small and medium enterprises to get their refunds in time.
They also gave some suggestions to the prime minister regarding the federal budget for 2019-20.
The prime minister has said on a number of occasions that the government wants to reduce the gap between exports and imports and cut down billions of dollars in export bill.
The meeting was attended among others by the Prime Minister's Adviser on Finance Dr Abdul Hafeez Shaikh, Special Assistant to the Prime Minister on Overseas Pakistanis and Human Resource Zulfiqar Abbas Bukhari, Minister for Planning Khusro Bakhtiar and Humayun Akhtar.
Published in Dawn, June 3rd, 2019
https://www.dawn.com/news/1486235/exporters-insist-on-zero-rated-regime-in-talks-with-pm

GOVT UNLIKELY TO ACHIEVE EXPORT TARGET FOR FY19: DAWOOD

Mubarak Zeb Khan Updated May 31, 2019
ISLAMABAD: The government is unlikely to achieve the export target set for current fiscal year despite massive devaluation of the local currency, Adviser to Prime Minister on Commerce Abdul Razak Dawood said on Thursday.
He said that his earlier projections of $27-28 billion exports were unrealistic despite government's efforts including the release of massive subsidies to various sectors.
"Now, I think that even my realistic figure of $25bn is not achievable", he said in an answer to a question at the press briefing.
The country's export proceeds during July-April decreased by 0.12 per cent to 19.169bn despite a 19pc decline in local currency.
Dawood went on to say that exports are expected to decline further in the coming months.
The adviser had earlier criticised the PML-N government for their failure to increase exports.
He added that export performance can be measured from three indicators — growth in dollar terms, rupee terms and quantity.
He said that export proceeds in dollar terms remained static while adding that "I don't consider the growth in terms of rupee in exports proceeds."
He also blamed the global slowdown for the country's abysmal exports claiming that global trade decelerated by 3pc while the price of commodities also fell by over 7pc amid trade war between China and US.
"These factors are responsible for the static growth in exports", the adviser added.
However, he said that he is optimistic for the next fiscal year and hoped that exports will pick up.
He said exports in the value-added sectors have been on a positive trend whereas yarn exports fell during the period under review showing the changing direction of exports.
The government has also been providing subsidies on exports of value-added textile products at a higher rate in addition to providing lower subsidies on low value-added textile products.
The previous government has reversed the textile policy of the PPP government which only allowed benefits to the value-added sectors to generate employment opportunities in the country.
However, the PML-N government did away with PPP's policy and allowed subsidy on low-value added textile products as well.
Furthermore, the incumbent government also continued the policy of PML-N of allowing subsidies to both value-added sectors along with low value-added textile sectors.
Dawood said that providing market access to businessmen and industrialists plays a pivotal role in increasing exports and we have made huge strides towards achieving that goal.
On the issue of pending refunds with the Federal Board of Revenue (FBR), adviser said that he has held several meetings with tax officials.
When asked whether he will support the continuation of zero-rating to five sectors, he remarked that he supports strategies that promote exports but added that the FBR wants to restore full sales tax on the local supply of textile and other four sectors in the domestic market.

He said the issue of zero-rating was also taken up with the International Monetary Fund (IMF) during the negotiations but both government and IMF officials could not take come to an agreement on the matter.
The adviser emphasised the need for increasing tax revenues in the country and added that the incumbent government had taken right decisions to collect due taxes from all individuals including industrialists.
“We can’t prosper until we pay our due taxes”, Dawood advised his peers in the business sector.
“Until our wealthy people pay their taxes, the tax-to-GDP ratio will remain worse”, he added.
Published in Dawn, May 31st, 2019
https://www.dawn.com/news/1485646/govt-unlikely-to-achieve-export-target-for-fy19-dawood

TRADE REGULATORY BODIES TO OPERATE THRU SINGLE WINDOW BY 2021: ZAIDI

Mubarak Zeb Khan Updated May 29, 2019
ISLAMABAD: As part of the trade facilitation agreement, the National Single Window (NSW) to manage external trade will be operational by 2021, said Federal Board of Revenue (FBR) Chairman Shabbar Zaidi on Tuesday.
The proposed window will provide a comprehensive solution for imports, exports, transit trade, trade through border customs stations and air cargo. Moreover, under the system, all 48 regulatory bodies will retain their respective powers while their functions will be carried out through electronic access to the NSW.
The NSW — to be completed at a cost of $163 million — will simplify procedures and improve predictability and will also eliminate the need for physical engagement between traders and regulators.
Talking to a select group of journalists, Zaidi said the government is committed to adopt e-governance system and NSW is a step forward in that direction.
He went on to say that NSW and other automation related initiatives by Pakistan Customs are manifestation of the government’s commitment to reform and modernise the governance system.
He said that with support from development partners particularly the USAID, the Asian Development Bank, the World Bank Group, and UK Department for International Development, the FBR is confident of meeting its reform objectives.
Highlighting the importance of the NSW, World Bank Country Director Patchamuthu Illangovan said the project would help facilitate trade. However, he suggested the FBR to consider outsourcing NSW to a third party on the ground that he did not want to see yet another state-owned-entity surviving on cash from the government.
NSW, implemented in around 50 countries in the world, has become a core instrument to facilitate trade and implement electronic business.
Member Customs Operations Dr Jawwad Uwais Agha, who was also present at the occasion, said that Pakistan’s global ranking under cross-border trade-related indicators of the World Bank’s ease of doing business survey for 2019 has improved by 29 positions due to efforts taken by the Pakistan Customs.
He further added that as per World Bank report, the business community in Pakistan incurred more than $400m extra cost as compared to average costs for import and exports in South Asia during last year.
Answering a question, Agha said he is optimistic that NSW will help ensure transparency, reduce corruption and reduce dwell time of containers at ports besides facilitating traders.
The implementation of NSW comes at an opportune time as the country is moving towards major economic and trade initiatives like the China-Pakistan Economic Corridor, Central Asia Regional Economic Cooperation and Community Investment Tax Relief.
The draft legislation for NSW has been prepared while the functional, revenue and technical models are expected to be finalised by June. Though the government has allocated funds in the upcoming Public Sector Development Program, Pakistan Customs is currently providing funds from its own resources to fast-track the implementation of the project.
Project Director Muhammad Imran Khan said the business model for execution and operation as well as alignment of participating departments has been approved by the steering committee in April.
He added that NSW will facilitate electronic submission, risk-based parallel processing and issuance of regulatory approvals relying on data/process harmonisation while using modern technology. The port community system will help transform the logistics side of external trade.

In addition to business-to-government interactions, the NSW will strengthen and reinforce business-to-business, and government-to-government relationship.
Published in Dawn, May 29th, 2019
https://www.dawn.com/news/1485235/trade-regulatory-bodies-to-operate-thru-single-window-by-2021-zaidi

PULSES IMPORT DECLINES TO $432.546

RECORDER REPORT | MAY 28TH, 2019 | KARACHI
Pakistan's import of pulses declined to $432.546 million in July-April, down by 2.3 percent, official figure says. Fall in pulses import now stands at $10.19 million in July-May 2018-19 from $442.736 million in July-April 2017-18, Pakistan Bureau of Statistics shows. In term of quantity, pulses import surged by 30 percent or 183, 889 metric tons to 801,843 metric tons in July-April 2018-19 from 617,954 metric tons in July-April 2017-18.
In April 2019, Pakistan imported $39.188 million of pulses, which is higher by 13 percent or $4.382 million, comparing to its import of $34.806 million in April 2018. Volume of pulses import also grew to 76,833 metric tons in April 2019 from 59,386 metric tons in April 2018, up by 29.38 percent or 17447 metric tons.
https://fp.brecorder.com/2019/05/20190528481149/

NEWS COVERAGE PERIOD FROM JUN 3rd TO JUN 9th 2019

TALKS BETWEEN TEXTILE EXPORTERS, GOVT BREAK DOWN

Nasir Jamal Updated June 09, 2019
LAHORE: The ongoing 'consultations' between the government and the textile industry over a key budget proposal withdrawing sales tax exemption enjoyed by exporters under the zero-rated regime broke down on Saturday primarily because of the tax authorities' failure to produce an efficient, credible seamless mechanism for quick reimbursement of export refund claims.
The opinion of textile industry leaders representing different segments of the value chain involved in negotiations with the government's economic team was also divided over the proposed withdrawal of the zero-rated regime as they came out of their last meeting with State Minister for Revenue Hammad Azhar, Adviser on Industry and Commerce Abdul Razak Dawood and Federal Board of Revenue (FBR) Chairman Syed Shabbar Zaidi in Islamabad.
The apparel exporters said they had held their ground on the issue and demanded continuation of the facility for exporters.
The All Pakistan Textile Mills Association (Aptma) and a part of the value-added textile industry from Punjab represented by the Faisalabad Textile Expor-ters Association (PTEA), on the other hand, have shown willingness to accept the 'inevitable' provided the government devised an effective mechanism to ensure quick payment of their sales tax refund claims before abolishing the zero-rated regime.
Both sides hold their ground, zero-rated regime to end in upcoming budget
It is unclear if the apparel exporters plan to launch a protest campaign if the facility is withdrawn in the budget. But the industry leaders say they plan to call a presser in Karachi on Monday to announce their future course of action (if the sales tax exemption is withdrawn).
The government offer to impose a reduced sales tax rate of 7.5 per cent on the textile chain and the commitment to pay their export refund claims in 60 days after production of the GD (goods declaration) by exporters failed to impress them or allay their concerns fearing that the FBR would hold back their money for an indefinite period to overstate its performance.
The government has also promised to "try to continue energy subsidies" for the exporters from Punjab to maintain their international competitiveness.
"We do not trust the government … no government has ever kept its promises with us. The law says government will pay interest on our refund claims if payment is delayed beyond a certain time period. It has never implemented it. The law says the tax refund claims would be paid in one week after the issuance of RPOs to exporters. Practically, it has never happened and exporters still have RPOs against their refunds of at least Rs51bn pending for last many years," Javed Bilwani, Chairman Pakistan Hosiery Manufacturers Association told Dawn by telephone after meeting the government side.

Zubair Motiwala, a garment industry leader from Karachi and claims to have full support of the other four zero-rated industries — carpets, surgical instruments, sports goods and leather goods — for their stance on the proposal, said the value-added textile industry has rejected the proposal and asked the government to collect sales tax on domestic sales at the retail stage instead of creating a liquidity crunch for the exporters at a time when interest rates are going north.
PTEA Chairman Khurram Mukhtar told Dawn from Faisalabad that it was not time to insist on zero-rated regime as the government finds itself in a tight spot because of the conditions attached to the $6bn loan from the IMF. “We are willing to help the government provided it comes up with an efficient and effective mechanism for payment of our refunds in the promised 60 days.
Aptma leader Naveed Gulzar, who participated in the Saturday meeting with their plan for early payment of export refund claims, briefly said nothing was finalised. “We expect the final decision by the government (on exporters’ proposals and demands) in the budget for the next year.”
According to an Aptma member, the softer stance of his organisation on the proposal abolishing sales tax is dictated by the government promise of continuation of energy subsidies for the exporters from Punjab.
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https://www.dawn.com/news/1487083/talks-between-textile-exporters-govt-break-down

EXPORTERS’ CONCERNS

Editorial June 04, 2019
PAKISTAN’S exporter community has concerns that in the forthcoming budget the government will withdraw the sales tax exemption that the five key sectors have enjoyed on and off for well over a decade now. The exporters have grown accustomed to these exemptions, and it is possible that they will find it next to impossible to survive without them. Having met the finance adviser to try and dissuade him from taking this step, they have now taken their concerns to the prime minister himself in an escalation of their lobbying efforts. It remains to be seen whether or not their attempts bear fruit. The government must be under immense pressure to withdraw all tax exemptions, except perhaps those required under international commitments, not only for revenue purposes but also to encourage tax compliance and documentation. But it is as yet an open question whether it will accede to the entreaties of the exporter community.
The prime minister would be well advised, however, not to involve himself in this affair and let his finance team manage the situation. There are several reasons for this. For one, the finance team is balancing very complex and difficult circumstances, and intervention by those who may not understand the intricacies of the economic challenges can upset their efforts. On a number of occasions, this is precisely what happened when Asad Umar was finance minister and the business community grew accustomed to taking their representations directly to the prime minister in the hope that he would override his finance minister. In fact, from exporters to stockbrokers to auto companies, to name a few, all managed to extract some concessions from the government at a time when it was struggling to come to terms with the IMF dilemma. Another reason for keeping away from this affair is that if the prime minister entertains the lobbying efforts of one group, it will set a precedent, opening the door to many other parties with their own demands. In such a situation, there would be no end to the number of business and industrial groups who would like the opportunity to shape specific measures in the forthcoming budget. It would be to the government’s advantage to direct all such efforts to the prime minister’s adviser on finance and let the finance team deal with them. It will take discipline to stay the course after the budget is announced. The time to prepare is now.
Published in Dawn, June 4th, 2019
https://www.dawn.com/news/1486399/exporters-concerns

CHINA BLAMES US FOR SETBACK IN TRADE TALKS

Published: June 3, 2019
BEIJING: The United States should take responsibility for the setback in economic and trade consultations with China, a government white paper said, warning that “red lines” cannot be crossed.
The US government has backtracked on its commitments three times in the trade negotiations with China and should bear sole responsibility for the stalled progress, the paper said on Sunday.
The white paper, “China’s Position on the China-US Economic and Trade Consultations”, was released by China’s State Council Information Office. It came amid ongoing tension between the world’s two largest economies.

Speaking at a news conference on Sunday, Vice Minister of Commerce Wang Shouwen said China is willing to work together with the US to find solutions concerning differences on the economic and trade fronts and to reach a mutually beneficial and win-win agreement.
“However, cooperation has to be based on principle and there are bottom lines in consultations,” Wang said. “China will not compromise on major issues of principle.”
The US government has persisted with certain demands in its negotiations with China, Wang said. For example, it insisted on including “mandatory requirements”, concerning China’s sovereign affairs in the agreement, which only served to delay the talks’ progress, he said.
The white paper said “red lines” cannot be crossed in bilateral negotiations, the right to development cannot be sacrificed, and sovereignty cannot be undermined.
China and the US have been engaged in a trade dispute for several months. The tension has been escalating since they reached a deadlock over economic and trade negotiations.
The consultations, launched in early February 2018, have come a long way with the two sides “agreeing on most parts of the deal,” the paper said. “But the consultations have not been free of setbacks, each of them being the result of a US breach of consensus and commitments as well as backtracking.”
The paper listed, in chronological order, three times when the US backtracked on a deal.
The first time was when the US government announced an additional tariff of 25% on $50 billion of Chinese exports, despite the negotiators having reached preliminary consensus on expanding China’s imports of agricultural and energy products from the US.
The US government “kept changing its demands” in the previous more than 10 rounds of negotiations, the paper said.
However, some US officials argued that China backtracked on nearly all aspects of the trade deal, according to earlier reports from foreign media.
Wang said the US accusations of China reneging on the deal are groundless. When consultations are in progress, it is not uncommon for both sides to propose adjustments to the text of an agreement, Wang said.
In response to the latest US tariff move, China raised additional tariffs to a maximum 25% on part of $60 billion worth of US products, effective June 1. China has had to take forceful measures to defend the interests of the nation and its people, he added.
This article originally appeared on the China Economic Net
https://tribune.com.pk/story/1986295/2-china-blames-us-setback-trade-talks/

EXPORTERS INSIST ON ZERO-RATED REGIME IN TALKS WITH PM

Syed Irfan Raza June 03, 2019
ISLAMABAD: A meeting on Sunday between Prime Minister Imran Khan and leading businessmen and industrialists of the country ended without any decision on the grant of zero-rated status to the manufacturers of products that are exported.
A participant of the meeting told Dawn on condition of anonymity that although the meeting could not take a final decision on the issue of zero-rating of exportable products, it was emphasised that their sale in the local market should be taxed.
The export-oriented industrial sectors enjoyed the facility of zero-rating from 2005 to 2009, when the government led by the Pakistan Peoples Party withdrew the incentive. The facility was revived in 2015 by the Pakistan Muslim League-Nawaz (PML-N) government.
Sale of exportable goods in local market should be taxed, meeting at Banigala told
The meeting was told that the Federal Board of Revenue (FBR) was of the opinion that export of such products should not be taxed but their sale in the local market should be taxed.
The businessmen have already been told that they will have to pay tax on all their products, including those that are to be exported. However, they will get a refund after they provide details of the products exported, in black and white.
The businessmen attending the meeting held at the Banigala residence of the prime minister said that when the facility of zero-rating was discontinued in 2009, the FBR collected less tax from the industries on their exports than the refunds it paid.

Speaking at the meeting, Prime Minister Khan said the government would formulate business policies in consultation with the business community. “The government wants that policies regarding trade and industries be made in consultation with the businessmen and industrialists so that their problems could be addressed,” he said.
The businessmen and industrialists who attended the meeting belonged to the export-oriented sectors of the economy, namely information technology, textile, garment, plastic and pharmaceutical industries.
Mr Khan said the business community should be in the front line when it came to revival of the economy. “While the government will provide facilities to the business community, the community is also expected to do what it should,” he added.
The prime minister said it was the government’s duty to provide benefits to the taxpayers. He was of the view that the information technology sector should play a leading role in efforts to revive the economy.
The businessmen and industrialists said that major organisations got their refund easily due to their influence but it had become quite difficult for the small and medium enterprises to get their refunds in time.
They also gave some suggestions to the prime minister regarding the federal budget for 2019-20.
The prime minister has said on a number of occasions that the government wants to reduce the gap between exports and imports and cut down billions of dollars in export bill.
The meeting was attended among others by the Prime Minister’s Adviser on Finance Dr Abdul Hafeez Shaikh, Special Assistant to the Prime Minister on Overseas Pakistanis and Human Resource Zulfiqar Abbas Bukhari, Minister for Planning Khusro Bakhtiar and Humayun Akhtar.
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https://www.dawn.com/news/1486235/exporters-insist-on-zero-rated-regime-in-talks-with-pm

AGRICULTURE: SAVING DOLLARS IN FOOD IMPORTS

Mohiuddin Aazim June 03, 2019
Food imports are down as lower economic growth, higher inflation and a weaker rupee have reduced net income levels of both corporate and consumer sectors.
Higher duties imposed on hundreds of imported food items during this fiscal year have also apparently decelerated reckless imports.
In July-April, the food import bill decreased 9.85 per cent to $4.7 billion from $5.2bn a year ago. So we saved $514 million in 10 months. Not bad. The amount is equal to 6.4pc of our central bank’s foreign exchange reserves, which were $8.06bn on May 17. Since the food import-pushing factors are no more at work and international palm oil prices are soft, one can hope to see more foreign exchange saving in the remaining two months of this fiscal year.
It’s time for the Pakistan Bureau of Statistics (PBS) to at least split the category of “all other items” into finished food products and raw food materials
Imports of palm oil that constitute one-third of our total food import bill declined in terms of both volume and value. So did the imports of soy bean oil, pulses, spices, dried fruits and nuts. Imports of milk powder, cream and milk food declined only 1pc in volume, but 10pc in value. It was because of a downward trend in international prices as well as better import sourcing, importers say. Sugar and wheat imports were negligible. For years, Pakistan has been exporting wheat and sugar more consistently. Hence, imports of these items normally remain nominal or nil. Imports of all other unspecified categories of items also remained lower than last year’s, although cumulative foreign exchange spending under this head made it the largest component (38pc) of the total food import bill.
Achieving a reduction of about 10pc in the food import bill in 10 months is good because it has come amidst a foreign exchange crunch. But higher import duties alone have not made this happen. Lower economic growth during the current fiscal year, officially being estimated at 3.28pc against last year’s revised growth of 5.22pc, is a big reason. The output of domestic food production and processing companies that are part of large-scale manufacturing (LSM) is slumping. People whose incomes have declined because of the economic slowdown are consuming fewer imported food items. Growth in the food and beverages component of LSM was minus 0.3pc in July-March of 2017-18. But negative growth shot up to 2.93pc in July-March of the current fiscal year. This reflects a reduced intake of imported raw materials in our food and beverages companies.
It is true that when the rupee becomes weaker and import duties go up simultaneously imports bill shrink particularly if lower economic growth and higher inflation are reducing aggregate demand. But falling prices of imported commodities also help reduce the import bill. In the first 10 months of this fiscal year, our food import bill has

remained lower partly because of this fact. In July-April, average global prices of crude palm oil fell 10.4pc to $588.45 per tonne. In May, the prices fell further.
The decline in the food import bill triggered by a volatile exchange rate, change in tariffs, lower domestic demand owing to slower economic growth and higher inflation is not bad. But what is really good is that it should also be rooted in import substitution and self-sufficiency.
It is sustainable as it indicates foreign exchange savings are not occurring because we are not spending — or cannot afford to spend. On that standard, we are far off the mark: we are not producing enough pulses to feed the nation; we have not developed local dairy industries to the level that we can substitute imports of milk cream and powder; and despite tall claims by successive governments, olive cultivation and tea plantation continue to remain research projects.
The oilseed sector has enough potential. In fact, oilseed production has been on the rise for some years, reducing our dependence on imported soy bean oil that is blended with palm oil for edible oil production. Indonesia has recently promised that it will establish a refinery in Pakistan for the production of food-grade oil from crude palm oil. We can benefit a lot from this Indonesian offer provided policymakers and the bureaucracy work hand in hand.
In the Thatta district of Sindh, palm oil plantation experiments with the help of Malaysia have succeeded. At least two palm oil gardens are producing mature fruits, media reports suggest. Experts believe that in addition to Thatta, there is potential for palm oil plantation in all cities along the Sindh coastal belt and even in parts of Umerkot and Tharparkar.
One area of attention in the food import bill is the foreign exchange spending on hundreds of finished food products that are imported under a broad category of "all other items".
This category of imports conceals our consumerism. Under this category fall our imports of cheese and curds, cigarettes and tobacco, coffee, cookies, chocolates, formula food, honey, jams, fruit jellies and marmalades, non-alcoholic beverages, pickles, spices — and even bread and butter.
Isn't it time for the Pakistan Bureau of Statistics (PBS) to at least bifurcate this category of "all other items" into finished food products and raw food materials or agricultural inputs? Every year we import hundreds of millions of dollars worth of seeds of different crops. If bifurcating the category of "all other items" is not possible for any reason, the PBS can at least start publishing import data for seeds in a separate category. That will help policymakers make more informed projections and prompt them to respond more wisely to the issues of local seed-manufacturing companies.—MA
Published in Dawn, The Business and Finance Weekly, June 3rd, 2019
https://www.dawn.com/news/1486270/agriculture-saving-dollars-in-food-imports

CHINA PLANS MORE FOREIGN ACCESS TO FUTURES MARKETS

RECORDER REPORT | JUN 3RD, 2019 | SHANGHAI
China is looking to give foreign investors more access to its futures market and will accelerate the launch of TSR 20 rubber, rice and fertiliser futures, a China Securities Regulator Commission (CSRC) official told an industry forum on Tuesday. "China will encourage state owned enterprises, private companies and institutional investors to invest in futures products," Lu Dongsheng, Director General of CSRC's Futures Department said at the Shanghai Derivatives Market Forum.
Shanghai Futures Exchange Chairman Jiang Yan said the TSR 20 standard rubber contract would be the second Shanghai commodities futures to be opened to international investors after crude oil.
https://fp.brecorder.com/2019/06/20190603483435/

NEWS COVERAGE PERIOD FROM JUN 10th TO JUN 16th 2019

EXPORTERS RESENT WITHDRAWAL OF ZERO-RATED REGIME

A Reporter Updated June 12, 2019
KARACHI/LAHORE: Dismayed over the government's decision to rescind SRO1125 in budget 2019-20 ending sales tax exemption under the zero-rated regime for five sectors, the industry on Tuesday rejected the move saying it will be disastrous for the country's exports.

Talking to Dawn Zubair Motiwala, a leading Karachi-based business leader, said during recent negotiations with government officials and minister it was clearly stated that it will not work because already two attempts were made in the past to do away with zero-rated regime, but did not work.
At 17 per cent sales tax for exporters, with a refund of 17pc as well, they can't pay me the money they already owe me and now they are asking me to pay more? They can't manage things at zero per cent, now they want to tax me at 17pc?
Pakistan Readymade Garments Manufac-turers and Exporters Association Patron-in-Chief Ijaz Khokhar said the withdrawal of zero-rated regime would make their exports unviable and wipe out many small- and medium-sized exporters.
He regretted that during negotiations it was also suggested by the government officials to reduce the sales tax rate to 7.5 per cent against standard 17pc, but unfortunately even this has been ignored and feared that it would turn out to be disastrous for exports.
"This will not benefit exporters nor government because criminal elements will once again enter the trade as was the case in the past and start using flying or fake invoices to claim million of rupees refunds," he lamented.
He said the SMEs could not afford to get their cash stuck in refunds with the government for years and this could result in export losses of $1-2bn next fiscal year.
He said the government had agreed with the industry to impose 7.5pc GST on the exporting industry but it has deviated from its commitment.
All Pakistan Textile Mills Association acting chairman Naveed Gulzar termed the federal budget for the next fiscal year as a revenue mobilisation effort under the IMF programme, expressing abolition of zero-rated status and imposition of 17pc sales tax on them will lead to liquidity crunch for them.
He said they had proposed to the government to bring down the cost of doing business, ensure uniform and regionally competitive energy prices across the country, and minimum burden on liquidity of the industry.
Pakistan Textile Exporters Association chairman Khurram Mukhtar said the export industry will make the entire supply chain run into cashflow problem. He said the government should have taxed the unregistered sector instead of burdening the documented industry.
He demanded a robust and sustainable sales tax claim refund system to ensure that exporters did not face liquidity crunch following the withdrawal of sales tax exemption for them.
It said the refund claims of exporters amounting to Rs300 billion were already stuck up, creating liquidity crunch for the industry, while uncertain economic environment has slowed down the investment to almost zero. Moreover, the rupee devaluation by more than 30pc has failed to increase exports.
The Pakistan Hosiery Manufacturers Asso-ciation in a press statement said that the the withdrawal of this facility would increase the cost of doing business due to 17pc sales tax and high utility cost.
Published in Dawn, June 12th, 2019
https://www.dawn.com/news/1487722/exporters-resent-withdrawal-of-zero-rated-regime

TRADE GAP SHRINKS DESPITE EXPORT SLOWDOWN

The Newspaper's Staff Reporter Updated June 11, 2019
ISLAMABAD: The government is set to reduce overall trade deficit by almost $5 billion by end June despite slowdown in export proceeds, said the Economic Survey 2018-19 released on Monday.
The first 10-month figure showed that the overall trade deficit will drop to a certain level owing to contraction of imports of non-essential luxury items. Last year, the trade deficit reached a historic level of $36bn.
Overall, the trade deficit has decreased by 7.28 per cent in the July-April FY2019 to $23.93bn from $25.81bn in the same period last year.
However, news on the export side is not good despite several measures taken for the promotion of exports from the country. The export target for FY 2019 – which was set at $28bn – is set to be missed as overall exports have slowed down due to global headwinds.
A slowdown in economic growth in the EU along with spillovers from US-China trade tensions led to subdued performance in exports. Textile sector remained the most vulnerable in this gloomy global scenario.
Exports registered a decline of 0.1pc growth during July-April FY2019 as it reached to $19.17bn as against $19.19bn over the corresponding period of last year.

Pakistan is not alone to have witnessed a decline in exports in the region. Indian exports growth level fell to 2pc in Feb 2019 from 18pc in October. Similarly Bangladesh exports growth declined to 7pc from 55pc in January 2019.
According to the Economic Survey 2018-19, exports remained above $2bn in four months of FY2019. However, overall exports dampened due to global headwinds. The government has announced several schemes for promotion of exports.
There is a continuous increase in the flows of credit to private sector in manufacturing and export oriented industry which is a welcome development in terms of business activities. However, the downside risk of the impact of continuous rise in policy rate and global slowdown in trade activities may influence exports.
The establishment of special economic zone and free trade zone at Gwadar will enhance export growth and access to regional markets going forward. The trade diplomacy also needs to be strengthened.
Devaluation has surely increased the cost of imported raw materials. However, this has been largely offset by the generous export incentives provided including larger export rebates, withdrawal of import duties on inputs of raw materials and intermediate goods and, more recently, the issuance of promissory notes against refunds due along with subsidies on gas and electricity consumed. All these measures likely to pay dividend with lag effect.
Import target for FY2019 was set to $ 56.5bn. Between July-April FY2019 imports stood at $45.471bn as against to $49.360bn in the same period last year, showing a decline of 7.9 pc. The reduction in imports is due to decrease in imports of furnace oil, machinery and electric equipment, palm oil and textiles.
Current scenario of declining imports shows that imports will be according to the estimates.
With the falling global demand, weakening consumer and business sentiment among the major economies, trade tensions and economic stabilisation measures at home, the imports are expected to be further decrease.
Additionally, the government has launched an import substitution drive that will be instrumental in reducing pressure on current account.
Published in Dawn, June 11th, 2019
https://www.dawn.com/news/1487476/trade-gap-shrinks-despite-export-slowdown

JULY-MARCH FY-2019: LSM GROWTH DECLINES BY 54 PERCENT

RECORDER REPORT | JUN 11TH, 2019 | ISLAMABAD
The country's Large Scale Manufacturing (LSM) growth during July-March FY 2019 declined by almost 54 per cent to 2.93 percent as compared to 6.33 percent in the same period last year. On Year on Year (YoY), LSM growth witnessed sharp decline of 10.63 percent in March 2019 compared to increase of 4.70 percent in March 2018.
Large Scale Manufacturing (LSM) has 78 percent share in Manufacturing and 10.2 percent in GDP whereas Small scale manufacturing accounts for 2.0 percent in GDP. The third component of the sector is slaughtering accounts for 0.9 percent in GDP.
The contribution of Manufacturing in GDP is hovering around the 13.5-13.8 percent for almost a decade, while for the current fiscal year it declined to 13.0 percent. The performance of major crops, power slippages, global commodity price shocks, and contraction in demand of domestic consumer goods hindered the growth of manufacturing sector.
There are a number of factors which contributed to the slowdown in the growth of LSM including lower PSDP expenditures compared to last year, slowdown in the private sector construction activities and consumer spending on durable goods. This was more noticeable in construction-allied industries. Demand for housing moderated as the price of building materials and cost of financing increased. Certain sector-specific issues also contributed to the decline in LSM. Automobile prices witnessed multiple upward revisions due to PKR depreciation which held the potential buyers refrained from making booking and purchases. Certain restrictions on non-filers with respect to purchase of cars further dampened the automobile demand. Pharmaceutical also suffered due to a considerable lag in regulatory adjustments in prices. This pricing issue was in addition to weakening of the local currency, which added to the distress of an import dependent sector. Similarly, lower sugarcane production and previous year's inventories further dampened the prospects of the sugar industry.
The performance of textile sector remained under stress during the period as it declined by 0.3 percent against meager growth of 0.5 percent during the same period last year. The performance of textile sector having highest weight of 20.91 in Quantum Index Manufacturing (QIM) remained subdued on account of lackluster performance of cotton yarn 0.02 percent and cotton cloth 0.07 percent having a combined weight of 20.15 in textile sector. The textile export data

is relatively encouraging on account of its wide-ranging coverage than the LSM data as in addition to cotton yarn and fabrics, it also includes the higher value added items like hosiery, knitwear, towels and readymade garments.
The current Fiscal Year 2019 started with 7.4 percent growth mainly contributed by Electronics 95.6 percent, Non metallic minerals product 17.9 percent (Cement 18.0 percent) and Automobiles 22.1 percent (Jeeps & Cars 36.1 percent, Trucks 33.1 percent and Buses 54.3 percent). However, it declined by 2.1 percent in August 2018 on account of dismal performance witnessed in Non metallic mineral products which declined by 4.1 percent (Cement declined by 4.0 percent), Automobiles declined by 13.9 percent (LCVs -15.9 percent, Tractors -4.8 percent and Cars -15.9 percent) and Electronics -32.5 percent. However, it marginally improved in September 2018 by 1.2 percent. This improvement was on account of Non metallic mineral products by 8.9 percent (Cement 8.4 percent). In October 2018, it reached to 6.7 percent on account of recovery witnessed in Non metallic mineral product by 22.2 percent (22.3 percent growth in Cement), Automobiles 13.8 percent (LCVs 8.7 percent, Tractors 26.6 percent and motor cycles 5.4 percent), Fertilizer 14.5 percent and Electronics 24.1 percent. In November 2018, LSM witnessed a sharp dip of 6.1 percent due to decline in Food, Beverages and Tobacco growth by -8.9 percent, Textile -0.2 percent and Paper & Board -27.0 percent. A slight recovery of 0.8 percent witnessed in December 2018. However, steep rise witnessed in January 2019 by 24.9 percent owing to phenomenal improvement of 208.1 percent in electronics, Paper & Board 23.8 percent and Food, Beverages & Tobacco 76.2 percent due to Sugar production increased by 183 percent. The impact of sugar however, moderated to 2.0 percent and -27.0 percent in February and March 2019.
The petroleum products are undergoing a significant shift in the country due to the government's policy of reducing the reliance on electricity generated from furnace oil based power plants. Furnace oil production sharply contracted by 11.1 percent, however, LPG recorded impressive growth of 27.7 percent, Diesel oil 32.7 percent and motor spirit 7.7 percent.
Automobile sector growth declined by 7.6 percent during July-March FY 2019 and its sub sector except such buses grew by 16.9 percent while all others registered negative growth such as Tractors 28.7 percent, Trucks 27.2 percent, LCVs 13.6 percent, Jeeps & Cars 0.1 and motor cycles 11.7 percent. The factors which impacted on this vibrant sector remained currency depreciation, policy rate hikes and uncertainty regarding filer versus non filer issue. The assemblers passed on the impact of depreciation to the customer. Furthermore, the increase in car prices along with higher financing costs has also contained the demand for automobiles. Later the government relaxed some restrictions on non-filers and the government's commitment to implement the vehicle import policy in letter and spirit will spur the growth
The production of Iron and Steel shrank due to dismal performance of billets/Ignots which grew by 24.7 percent whereas H/C.R. Sheets/Strips/Coils/plates slightly inched up to 3.1 percent. Steel demand contracted from q decline in automobile production along with international price dynamics. During the period global economy is currently gripped by US-China trade tensions which led to volatility in the global steel market resulted in adverse implications for domestic steel industry.
The electronics recorded a growth of 23.7 percent, mainly derived from phenomenal growth of electrics motor which registered a growth of 37.4 percent, which is due to its wide usage in washing machines, refrigerator, air conditioners etc. The demand for these goods rises in summer and manufacturers build up the inventories. Improvement of electricity supplies also contributed to the performance of this subsector.
The Survey states that the dismal performance of Non-metallic mineral growth is on account of cement production which declined by 5.5 percent. The cement dispatches however, increased by 4.34 million tons in March as against 3.35 million tons in February 2019 which augur well that demand is picking up and will be further supplemented under government's housing program, going forward.
Fertilizers recorded a growth of 4.5 percent on account of Nitrogenous Fertilizers which recorded a growth of 5.7 percent. The pickup in its growth was due to provision of subsidized RLNG.
The government has recently announced Naya Pakistan Housing Scheme to construct houses across the country for the uplift of the poor strata of the society and to bring them into the national mainstream. This will jack up the construction industries specially cement and also generate employment. In addition, SAIC motor, the largest automotive company of China already launches HONGYAN heavy-duty trucks in Pakistan as well as Renault in partnership with Ghandara Nissan Ltd. Kia Lucky Motors Pakistan Limited (KLM), one of the eight new prospective entrants into the automobile sector, has announced that it will begin commercial production of vehicles by September

2019. Many infrastructure projects especially under China Pakistan Economic Corridor will help to boost the automobile sector as well push up the construction related allied industries.
Being value added segment of textile industry made-up sector comprises different sub groups namely towels, tents & canvas, cotton bags, bed-wear, hosiery, knitwear & readymade garments including fashion apparels. Export performance of made-up sector during the period July-March FY 2019 was not good.
Garment industry is also a good source of providing employment opportunities to a large number of people at a very low capital investment. It mainly uses locally produced raw materials. Most of the machines used by this industry are imported or locally made/assembled. Exports increased from 29.3 million dozens to 37.5 million dozen in various types of readymade garments worth $ 1918.3 million during July-March FY 2018 as compared to US$ 1957.0 million during July-March FY 2019, thus showing an increase of 2.02 percent in terms of value and 28.13 percent in term of quantity.
Pakistan's cement industry showed poor performance during the first nine months of current financial year July - March FY 2019. Cement sector with its huge underused capacities continued to face lack of domestic demand due to slow growth, low development spending and delay in the launch of the government's low-cost housing schemes.
https://fp.brecorder.com/2019/06/20190611485015/

PAKISTAN REJECTS TRADE OR NEW COLD WARS WITH CHINA: MUSHAHID

By Our Correspondent Published: June 10, 2019
ISLAMABAD: Chairman Senate Foreign Affairs Committee Senator Mushahid Hussain said on Monday that Pakistan rejects any trade war or cold war with China.
Speaking during the launch event of a book on the leadership of the Chinese president, authored by Group Captain (retd) Sultan M Haali, Senator Mushahid lauded the leadership of Xi Jinping.
"President Xi has placed China at the centre stage of global politics leading the struggle against climate change, supporting globalisation as well as launching the Belt and Road Initiative (BRI) of which CPEC is the flagship project," he said.
Senator Mushahid termed BRI as the most important diplomatic and developmental initiative of the 21st century.
He thanked China for not just supporting CPEC but also to provide strategic support to Pakistan at all international forums including the UN Security Council, G-20 and the Nuclear Suppliers Group (NSG).
Senator Mushahid termed CPEC as a "success story" and said, the best of the CPEC was yet to come after the second phase of the corridor started with the launch of Special Economic Zones (SEZs).
Chinese Ambassador Yao Jing on this occasion said, "Pakistan-China relations have stood the test of changing times and their relationship today is more robust and resilient."
Visiting scholar from China, Professor Li Xiguang in his keynote address talked about the compatibility of Islamic civilisation with the Chinese civilisation.
The chair of the event, Azad Jammu and Kashmir (AJK) President Masood Khan termed China as Pakistan's 'best' friend.
"CPEC projects in AJK are beneficial for the economy and employment in Azad Kashmir," said AJK president.
Former Foreign Minister Tariq Fatemi and former Defence Secretary Lieutenant General (Retd) Asif Yasin Malik also spoke on the occasion. According to them, despite efforts to undermine CPEC and Pak-China relations, ties between the two countries was so strong that it would withstand all kinds of pressures from any quarter.
A large number of people attended the book launch event which was organised by the Pakistan-China Institute.
https://tribune.com.pk/story/1989300/1-pakistan-rejects-trade-new-cold-wars-china-mushahid/

WHY CHINA PREFERS SILENCE ON IMPORTED PAKISTANI SUGAR?

By Meng Lingjuan Published: June 10, 2019
BEIJING: "We know little about the import of Pakistani sugar," said China Sugar Association (CSA) Chairman Jia Zhiren and CSA Vice Chairman Hu Zhijiang at the World Sugar Seminar on May 25. They both kept silent on the reporter's questions.

The 2019 China Sugar Expo and World Sugar Seminar was held in Guangxi, a province whose produced sugar accounts for 60% of China's total sugar output. At the venue of hundreds of people, can the reporter find any signs of the previously reported 300,000 tons of imported Pakistani sugar?
"I've been studying sugar all my life, but I still don't know who's in charge of the sugar price," said Jia, who did not respond directly to the sugar issue, pointing straight at the price of sugar.
According to Jia, China's sugar-making enterprises lost 1.9 billion yuan last year, and most of the main producing areas are in the border, and poor areas with leftover children and the elderly, including Xinjiang, Inner Mongolia, Guangxi, Yunnan, and Guangdong.
China's sugar farmers are about 40 million, and their income contributes around 70% of the sales income of sugar enterprises.
Such a high proportion of sugarcane farmers' income mainly refers to the purchasing price of sugarcane, that is, the raw material price from sugar enterprises.
At the intervals of the meeting, Xu Sheng, a senior researcher of white sugar at the agricultural sector from Shanghai Chaos Investment Co Ltd, analysed three reasons why the purchasing price of sugarcane in China could not be reduced. First, the difficulty of mechanised planting, second is the increase in labour costs, and third, the rigidity of land rent.
"There are many sloping fields in the south, it is difficult to drive jeeps, let alone popularising mechanised production. Now that sugarcane cutters have been paid no less than 120 yuan per mu of land, the sugar factory will not be able to bring down the purchasing price of 490 yuan per ton for sugar farmers," said Xu Sheng.
Joining in the sugar price discussion, Wang Jiabo, a senior researcher of SDIC ESSENCE Futures, remarked, "Recently, some sugarcane farmers have seen a fall in sugar prices and a rise in fruit prices, so they intended to give up sugarcane planting, turn to fruit planting. Next year, Guangxi may have competition in the planted area, if this figure falls domestically, we will see a rising market."
In the process of exploring the sugar market, various views and remarks on sugar price bring to mind the nickname "demon sugar", since the domestic sugar commodity prices go up and down, and with unpredictable mystery. The market mentioned above is the domestic sugar prices.
When talking about domestic sugar prices, the most discussed is 'sugar No 11' – New York raw sugar futures, FOB prices of 29 sugar producers around the world, which is an indicator of international raw sugar prices. Moreover, the key factor that connects domestic and international sugar prices is import tariff.
In 2019, the in-quota tariff rate of 1.945 million tons of imported sugar in China is 15%, and the out-quota import tariff is applied to the trade guaranteed rate of 85%, with 70% difference between.
"Every country has protection measures against its domestic sugar prices, so does the United States and Japan. Japan has the highest import tariffs of 100%," said Wang.
The price of 'sugar No 11' would drop to 11.62 cents per pound and $256 per ton (about 1,856 yuan), after a likely rebound from 85% to 50% a year later, Brazil's Ministry of Agriculture said on May 21.
On the same day, the spot prices of domestic coastal ports were between 5,300 yuan and 5,400 yuan, and the price difference between futures and spot was 3,544 yuan per ton.
According to survey data from the research group of the Agricultural Trade Promotion Centre of the Ministry of Agriculture, the price of 'sugar No 11', with additional out-of-quota tariff, freight charges and refined processing in China, tumbled to 3,900 yuan in September 2014.
Even though the average price of domestic sugar had sunk to the lowest in the same period, it was 100 yuan higher than the refined after-tax price of imported raw sugar. Therefore, it is self-evident that the industry is sensitive to international sugar imports, especially low-priced imported sugar.
"Pakistan will certainly benefit from selling sugar to China with high sugar prices, but their low-priced sugar will bring impact on our domestic market. And China's 40 million sugar farmers will absolutely have to surrender part of the profits. As far as we know, 182,000 tons of Pakistani sugar has gone through customs clearance, whether the next 120,000 tons will be settled within the year, I don't know yet," commented Xu Sheng, who was the first among the participants to mention Pakistani sugar.
Since the domestic sugar industry is so concerned about the import of Pakistani sugar, the total sugar import and its distribution among the major sugar-producing countries is also the core concern.

Jia Zhiyan said at the sidelines of the event that China's annual average import of sugar from 2011 to 2018 was 3.46 million tons. "China's total import each year is planned. If there is more of this, there will be less of that," he said.
Martin Todd, General Manager of UK LMC International, believes that Pakistan does not have a sustained supply capacity for sugar export and has a higher probability of one-off export to China.
In mid-April, in an interview in Lahore, Adviser to PM on Commerce Abdul Razak Dawood said that China's first $1 billion special access for Pakistan, including sugar, rice and yarn, has been launched. As this first $1 billion agreement is completed, China will grant a second $1 billion special access.
The director-general of the International Sugar Organisation, Joseph Orif, believes that Pakistan has sugar stocks this year and that special access next year is likely to be replaced by other categories.
A sugar researcher, who spoke on condition of anonymity, gave the reporter a retail price list of sugar in Pakistan. "After the export to China, the price of sugar in Pakistan has gradually risen, surging by over 20% in April compared with the same period last year. As far as we know, sugar may not be expected to be exported next year."
This article originally appeared on the China Economic Net
Published in The Express Tribune, June 10th, 2019.
https://tribune.com.pk/story/1988776/2-china-prefers-silence-imported-pakistani-sugar/

TRADE WITH PAKISTAN AT RECORD HIGH, WELLS TELLS CONGRESS

Anwar Iqbal Updated June 14, 2019
WASHINGTON: The Trump administration has informed Congress that trade between the United States and Pakistan reached an all-time high in 2018, as Washington endorsed Islamabad's budget re-emphasis on a relationship built on trade, not aid.
Alice G. Wells, Senior State Department Official for South and Central Asian Affairs underlined this change in a written statement to the House Foreign Affairs Subcommittee for Asia, the Pacific and Nonproliferation. On Thursday, the panel began a hearing on the State Department's 2020 budget requests for the South and Central Asian regions.
Ms Wells informed the lawmakers that in 2018, US-Pakistan bilateral trade reached an all-time high, exceeding $6.6 billion.
US exports to Pakistan rose 4pc to $2.9bn, also an all-time high, and the trade deficit sunk to 2pct, or $782 million.
"Trade in agriculture was a particularly bright spot," she said. US soybean exports went from $0 in 2014 to $689 million in 2018.
She noted that Pakistan was a market of more than 200 million people, including a growing middle class, and that's why it "provides ample opportunities for US trade and investment to grow further."
According to the US Trade Representative's office in Washington, Pakistan is currently America's 56th largest trading partner during 2018. US exports totalled $2.9bn while imports from Pakistan totalled $3.7bn. The US goods trade deficit with Pakistan was $783 million in 2018.
The top US export categories in 2018 were: miscellaneous grain, seeds, fruits ($694m), cotton ($615m), iron and steel ($225m), machinery ($211m), and optical and medical instruments ($117m).
US exports of agricultural products to Pakistan totalled $1.5bn in 2018, making the country the 19th largest agricultural export market. Leading domestic export categories include: soybeans ($689m), cotton ($615m), tree nuts ($49m), dairy products ($38m), and planting seeds ($37m).
Pakistan was America's 58th largest supplier of goods imports in 2018.
US total imports of agricultural products from Pakistan totalled $126m in 2018. Leading categories include: rice ($31m), sugars, sweeteners, beverage bases ($30m), spices ($19m), processed fruit & vegetables ($9m), and snack foods ($7m).
The top import categories in 2018 were: miscellaneous textile articles ($1.3bn), knit apparel ($809m), woven apparel ($586m), leather products ($121m), and cotton ($112m). US foreign direct investment (FDI) in Pakistan (stock) was $518m in 2017, a 25.7pc increase from 2016.
Published in Dawn, June 14th, 2019
https://www.dawn.com/news/1488126/trade-with-pakistan-at-record-high-wells-tells-congress

NEWS COVERAGE PERIOD FROM JUN 17th TO JUN 23rd 2019

STATES PREPARING FOR TRADE COURT SHUTDOWN: WTO

AFPUpdated June 21, 2019
GENEVA: The head of the World Trade Organisation said on Thursday that member states are preparing for a shutdown of the body's dispute settlement system, following months of deadlock triggered by the United States.
The WTO's Dispute Settlement Body (DSB), sometimes dubbed the supreme court of world trade, is in crisis due to Washington's refusal to approve any new judges for its appellate division.
President Donald Trump's administration has accused the DSB of overstepping its authority by issuing broad rulings that he says violate national sovereignty.
WTO members "are working hard to find a solution to the appellate body impasse in time to avoid a paralysis," WTO director general Roberto Azevedo told reporters in Geneva.
"But they are beginning to realise that they have to work also with a scenario where no solution is achieved," he added.
The WTO faces a December deadline when, due to mandatory retirements, the appellate body will not have enough judges to hear cases.
Trump's trade office has previously argued that no foreign court can ever supersede the US legal system, suggesting the US would never surrender final authority in trade disputes to a non-American entity.
https://www.dawn.com/news/1489478/states-preparing-for-trade-court-shutdown-wto

NEWS COVERAGE PERIOD FROM JUNE 26 TO 30, 2019

AFGHAN TRANSIT TRADE DAMAGING DOMESTIC INDUSTRY: DAWOOD

MUSHTAQ GHUMMAN JUN 25TH, 2019 ISLAMABAD
Prime Minister's Advisor on Commerce, Textile, Industries and Prod-uction and Investment, Abdul Razak Dawood has reportedly termed Afghanistan Pakistan Transit Trade Agreement (APTTA) as anti-domestic industry, saying it is damaging Pakistan's domestic industry. He made these remarks at a meeting convened on Monday to discuss and prepare a strategy for trade talks with the Afghan delegation headed by President Ashraf Ghani which is scheduled to visit Pakistan on June 27 and 28.
Afghanistan has proposed renegotiating APTTA but the Commerce Division maintains that the agreement would hurt Pakistan's domestic industry. Former Commerce Minister, Engineer Khurram Dastgir had sent the draft revised APTTA to Afghanistan a couple of years ago with the Afghan response still awaited. The sources said Dawood also shared Commerce Ministry's viewpoint with Prime Minister who is also Minister-in-Charge Commerce on Monday to finalise talking points with the visiting delegation.
One of the participants argued that whatever the position the Government takes on Afghanistan, it can not stop transit trade despite using all instruments. "Pakistan cannot impose harsh conditions on transit trade than what already exist," said one of the participants.
Pakistan has imposed five conditions on transit goods coming from Afghanistan including installation of trackers, scanners and electric data exchange but these conditions are not applicable on goods like auto sector, tea and cigarettes coming from Iran.
The sources said Commerce Advisor has proposed quantitative restrictions on Afghanistan's goods and tariff rationalization. Pakistan will also propose that Afghani importers should deposit their due duties and taxes in Pakistan and be reimbursed after the consignment crosses Pakistan.
According to sources, Pakistan will also propose that Afghanistan's tariffs should not be higher than whatever tariff is being charged in Pakistan. Pakistan's domestic industry has already briefed the government on the negative impact of APTTA
https://fp.brecorder.com/2019/06/20190625490674/

JULY, 2019

NEWS COVERAGE PERIOD FROM JULY 1st TO JULY 7th 2019

TAX MEASURES: TRADERS THREATEN COUNTRYWIDE STRIKE

WASIM IQBAL, ABDUL RASHEED AZAD & NUZHAT NAZIR JUL 2ND, 2019

ISLAMABAD:The trade bodies, transporters, farmers, CNG pump operators, textile industrialists, owners of small & medium enterprises have all threatened countrywide strike against the tax measures contained in the budget 2019-20. Representatives of traders from all over the county gathered here in Islamabad on Monday and condemned the govt's anti-business measures which, they claim, were formulated without any input from the relevant stakeholders including Federation of Pakistan Chambers of Commerce and Industry (FPCCI) and Karachi Chamber of Commerce and Industry (KCCI). Traders also expressed serious concerns over the amnesty scheme and action against non-filers, biometric verification of bank accounts.

The newly introduced Section 8 (M) of the Sales Tax Act requiring all sales tax invoices to include the buyer's CNIC number was also rejected by the traders after distributors of various manufacturing companies began disseminating 'Customer NIC Acknowledgement Form' to shopkeepers – a form which requires detailed information including their business/shop name, name of proprietor, CNIC number of proprietor and a copy of the national ID card.

All City Tajir Itehad Association general secretary Ahmed Shamsi told Business Recorder that volatile exchange rate has severely disturbed the imported items pricing. If the government does not take appropriate measures to deal with our grievances, he warned, we will shutdown markets.

Islamabad traders' action committee president Ajmal Baloch said "we have rejected the budget and today begun our protest drive", adding traders have staged a token sit-in in front of Federal Board of Revenue (FBR) on Monday and in coming days, if demands are not met the traders will scale up their protest.

Farmers, including growers of potatoes, when contacted by the Business Recorder stated that they have been suffering serious financial losses over the years but in the past two years they have been unable to recover input costs. And over the past one year repeated increase in electricity, gas, high speed diesel and light diesel prices have put an additional financial burden on the farming community.

Pakistan Kissan Ittehad (PKI) has called an emergency meeting to devise their future strategy after the government failed to meet their demands with respect to abolishment of General Sales Tax (GST) on fertilizer, agriculture machinery and reducing electricity tariff for agriculture tube wells.

"The government has not only turned a deaf ear to our demands but also imposed Value Added Tax (VAT) on fertilizer and 10 percent GST on cotton ginners in the budget 2019-20 which will further increase cost of production," PKI president Khalid Khokhar stated while talking to Business Recorder.

All Pakistan Sugar Dealers and Wholesales Association chief Muhammad Ayub Rana said the Federal Board of Revenue has imposed 2.5 percent withholding tax in the annual budget against their turnover of 0.1 percent which is unfair.

If the tax is not withdrawn, he argued, sugar dealers will shut down their shops and will not procure sugar from sugar mills. He further said that consumers may face up to Rs 20 per kg increase in the price of sugar after imposition of withholding tax.

Malik Mohammad Sultan said due to government policies the embroidery sector in Faisalabad, providing jobs to thousands of people, is on the brink of total closure and recent steps taken by the government including fiscal measures, will ensure closure of the embroidery sub-sector.

Cement dealers and distributors are not picking up cement sacks from factories; and cement dealers' associations insist the government must withdraw its decision to allow wholesale dealers to purchase goods only upon revealing details of their identity cards.

The All Pakistan CNG Association (APCNGA) stated that notification for a 31 percent hike in gas tariff has been issued which will translate into an increase of Rs21 to Rs22 per kg in CNG rates for the consumers of Sindh, Khyber Pakhtunkhwa, and Balochistan provinces.

APCNGA senior leader Ghayas Paracha said new gas prices are unacceptable therefore the government should resolve this issue through consultation with APCNGA and other stakeholders.

According to the notification, the price of natural gas for CNG was raised from Rs 980 per mmbtu to Rs 1283 per mmbtu, the highest single raise during the last decade, said Ghayas. This increase will have no impact on CNG consumers of Punjab as CNG stations of the province are using imported RLNG, he said.

He said the formula for sales tax has also been changed which will increase the cost of this economical fuel by between Rs2.25 to 2.74 in different provinces.

The government can avoid closure of CNG industry and resulting unemployment by accepting the APCNGA formula which will also help it save one billion dollars per annum, he added.

The traders of All Pakistan Textile Processing Mills Association (APTPMA) have also announced a shutter down strike in Faisalabad and other cities against the imposition of new taxes in the fiscal budget 2019-20.
APTPMA secretary Muhammad Ashraf said following the imposition of new sales taxes, buyers have stopped giving orders. If the deadlock between the traders and the government persists then the situation may turn into a crisis, leading to severe shortages in the market, the productive sectors warned.
The non-registered would have to pay 20 percent tax and reveal their identity cards before purchasing goods, whereas thousands of local buyers are still unregistered and do not want to register themselves. He said the government was requested multiple times to undo the requirement of identity cards for the dealers, but to no avail.
https://fp.brecorder.com/2019/07/20190702493542/

TRADERS PROTEST AGAINST BUDGET

Khalid Hasnain | Aamir Shafaat Khan Updated July 03, 2019
KARACHI/LAHORE: Traders associations in Sindh and Punjab on Tuesday strongly protested against the ‘harsh’ budgetary measures including increase in taxes and documentation of business activities.
The Karachi Traders Action Committee (KATC) held a rally from Regal Chowk, one of the business hubs in the city, to the Karachi Press Club.
Giving a 72-hour ultimatum to the federal government to immediately withdraw harsh budgetary measures, the KATC said a shutter down strike would be carried out if the demands are not met.
Meanwhile in its 33-point charter of demands, the Markazi Tanzeem Tajiran Pakistan (MTTP) – backed by the KTAC – urged the government to extend date of amnesty scheme by three months and introduce fixed tax system in four categories under which traders can pay Rs3,000-20,000.
Traders also sought reduction in tax rates on withdrawal of over Rs50,000 from banks as well as the removal of requirement to obtain CNICs of all bulk buyers. Instead of considering raids in the markets, it urged the Federal Board of Revenue (FBR) team to hold talks with traders’ representatives or else they would not be allowed to enter the markets.
Stressing that they not accept new taxes on the dictation of International Monetary Fund, traders said there was a dire need to control vulnerability in exchange rate in order to boost the economy.
Highlighting some of the demands, traders urged the government to restore the tax exemption limit to Rs1.2 million yearly income for salaried class which was reduced to Rs600,000 for salaried class and Rs400,000 for traders in the current budget.
The government should also restore the old income tax slabs for both salaried class and traders which were increased to 35pc from 25pc for traders and 15pc for salaried class.
Traders said they cannot accept the government’s decision in which buyers need to pay an additional 3pc tax for selling goods to non filers, besides showing CNIC numbers of purchasers. Manufacturers, importers, distributors and wholesalers need to write CNIC number of the purchaser on the bill while they will collect the amount exceeding Rs50,000 via cheque after Finance Bill 2019 went into effect.
Under the new rules, shopkeepers or traders with sales exceeding over Rs10m per annum will automatically become withholding tax agents and deduct 4.5pc tax from the suppliers. They will also submit income tax returns after every six months. “This is not acceptable to the traders,” the MTTP statement said.
Traders are also not happy over government’s decision under which all commercial importers are bound to write selling price on imported products while value addition tax will be collected on retail price.
President Karachi Electronic Dealers Association (KEDA), Mohammad Rizwan Irfan claimed that there were over 5,000 participants from different trade bodies in the protest rally. “Traders are already paying taxes and ready to pay more. The government is trying to create an impression that traders are cheaters which is totally wrong,” he said.
The All Pakistan Anjuman-e-Tajran (APAT) has summoned all traders’s representatives in Lahore on July 5. “In this important gathering, we will decide the future course of action against imposition of huge taxes,” APAT chief Naeem Mir said in a meeting on Tuesday.
The All Pakistan Traders Alliance announced that it will hold the Tajir Bachao Conference on July 5 at Aiwan-e-Iqbal. The All Pakistan Mobile Phone Association (Lahore chapter) supported the association’s protest in Karachi on Tuesday. The association has decided to start protest demonstrations in Lahore after 48 hours if the government does not withdraw its decision of levying heavy taxes on the unregistered mobile phones.

Meanwhile, exporters from Sialkot have also decided to launch protests against 17pc GST. ‘No Exports Day’ will be held by exporters within the next couple of days.
Talking to a group of leading exporters, Lahore Chamber of Commerce and Industry (LCCI) President Almas Hyder said the chamber was giving options for betterment of the country’s economy. “Withdrawal of the zero-rated regime will badly hit our exports, especially small and medium enterprises (SMEs), and widen the trade deficit at the cost of ballooning current account gap,” he said.
https://www.dawn.com/news/1491757

PAKISTAN, IRAN TO DISCUSS TRADE PROPOSALS TODAY

MUSHTAQ GHUMMAN JULY 3RD, 2019 ISLAMABAD
A high level Iranian delegation headed by Iranian Commerce Minister Raza Rehmani is reaching Islamabad on a two day visit to attend Pak-Iran Joint Trade Committee (JTC) scheduled on Wednesday (today). Both countries are expected to discuss three proposals for trade with Iran which include seeking waiver on sanctions from the US, like Switzerland, barter trade and setting up a special bank on the pattern of India.
The sources said that the committee had been constituted under the chairmanship of Minister for Revenue Hammad Azhar and including representatives from public and private sector (Quetta Chamber of Commerce and Industries) to find out a way forward on improvement in trade relations with Iran. During the meetings of the committee, the SBP stated that since the entire banking sector is under sanctions, it is not possible to open branches of Iranian banks in Pakistan. Following deliberations, the committee has come up with the following proposals to overcome the payment problem with Iran: (i) seek waiver from the US on sanctions; (ii) establish a mechanism for barter trade; and (iii) set up a dedicated bank to do business with Iran.
Talking about Pak-Iran Free Trade Agreement (FTA), the sources said, in order to finalise the Free Trade Agreement (FTA) with Iran, a couple of meetings of the Technical Negotiating Committee (NNC) have been held since 2016. Draft of FTA in goods and Mutual Recognition Agreement (MRA) on Technical Barriers to Trade (TBT) and sanitary and phytosanitary have been shared.
Pakistan is of the view that Iran should take measures to fully operationalize existing Preferential Trade Agreement (PTA) until FTA is finalised. Over the years, Pakistan’s relations with Iran have remained mired in several layers of mistrust, the most recent being Pakistan’s demand that Iran must take action against training camps of Baloch terror organizations on its soil.
Previously due to security issues along the Pak-Iran border, negative public statements against Pakistan have emanated from Iran, and the government, as part of its principled approach to strengthen its relations with neighbouring countries, is eager to explore all avenues to strengthen bilateral relations with Iran particularly in the economic areas.
Pakistan can apply for waiver on the following grounds: (i) Pakistan’s economy is highly dependent on import of oil while Iran is an oil producing country and can offer oil to Pakistan at a comparatively cheaper price; and (ii) there has always been demand of medical/surgical instruments and Pakistani rice and fruits in Iran. Pakistan is quite capable of meeting Iranian needs of these products by improving the requisite logistics/infrastructure in this regard.
In case legal means of trade are not explored between Iran and Pakistan, the population in border areas is likely to be involved in exploring illegal means/channels of trading goods, which may ultimately give rise to the greater risks of money laundering and terror financing. Iranian authorities are charging a fee from Pakistani drivers and business community of Rs 3,750 as compared to Pakistan visa fee of Rs 2,750 being charged by Pakistan from Iranian citizens. The visa can be cancelled any time by Iranian authorities without assigning any reason
Pakistan is also considering various options for engaging in trade with Iran. Currently, trade with Iran is conducted mainly through Dubai. According to the State Bank of Pakistan, although, a Memorandum of Understanding (MoU) was signed between SBP and Bank Markazi Jamhouri Islami Iran (BMJII) on April 13, 2017 in Tehran, Pakistani banks are still reluctant to do business with the Iranian banks and have adopted a risk averse approach especially after the recent penalty imposed on Habib Bank Limited by US treasury. Another reason is comparatively low volume of trade with Iran compared with USA.
https://fp.brecorder.com/2019/07/20190703493801/

KARACHI TRADERS GIVE 3-DAY ULTIMATUM TO GOVT

By Salman Siddiqui Published: July 3, 2019

KARACHI: The Karachi-based businessmen and traders have given 72-hour ultimatum to the federal government to withdraw what they call the International Monetary Fund (IMF) dictated anti-business federal budget.

“We will observe a shutters-down strike if the government does not withdraw the budget by July 5,” All Karachi Tajir Ittehad Chairman Atiq Mir said on Tuesday while addressing thousands of participants of protest rallies that marched through various streets of Karachi ad gathered at the Karachi Press Club.

All Karachi Tajir Ittehad is a grand alliance of some 600 small and big markets in the city.

Mir said the government must immediately withdraw 17% sales tax imposed on traders; stop sending the Federal Board of Revenue’s (FBR) ‘corrupt’ officials to harass traders at markets and withdraw condition of acquiring CNIC (Computerised National Identity Card) copy from buyers.

“These are the three basic demands. If the government fulfilled them in the next 72-hours, the businessmen and traders would call off the strike,” he said.

Apart from these three key demand, the traders’ list of 30-35 demands include withdrawal of increase in tariffs for power and gas utilities; revising down key interest rate to make banking credit affordable to traders and to stop free-fall of rupee against the US dollars.

At a separate press conference, the Automotive Importers and Dealers Association also issued a 24-hour ultimatum to the government to withdraw a 400% increase in rate of withholding tax on cars registration. Otherwise, they said, they would go for nationwide shutters-down strike.

Earlier, the textile processing mills, CNG dealers association and cement dealers also called upon the federal government to withdrawn increased rate of taxes and threatened to close their businesses in protest of the anti-business budget for the fiscal year that started on July 1, 2019.

A convention of hundreds of the businessmen – held in Multan on Sunday (June 30) – has already issued a 7-day ultimatum to the government to withdraw the anti-business budget.

Mir added that Foreign Minister Shah Mahmood Qureshi, who attended the Multan convention, asked him to contact the FBR Chairman Shabbar Zaidi.

“Zaidi has assured me on phone to address businessmen and traders’ issues. He assured me to replace the 17% sales tax with a fixed levy on traders and that the FBR teams would not visit traders. We would wait till Friday for implementation of the promises Zaidi made,” he said.

He, however, expressed hope that the FBR would address traders’ issues before the ultimatum ends. He said if the FBR fails to fulfill the promises they would hold protest rallies nationwide and close down markets for an indefinite period of time.

The rally participants chanted slogans like “IMF’s budget unacceptable”, “anti-business budget unacceptable”, and “go Shabbar go”.

Muttahida Quami Movement (MQM) disgruntled leader Farooq Sattar also addressed the rally. He urged the Karachi-based lawmakers in the provincial assembly to play their role in helping businessmen and traders getting their issues resolved.

Traders who participated in the rally belonged to Jodia Bazaar, Saddar electronics market, Tariq Road markets, main Kapra Market at Tower and Sher Shah scrape market. The rallies reached the Karachi Press Club from at least 11 parts of the city, a market representative claimed.

https://tribune.com.pk/story/2004994/2-karachi-traders-give-3-day-ultimatum-govt/

PAKISTAN, IRAN DISCUSS BARTER TRADE DEALS’ MECHANISM

MUSHTAQ GHUMMAN JULY 5TH, 2019 ISLAMABAD

Pakistan and Iran on Thursday discussed ways and means to enter into barter trade deal, besides removal of non-trade barriers. These issues came under discussion during the 8th meeting of Pak-Iran Joint Trade Committee which reviewed progress on issues relating to bilateral trade. The Pakistani team was led by Prime Minister’s Adviser on Commerce, Textile, Industries and Production and Investment Abdul Razak Dawood whereas Iranian delegation was led by Reza Rahmani, Minister for Industries, Mine and Trade.

Abdul Razak Dawood urged Iran to remove non-trade barriers to realize actual potential of bilateral trade as present level of trade between the two countries is far from actual potential. The Iranian Trade Minister appreciated the Adviser's stance on the bilateral trade issues and agreed to accelerate efforts to enhance trade with Pakistan in order to increase the economic well being of people of both countries.
He further added that being brotherly and neighbouring countries the two countries should further strengthen existing trade ties for the well being of 'our peoples'. He resolved to address all the issues which are hampering bilateral trade and assured to create win-win situation for both the countries.
The Adviser informed the delegation that Pakistan intends to increase the bilateral trade and economic ties. He underlined the importance of issues, pertaining to bilateral trade, which were discussed during Prime Minister's last visit to Iran and expected positive response from Iranian side.
These issues include removing barriers which have made Pak-Iran PTA (signed in 2006) ineffective and working out barter trade mechanism in order to increase bilateral trade in agricultural/food products and pharmaceuticals.
Talking about barter trade, the Adviser asserted that to start barter trade, at the first instance both the countries should select few items with a competitive advantage. In this regard, Pakistan can enhance export of wheat, sugar, rice and fruit to Iran.
Iranian side acknowledged the fact that Pak-Iran trade relations are not matching the real potential. They emphasized the requirement of the constitution of a committee for barter trade. Both the countries have huge potential in agriculture which is not yet exploited, they highlighted. Iran showed interest in import of 0.5 million tons of rice from Pakistan and asked Pakistani side to devise necessary mechanism for early shipment.
The Iranian delegation extended its full support to work on removal of potential bottlenecks to increase trade and jointly develop a way forward. Further, they also requested the Pakistani government to open more border points between Pakistan and Iran mainly at Ramdan, Pishin and Korak, which will further enhance bilateral trade.
The Advisor also suggested removing various forms of taxation such as road and load taxes on vehicles/trucks which are crossing the borders to facilitate bilateral trade.
https://fp.brecorder.com/2019/07/20190705494662/

PAKISTAN, IRAN AGREE TO PROMOTE BARTER TRADE

The Newspaper's Staff Reporter Updated July 06, 2019
ISLAMABAD: Pakistan and Iran on Friday agreed on the need to constitute a committee to identify goods for promotion of barter trade.
The decision was reached at the concluding session of the 8th Pakistan-Iran Joint Trade Committee. The Pakistani delegation was led by Adviser to the Prime Minister on Commerce Razak Dawood while Iranian side was led by Minister for Industries, Mine and Trade Reza Rahmani.
It was suggested that for barter trade to begin, the two countries should select few items having competitive advantage. In this regard, Pakistan can enhance exports of wheat, sugar and rice and fruit to Iran.
The Iranian side acknowledged the fact that Pak-Iran trade relations were not matching the real potential, particularly in agriculture, food products and pharmaceuticals.
Iran showed interest in import of 500,000 tonne rice from Pakistan and urged that a necessary mechanism for early shipment must be devised.
The Iranian delegation extended its full support to work on removal of potential bottlenecks to increase trade and jointly develop a way forward. Further, they also requested the Pakistani government to open more border points, mainly at Ramadan, Pishin and Korak, which will further enhance bilateral trade.
Dawood suggested removal of various taxation measures such as road and loads taxes on vehicles/trucks which are crossing the borders to facilitate trade.
He promised to establish a dedicated desk at the Trade Development Authority of Pakistan in Islamabad with the commitment to address the prevalent issues forthwith.
The two sides agreed to resolve issues including removing barriers which have made Pak-Iran Preferential Trade Agreement (signed in 2006) ineffective.
Published in Dawn, July 6th, 2019
https://www.dawn.com/news/1492420/pakistan-iran-agree-to-promote-barter-trade

TRADERS MOOT CRITICISES GOVERNMENT FOR LEVYING ADDITIONAL TAXES

ABDULLAH MUGHAL JULY 6TH, 2019 LAHORE

Speakers at "Save Traders Conference: anti-traders budget not acceptable" slammed the ruling Pakistan Tehreek-e-Insaaf (PTI) government for imposing additional taxes on business community in the federal fiscal budget for 2019-20. They pledged that they are ready to pay taxes but 'humiliation and extortion' not acceptable.

"The way you are threatening business community, it seems, you want to extort money, not taxes," said Pakistan Traders Alliance (PTA) Lahore president Nasir Hamid Khan, addressing Prime Minister Imran Khan and Federal Board of Revenue (FBR) chairman Shabbar Zaidi. Representatives and senior leaders of different trade bodies from allover the country attended the event under the aegis of PTA.

Before coming into power, PTA leader said, the prime minister had pledged to bring back the looted money. He asked if the looted money has been recovered, the PM should tell us about it. The way the government is acting against us, it seems that the traders had laundered the money," he said. He reminded the prime minister that he should not forget that majority of the people who voted for his party was traders. "But now we are very disappointed due to bad policies of the government. He said traders would not give a single penny amid scornful attitude but they would pay taxes with respect.

The PTA president assured the government of extending all sorts of cooperation in achieving the revenue target, but warned that not a single penny would be paid if they are extorted. He wondered how the government could attain revenue target if it is not providing a friendly atmosphere to traders. "It seems that the tabdeeli (change) you wanted to bring going on the wrong path. If you want to run this government, have a table talk with us; otherwise, a large scale movement would be launched and the traders would have no other option but to shut down the markets across the country," he said, adding that they want immediate withdrawal of additional taxes in the federal budget.

All Pakistan Anjuman-e-Tajran (APAT) central president Ashraf Bhatti said they could ensure withdrawal of 'unjustified' taxes if they would stay united. In 1985, he recalled, traders had pressurised then government of Mohammad Khan Junejo and successfully got the budget amended. "We know that if people will not pay taxes, the country cannot move ahead," he said, reminding PM Imran that prior to coming into power, the latter himself had taught the people not to pay taxes and tear apart electricity bills.

https://fp.brecorder.com/2019/07/20190706494909/

FIVE EXPORTING SECTORS URGE FBR TO FORMALISE 'INFORMAL' TRADE

HAMID WALEED JULY 6TH, 2019 LAHORE

The five exporting sectors circles have urged the Federal Board of Revenue (FBR) to formalize informal trade in domestic commerce as only 50 percent of domestic commerce is being fed by the local industry and remaining 50 percent is the share of informal trade, including smuggling, mis-declaration under worn clothing, under-invoicing and official import.

Sources from textile, leather, carpets, sports goods and surgical instruments are of the view the total volume of domestic sales of textiles ranges between Rs 270-300 billion against the government's claim of Rs 1200 billion. The government estimates, they added, are not supported by a concrete data and they are based on wrong perceptions.

According to these circles, the domestic per capita fiber consumption is further distributed into official imports which are nearly 9%, informal trade which makes up for 24%, domestic fiber consumption is another 50% and lastly, worn clothing imports that make up another 17%, respectively. Out of these four classes, it is the worn clothing trade that needs to be managed by means of formalizing trade.

They said the removal of zero-rating regime has hit the level-playing field as the government has not only imposed 17 percent sales tax but also introduced punitive taxes like further tax and pre-conditions in sub sectors not presently organized. The sources said registration of the informal sector would take time and there was a need of introducing a gradual registration process for the informal sector.

They said the prevailing uncertainty has halted industrial processes followed by the value chain disruptions. They stressed that there should be a level-playing between imports and informal trade vis-à-vis domestic industry. They said

stock lots are being cleared under the garb of worn clothing at prices even lesser then the cotton price, which is the first right of the domestic industry and both formal and informal market size comes around Rs 600 billion, ie., Rs 300 billion each and not Rs 1200 billion.
According to them, the government should introduce taxation at the retailable point but also check the volume of informal trade both at the entry and sale points. A good number of markets are involved in selling of smuggle stuff in Pakistan without providing a proof of procurement or import at their retail points. There is a need of verification of this fact by the government, they stressed.
Similarly, they said, the Afghan Transit Trade requires formalization, which would benefit the industries of both countries. The import of Afghanistan is $6 billion today and its consumption is estimated around 2 kilogram per person, which is far below than the global average. Therefore, the economy of Afghanistan is also suffering from an unusual contribution of the informal trade. Both Afghanistan and Pakistan should take it seriously and get rid of heavy influx of informal trade to benefit their respective exports and revenues and make it a win-win situation for their countries, they added.
The industry circles have urged the government to introduce reduced rate regime to avoid liquidity stuck up, availability of level playing field, end of uncertainty in the industry and the government should provide enabling environment for new investment to create exportable surplus while removing punitive taxation and focus on registration of the informal sector.
https://fp.brecorder.com/2019/07/20190706494910/

KARACHI TRADERS ANNOUNCE THREE-DAY STRIKE

The Newspaper's Staff Reporter Updated July 07, 2019
KARACHI: The Karachi Tajir Action Committee (KTAC), which represents a large number of trade associations in the city, has announced a three-day strike from Monday to protest against the measures introduced in the budget 2019-20.
The KTAC members, in a press conference held at Elahi Centre near Akbar Road, have also sought Chief of Army Staff General Qamar Bajwa's help to resolve the issues of traders' community.
Reacting to Sindh Governor Imran Ismail's media talk on Saturday, the KTAC said he should be removed from his position after he said the government would not take back the measures introduced in the budget at any cost.
The committee also threatened to extend the market shut down in case their demands are not met.
It also presented an 11-point charter of demand seeking reduction in turnover tax to 0.3 per cent from 0.6pc on cash withdrawal from the banks.
Reacting to the CNIC-based invoicing system, the traders said they cannot ask customers to provide CNIC copies on sale worth Rs50,000 and this condition should be taken back.
"There is also a need to print income tax form in Urdu language," they demanded.
They said the government should make four categories of income tax from Rs4,000-20,000 depending on shop size.
Moreover, they said a sizeable number of mobile phones, which are not registered are being blocked by the Pakistan Telecommu--nication Authority (PTA) and suggested to the government to charge Rs400 for registration of these mobile phones.
The business community also urged the government to remove 10pc regulatory duty on import of second-hand clothes which are being used by poor people.
Additionally, they said the income tax deduction limit for salaried class which has been slashed to Rs600,000 per annum should be restored to Rs1.2m.
All City Tajir Itehad General Secretary Ahmed Shamsi said the Federal Board of Revenue teams have also started visiting various markets after the announcement of budget 2019-20, threatening raids at shops and go downs.
"The government should avoid harassing traders," he added.
https://www.dawn.com/news/1492621

NEWS COVERAGE PERIOD FROM JULY 8th TO JULY 14th 2019

TWIN CITIES' TRADERS TO JOIN OTHER CITIES IN SHUTTER-DOWN STRIKE

Kalbe AliUpdated July 11, 2019

ISLAMABAD: The traders of Rawalpindi and Islamabad will join the rest of the country in observing a shutter-down strike on July 13 against taxation measures adopted in the 2019-20 budget.
Unlike similar occasions in the recent past, all groups in the retail sector have unanimously decided to strike and a consensus has been reached among traders from all over the country.
"After all efforts failed to convince the government to look into our concerns, we organised a kind of all parties conference belonging to the traders' community in Lahore on July 5," All Pakistan MarkaziAnjuman-i-Tijaran President Ajmal Baloch said.
That meeting decided that traders needed to unite under one agenda and avoid conflict amongst themselves. All groups are free to initiate efforts, hang banners or hold press conferences to make the strike successful.
"The issue is that the government is only interested in discussing issues and problems facing industrialists. The statement given is that the premier or whoever will hold discussions with the business community but they always fail to understand that traders too are part of the business chain, although we are small players," he said.
The decision was reached after negotiations between the MarkaziAnjuman-i-Tijaran and the government on July 1 and 2 failed.
Traders from this group even blocked the gates of the Federal Board of Revenue (FBR) in the Red Zone on July 1, and authorities assured them their concerns would be taken up.
Support for the strike call on July 13 has been extended by traders from major cities including Karachi, Lahore and Faisalabad.
Leaders from several groups, including Traders Action Committee Islamabad Information Secretary Khalid Chaudhry and MarkaziTanzeemTajiran Pakistan's Mohammad Kashif, visited various markets in the capital to woo traders to join the strike.
A meeting of local traders was also held in Sitara Market, where it was decided that the traders would also visit the Islamabad Chamber of Commerce and Industry.
Speakers said the shutter-down strike was neither a political issue nor against the government, but against the anti-trader tax measures dictated by the International Monetary Fund and adopted in the budget.
They said the FBR chairman had previously advised large industrialists on how to avoid paying taxes and now wanted to bring people into the tax net within days, which was not feasible.
Khalid Chaudhry said the government should train people on tax matters and raise awareness about paying taxes, but no such effort was made even when the amnesty scheme was initiated by the previous government, which led to the scheme failing.
He said that the government has handed over budget matters to the IMF without reforming the FBR.
The traders have adopted a six-point charter of demands which has been forwarded to the FBR, and a response to which is awaited.
The demands include the withdrawal of the now mandatory condition of noting a buyer's identity card number and a 1.5pc tax on turnover, which they believe should be charged on profits only. They have also sought a fixed tax regime for retailers, an exemption from tax registrations for wholesalers and retailers and for sales tax to be recovered at the manufacturing and import stage.

https://www.dawn.com/news/1493303/twin-cities-traders-to-join-other-cities-in-shutter-down-strike

US, CHINA NEGOTIATORS RESUME TRADE WAR TALKS

AFP July 11, 2019

WASHINGTON: Top US and Chinese negotiators held phone talks on Tuesday as the world's top two economies seek to resolve their trade war, more than a week after they declared a truce.
US President Donald Trump and Chinese leader Xi Jinping agreed to revive negotiations when they met on the sidelines of the G20 summit in Japan on June 29.
US Treasury Secretary Steven Mnuchin and Trade Representative Robert Lighthizer spoke with Chinese Vice Premier Liu He and Commerce Minister Zhong Shan on Tuesday.
White House economic adviser Larry Kudlow told reporters the talks "went constructively" but it was "too soon for details." In an interview with the Fox Business Network, Kudlow described the discussions as "preliminary" and said meetings will "probably" be arranged, but did not give more details.

Kudlow noted that Trump has agreed to hold off on imposing new tariffs and will allow certain US products to be sold to Chinese telecom giant Huawei.
"Having said that, we have a very strong — I want to underscore this — a very strong expectation that China will really shortly, maybe immediately, begin to purchase US agricultural products," he told the US broadcaster.
The Chinese commerce ministry said in a brief statement that the two sides exchanged "opinions on implementing the consensus reached between the two countries' heads of state in Osaka."
After his meeting with Xi in Osaka, Trump said he would refrain from imposing tariffs on more Chinese products. He had previously threatened to put punitive duties on an additional $300 billion in Chinese exports.
He also triggered a backlash in the US Congress by agreeing to soften some US export restrictions on components to Huawei, though Trump stipulated that officials would take care to avoid creating new risks to US national security.
The United States had imposed tough sanctions on the company, whose equipment US officials fear could be used as Trojan horses for China's intelligence services.
The ceasefire comes as the US presidential campaign has started ahead of the November 2020 election.
Asked about speculation that Beijing may be waiting to see how the race plays out, Kudlow said it "would be a very big mistake on their part." "I think that kind of thinking would probably do great damage to these trade talks," he said.
But he suggested that the US was in no hurry to finalise a deal.
"Speed is not an issue, quality is the issue," Kudlow said. "And so I make no forecast on that and reiterate this view.There's no timetable, none of that stuff."

https://www.dawn.com/news/1493374/us-china-negotiators-resume-trade-war-talks

ISLAMABAD TRADERS TO OBSERVE SHUTTER-DOWN STRIKE ON JULY 13

RECORDER REPORT JUL 11TH, 2019ISLAMABAD

Ajmal Baloch, President, All Pakistan MarkaziAnjuman-e-Tijaran and Khalid Chaudhry Secretary Information, Traders Action Committee Islamabad visited various markets of Islamabad and asked traders to observe shutter down on July 13, against tax measures of the government taken in budget 2019-20.
They also called a meeting of local traders at Haven Height Hotel, Sitara Market, Islamabad, on Thursday July 11, at 3pm on this issue after which a briefing would be given to the media. Later on, they would visit ICCI to hold a meeting with its office bearers, says a press release issued here on Wednesday.
Baloch said that shutter down strike would not be against the government, rather it would be against the IMF-dictated anti-traders' tax measures in budget. He said the detail of conditions given in the staff report released by the International Monetary Fund (IMF) on Monday was quite disturbing as implementation of these conditions would further squeeze the business activities and the economy. He said the Federal Board of Revenue (FBR) chairman had been advising people on how to avoid tax payment and now he wanted to bring people into tax net within days, which was not feasible.
He further said the government should have trained people on tax matters and created awareness in them about the benefits of tax payment, but nothing of this sort was done while amnesty scheme also seemed to have flopped. He said the FBR was not ready to listen to the traders due to which trading community was worried while the people had also been facing great inflation. He demanded that Prime Minister Imran Khan in consultation with traders should announce forthwith amendments in budget otherwise traders would go for complete shutter down on Saturday.
Khalid Chaudhry former senior vice president ICCI and Secretary Information Traders Action Committee Islamabad said that without bringing any reforms in the FBR, government has handed over budget matters to the IMF. He said that increase in dollar price had brought a new wave of inflation in the country while imposition of new taxes in budget had created great concerns in the business community. He appealed to traders to observe shutter down on Saturday for protection of their business interests.-PR
https://fp.brecorder.com/2019/07/20190711496291/

TRADERS CALL FOR NATIONWIDE STRIKE TODAY

Khalid HasnainUpdated July 13, 2019

THE first big test of the PTI government and its budget could shape up today as traders bodies from around the country have issued a nationwide strike call. There are hundreds of trader associations in Pakistan, and millions of traders who participate in the retail sector. Some groups have rallied hard around the strike call for many days now, yet till the last minute on Friday night it was not clear how far the call will be observed. Traders bodies from Islamabad, Rawalpindi, Peshawar and Quetta say they intend to observe the strike call today. Many important groups, however, announced they will not participate. The main chambers of commerce and industry, from Karachi to Lahore and other cities of Punjab, also did not support the call. Today will show how far the traders are able to forge unity within their ranks.

LAHORE: Most traders' associations and organisations in the city were unanimous on Friday to observe shutter down strike on Saturday (today) in protest against the taxes imposed by the federal government in budget 2019-20. As preparatory arrangement, All Pakistan AnjumanTajiran (APAT), QaumiTajirIttehad, Lahore Business Front, All Pakistan Truck Trailer Owners Association, Jewelers Association, Auto Dealers Association and all other trade bodies of the city held emergency meetings on Friday in a bid to make the event successful.

"We will not negotiate with the government till the withdrawal of unfair taxes. The government is trying hard to divide us. But we will not be divided," announced Naeem Mir, central secretary general of the APAT while addressing a press conference at the Lahore Press Club on Friday.

Flanked by the leaders of different markets including Amjad Chaudhry, Waqar Ahmed Mian, Haji Hanif, Malik Amanat, SohailMehmood Butt Imran Bashir, Sheikh Irfan Iqbal, Mian Tahir Subhani, Malik Farooq Hafiz, Agha Zulfiqar, Syed Azmat Shah and Malik Kaleem, he claimed support of major traders' associations across the country. The decision of shutter down is not in the hand of APAT rather it will be decided now by over 3 million traders across the country from Karachi to Peshawar.

"It will be the country's biggest shutter down strike," claimed Mir. "We will ensure complete shutter down on Saturday."

Lahore Businessmen Front chairman Amjad Chaudhry said the businessmen rejected this budget made by bureaucracy on the instructions of International Monetary Fund. Other traders were of the view that without bringing any reforms in FBR, government has handed over budget matters to the IMF.

In Sargodha traders alliance, after prolonged discussion, decided to observe the strike call of All Pakistan Traders Association. Although traders were divided about the strike, after three hours of deliberation they decided to join the strike.

Besides this, various traders' associations in Faisalabad, Gujranwala, Sahiwal, Khanewal, Rawalpindi and other districts were reported to observe strike called for Saturday (today). However, Lahore-based Pakistan Traders Alliance (PTA) announced to not become part of the strike. "When the FBR people have removed our concerns in writing, why should we observe the strike," said PTA chairman Nasir Hameed.

Punjab government, after seven-hour long negotiations with trade representatives on Friday, agreed to remove the CNIC-based invoicing for transactions valued below Rs50,000.

A press release issued by the Office of the Minister for Industries, Commerce, Investment and Skills Development Department Punjab said the Federal Board of Revenue Chairman Shabbar Zaidi was taken on board during the negotiations who agreed to reduce tax on ghee from seven per cent to 2pc.

The CNIC condition would only be imposed on dealers who buy goods directly from factories whereas those falling under the 'Fix Tax Net' will be excluded the condition, the release added.

KARACHI: A rift emerged among traders in the city on Friday ahead of a countrywide strike call given by various organisations for July 13, 2019 under the umbrella of the MarkaziTanzeemeTajiran Pakistan (MTTP) and All Pakistan Anjuman-e-Tajiran. A number of small groups under the Karachi Tajir Action Committee (KTAC), representing various markets, have decided to keep their shutters open.

Prior to this, various market based bodies had united on one platform to give a tough response against the budget.

To gain support of Karachi traders, President MTTP Kashif Chaudhry held a press conference at Karachi Press Club on Thursday, soliciting support from traders for the strike call.

Kashif claimed to have received support from representatives of over 400 markets of Karachi which included Saddar, Tariq Road, Clifton, Defence, Liaquatabad, M.A. Jinnah Road markets, Gul Plaza, Timber and furniture markets, iron and steel markets, auto parts, cloth markets, Landhi, Korangi, Malir and Garden Area markets.

Contrary to this, representatives of the KTAC on Friday announced their deviation from Saturday's countrywide shut down.

At a hurriedly called press conference at Karachi Press Club (KPC) on Friday, KTAC members vowed to keep their markets and shops open.

Giving details, one of the members of KTAC, Mohammad SharjeelGopalani claimed that "95 per cent of Karachi markets will remain open on Saturday."

"There is no pressure of any kind on KTAC members for opening the markets," he said, adding that the government was willing to talk to the traders and the latest round of talks had gone well. However, he did not specify who the government had sent to deal with the traders.

"Our negotiations with the government representatives on Thursday have been successful in which 10 out of the 11 demands have been agreed by the officials."

Only the CNIC issue has been left on which Member Tax Policy Inland Revenue had clarified in detail in print media on Friday.
He said government officials had agreed to resolve the issues by arranging meetings of KTAC members with National Tariff Commission (NTC), Member Inland Revenue FBR, Commerce Ministry and Finance Ministry since for many matters the FBR needs to coordinate with these departments.
Another member of the KTAC, Ahmed Shamsi said markets including Jama Cloth, Medicine market, Bohri Bazar Saddar, Sarafa Market, used car dealers showrooms, Light House, Khalid Bin Waleed Road, Jodia Bazar, Timber Market, Iron and Steel Market, Ranchore Line, Lee Market, Lyari area markets, Hyderi markets, Gulf Shopping Centre at Clifton, few markets of Tariq Road and Liaquatabad market will remain open on Saturday.
"I am sure that 65-70pc markets of Karachi will do their business as usual," he claimed adding some market traders are trying to mislead the trading community, thus pressuring traders to close their businesses amid ongoing negotiations with the government.
In contrast, President Karachi Electronic Dealers Association (KEDA), Mohammad RizwanIrfan, who was one of the main members of KTAC, said the electronic market intended to observe the strike.

https://www.dawn.com/news/1493810/traders-call-for-nationwide-strike-today

PAK-TURKEY FTA: FPCCI CHIEF ASKS GOVERNMENT TO CONSULT STAKEHOLDERS

RECORDER REPORT JUL 13TH, 2019 KARACHI
President of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI), EngrDaroo Khan has emphasised the need of strong homework by the government in consultation with stakeholders for listing concessionary items for Free Trade Agreement (FTA) with Turkey. He noted that in the past, textile exports to Turkey was based on normal tariffs of imports but later Turkey imposed protective duties ie. 18percent which were very high, leading to decline in the earlier registered increase in the textile exports to Turkey. Hence, he urged Turkey should remove hurdles in Preferential Trade Agreement (PTA) and FTA with Pakistan.
The volume of bilateral trade between both nations drastically reduced from US$ 1.08 billion to US$ 792 million after imposition of protective duty on textile. Daroo Khan appreciated the efforts of governments of Pakistan and Turkey to enter into Strategic Economic Framework (SEF) for enhancement of bilateral relations in trade, tourism, healthcare, hospitality, industry, education, housing, agriculture, aviation and banking.
He said that Pakistan and Turkey had concluded nine rounds of negotiations including SEF; but so far the reports/outcome of negotiation had not been shared with the concerned stakeholders. Turkey, being the part of customs union with the EU, provided an assumption that Pakistan may also have access to Turkish market under GSP+ status. However, this assumption was diluted due to refusal by Turkey to extend GSP+ status to Pakistan and instead Turkey proposed conducting negotiations on bilateral FTA.
The FPCCI president urged the government to resolve all antidumping and non-tariff barriers prior to entering into SEF. He said textile, rice, cutlery, crockery, badges, musical instruments, surgical instruments, gloves, footwear, sports good, construction materials and leather products are the main exportable items of Pakistan that need special market access to Turkey by reduction in tariff rates.
He said that Pakistan offer Turkey that they participate in special economic zones which may add to the quality competition specifically in housing, food and pharmaceutical industries. Daroo Khan also underlined the need of activation of train service with Turkey in order to reduce trade cost and transit time as trade through sea not cost-effective.
He further said that Turkey should promote trade directly with Pakistan instead of third countries such as import of surgical items from Germany although they are originally manufactured in Pakistan. He called for simplification of visa procedure for genuine businessmen and traders. The FPCCI president cited that Pakistan and Turkey both are active members of ECO, D-8 and Organization of Islamic Countries (OIC). He further said that FPCCI would take up the above issues in the forthcoming meeting between FPCCI and TOBB.
https://fp.brecorder.com/2019/07/20190713496837/

LAHORE TRADERS' STRIKE AGAINST TAXATION MEASURES TODAY

ABDULLAH MUGHAL JUL 13TH, 2019 LAHORE

Like other parts of the country, the business community under the leadership of All Pakistan Anjuman-e-Tajran (APAT) will observe a complete shutter-down strike in Lahore today to press the ruling Pakistan Tehreek-e-Insaf (PTI) government for withdrawal of "unfair" taxes imposed on them in the federal fiscal budget 2019-20.

Addressing a hurriedly-called press conference at the Lahore Press Club on Friday, APAT central general secretary Naeem Mir said they will observe a countrywide shutter down strike from Karachi to Khyber and Kashmir to Gwadar to protest against the unfair taxes imposed in the federal budget.

Leaders of different markets including Amjad Chaudhry, Waqar Ahmed Mian, Haji Hanif, Malik Amanat, SohailMehmood Butt Imran Bashir, Sheikh Irfan Iqbal, Mian Tahir Subhani, Malik Farooq Hafiz, Agha Zulfiqar, Syed Azmat Shah and Malik Kaleem were also present.

"No negotiation will be held with the government till the withdrawal of unfair taxes," Mir declared and regretted that the government was trying to divide the business community instead of resolving their issues. He claimed that QaumiTajirIttehad, Lahore Businessmen Front of LCCI, All Pakistan Truck Trawler Owners Association, Jewelers Association, Auto Dealers Association and all other trade bodies of the city will also join the strike.

"It would be the country's biggest shutter-down strike," he hoped and added that the decision of shutter-down is not in the hands of APAT rather it will be decided now by over 3 million traders across the country from Karachi to Peshawar.

To resolve internal affairs of the business community, the accountability of the traders will be ensured by the traders themselves to continue unity among them, he added. He said the imposition of "unjustified" 17 percent sales tax, turn over tax and CNIC-based invoicing system had made it impossible for the community to run the businesses. He warned that the strike would be continuing for an indefinite period if the said taxes and conditions were not withdrawn.

He demanded that Prime Minister Imran Khan in consultation with traders should announce forthwith amendments in budget; otherwise traders would go for complete shutter-down for an extended period.

Speaking on the occasion, Lahore Businessmen Front (LBF) Chairman Amjad Chaudhry said they reject this budget made by bureaucracy on the instructions of International Monetary Fund (IMF). We are of the opinion that the government has had handed over budgetary matters to the IMF without bringing reforms in the FBR, he expressed. He said the increase in greenback's price has brought a new wave of inflation in the country. In the past, incumbent FBR chairman Shabbar Zaidi had been advising the people about tax evasion but now he wanted to bring them into tax net within days, he added.

Meanwhile, Lahore Division Sarafa and Jewelers Association (LDSJA) president Muhammad Ahmad also confirmed to Business Recorder that all "Sarafa" markets in Lahore, Sheikhupura and Okara will remain close today.

Commenting on the strike call of APAT, he said all the jewelers are on the same page and they will show their unity today.

https://fp.brecorder.com/2019/07/20190713496811/

TRADE DEFICIT SHRINKS 15.3% TO $31.8B IN FY19

By ShahbazRana Published: July 13, 2019

ISLAMABAD: The Pakistan Tehreek-e-Insaf (PTI) government has managed to narrow down the trade deficit by 15.3% to $31.8 billion on the back of import compression but it failed to enhance exports, which fell even below the level left behind by its arch-rival – the Pakistan Muslim League-Nawaz (PML-N).

Trade figures released by the Pakistan Bureau of Statistics (PBS) on Friday showed that exports contracted both on month-on-month and year-on-year basis in June despite over one-third depreciation of the rupee against the US dollar. The PTI government missed its export target by $4 billion as total exports stood below $23 billion at the end of fiscal year 2018-19.

It also missed the trade deficit reduction target by $5.8 billion, although the gap between exports and imports shrank 15.3%.

Overall, the trade deficit, which stood at $37.6 billion in the preceding fiscal year, shrank to $31.8 billion in the just ended fiscal year 2018-19, the PBS reported. In absolute terms, there was a reduction of $5.8 billion in the trade deficit and the entire reduction came from the import side.

Overall imports dropped 9.9% to $54.8 billion in FY19 but the improvement was mainly because of reduction in machinery imports. In absolute terms, the imports contracted by $6 billion, which provided some relief to the government.

However, the real challenge remained the exports, which registered a negative growth of 1% and stood at only $22.97 billion, remaining shy of even $23 billion, during the previous fiscal year. In absolute terms, the exports shrank $234 million.

Adviser to Prime Minister on Commerce Abdul RazakDawood had vowed to enhance exports to $27 billion on the back of steep currency depreciation and market access to China. However, it did not happen.

Dawood had claimed that Chinese market access would boost exports by an additional $1 billion during fiscal year 2018-19.

Exporters have long been getting subsidised loans, electricity and gas, and are exempted from the normal income tax regime. The central bank has let the currency depreciate by over 40% in a bid to give a boost to exports and curb imports.

The PTI government has provided over Rs30-billion package in the shape of lower gas and electricity prices.

State Bank of Pakistan Governor Dr Reza Baqir said on Thursday there was a need to support the exporters by making them competitive. But “the exchange rate is not the ultimate solution and the ultimate solution has to come from the business by improving competitiveness.”

The government wanted to cut the trade deficit to $26 billion, but it missed the goal by a wide margin of $5.8 billion. The value of export goods was 239% less than the value of imports.

The failure to achieve the export target and reduce the trade deficit to the desired level has made it challenging to meet new fiscal year’s trade targets.

For the new fiscal year, the government has set the export target at $26.8 billion, which will require 16.6% growth.

Imports in the new fiscal year are projected to contract 5.5% to $51.8 billion.

The trade deficit is also targeted to be reduced to $24.9 billion in fiscal year 2019-20, a contraction of 21.7%.

The trade balance in June this year as compared to the same month a year ago improved but only because of compression of imports. The trade deficit shrank 29.8% from $3.8 billion to $2.7 billion in June. In absolute terms, there was a reduction of $1.1 billion on an annual basis.

In June 2019, the imports in dollar terms fell to $4.4 billion compared to $5.7 billion in the same month of last year, which reflected contraction of over 22.8%, reported the PBS. But exports also decreased 8.8% to $1.7 billion in June, a net reduction of $165 million.

On a month-on-month basis, the exports fell 18.3% in June over the preceding month. There was a loss of $385 million in export receipts as compared to the preceding month. The imports also posted negative growth of 13.5% to $4.4 billion last month.

Resultantly, the trade deficit contracted one-tenth to $2.6 billion in June over May.

https://tribune.com.pk/story/2012150/2-trade-deficit-shrinks-15-3-31-8b-fy19-business/

INDONESIAN DELEGATION TO ARRIVE SOON FOR FTA TALKS

By app Jul.13, 2019

SIALKOT: Indonesian Ambassador to Pakistan IwanSuyudhieAmri on Friday stressed the need for enhancing bilateral relations with Pakistan, particularly in the fields of trade, culture, education and people-to-people contacts.
He made the remarks in a meeting with businessmen at the Sialkot Chamber of Commerce and Industry (SCCI).
Amri said the Indonesian government was keen to raise the volume of bilateral trade with Pakistan. He invited local businessmen to participate in the business expo, which would be held in Jakarta.
He said representatives of the Indonesian government would visit Pakistan soon to discuss the preferential trade agreement (PTA) as well as the free trade agreement (FTA).
Expressing his desire to import surgical goods directly from Pakistan, the envoy said, "We import surgical instruments from Germany while Germany imports surgical instruments from Pakistan."
Indonesia imported 20 products from Pakistan as per negotiations with Pakistan government, he said and called for further increasing the volume of bilateral trade.
He stressed that Pakistan and Indonesia enjoyed brotherly relations and they should further strengthen bilateral relations. He informed local businessmen that trade with Indonesia would give them access to 10 other members of Association of Southeast Asian Nations (Asean).

Agreeing to enhance bilateral trade between the two countries, SCCI Senior Vice President WaqasAkramAwan said the trade volume between Pakistan and Indonesia stood at $2.8 billion and there was enough potential to increase it.
He emphasised the need for arranging a single-country trade exhibition and assured the ambassador of cooperation, particularly for increasing bilateral trade.

https://tribune.com.pk/story/2012144/2-indonesian-delegation-arrive-soon-fta-talks/?amp=1

TRADERS PROTEST ACROSS COUNTRY AGAINST TAX MEASURES

Dawn ReportJuly 14, 2019

KARACHI: Barring Karachi and Faisalabad where a partial strike was observed by traders and business community, markets across the country remained closed on Saturday in protest against what was described as unfriendly budget and tax measures adopted by the federal government on the demand of International Monetary Fund (IMF).
While no incident of violence was reported from across the country during the strike, All-Karachi Tajir Ittehad estimated a trade loss of Rs4 billion with a claim of 90 per cent market closure in the metropolis and a countrywide trade loss of around Rs50bn.
"The whole Pakistan business was shut up to 95 per cent, as the traders across the country showed their unity against the unjustified taxes and a very complicated taxation mechanism introduced by the FBR. Our immediate demand is that the government sit with us in presence of a highly qualified charted accountant, hear us and either prove its decision justified or withdraw them," said All Pakistan Anjuman Tajran (APAT) president Naeem Mir.
"And if the government doesn't reach us to resolve the issue, we will have no option finally to launch a long march on Islamabad," he warned.
While similar warnings echoed in Khyber Pakhtunkhwa and the twin cities of Islamabad and Rawalpindi, traders and business community in Karachi and Faisalabad were divided on the issue.

Already struggling to attract customers hit by high inflation, traders demanded the government simplify tax procedure, withdraw additional taxes, end the condition of buyers' identification through CNIC and stop harassment of traders in the name of tax collection.
Many shops displayed banners inscribed with slogans such as "IMF-dictated budget and Federal Board of Revenue's unfriendly business policies unacceptable".
The entire Punjab business almost came to a halt as most of the markets, shopping centres and bazaars observed a shutdown on the call of various traders' associations and groups against the imposition of new taxes. Besides Lahore, other major cities where complete strike was observed included Multan, DG Khan, Bahawlpur, Rahim Yar Khan, Gujaranwala, Jhelum, Gujrat, Muzaffargarh, Sialkot and Sahiwal.
However, there were reports that in Faisalabad and Karachi, some major markets didn't follow the strike call and kept doing their business as usual. Five of the total eight bazaars around Ghanta Ghar remained shut, besides the closure of textile processing units, cloth markets, Satiana Road, Jaranwala Road, iron market and Iqbal Stadium market. Some bazaars such as Bhawana Bazaar, Kutchery Bazaar and Chiniot Bazaar remained open.
In Karachi, it emerged during a random market survey that shops along M.A. Jinnah Road from Allahwala Market till Merewether Tower, Regal Market and Electronic Markets, Sindh Sarafa Jewellers Market, Paper Market at Hassan Effendi Road, Tariq Road shops, Ayesha Manzil's furniture market and Karachi's oldest Serena Mobile market were shut. However, Jama Cloth, Generator Market, Light House and Jodia Bazaar, Hyderi, North Nazimabad, Water Pump F.B. Area, Karimabad, Zainab Market and malls in Clifton were open.
Traders representing various trade associations, which were under one umbrella of Karachi Tajir Action Committee (KTAC) against the harsh budgetary measures, had split in groups. President of the Karachi Electronic Dealers Association (KEDA) Mohammad Irfan Rizwan, who parted ways with the KTAC, said 80pc market closure in Karachi showed that traders had totally rejected the budget 2019-20.
All-Karachi Tajir Ittehad (AKTI) chairman Atiq Mir said traders were ready to pay fresh taxes and get documented but were against the way the government intended to implement taxation measures by putting additional burden on consumers. "We will form a committee of traders to meet an FBR team next week so that taxation issue could be resolved in a friendly environment," he added.
KTAC member Ahmed Shamsi said more than 70 per cent markets were open amid the call given by a rival group to keep businesses closed. "Most of the main markets of District Central, East and West of the city were open while some markets in South District were not open," he said. He said negotiations with the FBR and the government representatives on various issues were under way and the traders were waiting for the implementation of promised measures.
A complete shutdown was observed in Hyderabad, Sukkur, Jacobabad, Naushahro Feroze and Larkana districts, while a partial strike was observed in Mirpurkhas district. However, the protest remained ineffective in Khairpur and some other districts.
Traders and business community of Islamabad and Rawalpindi also observed a complete shutdown against the new taxation measures adopted in annual budget 2019-20.
President of Anjuman Tajran, Rawalpindi, Shahid Ghafoor Paracha said their community expressed full support with the charter of demands presented by the trade associations of the country for withdrawal of new taxes. "We will wait for government response for a few days. If the government fails to accept our demands, the traders will stage a sit-in in every city," he warned, explaining that the traders would go for a three-day shutdown and a countrywide wheel jam in the next phase.
"Today's shutter down is the beginning of a series of strikes in case government did not pay serious attention towards solution of our demands," said Faiz Mohammad Faizi, President of the Sarhad Chamber of Commerce and Industry, as the business community in Khyber Pakhtunkhwa, too, responded positively to the strike call against the recent tax measures.
Representatives of various political parties also visited the traders' camps to express their solidarity with them.
Visitors to several tourist areas found no food and beverages due to the strike. Traders kept their business closed in Abbottabad, Murree, Manshera, Haripur, Nowshera, Swabi, Kohat, Battagram, Dera Ismail Khan, Karak, Timergara, Lakki Marwat, Shangla and Chitral.
In Balochistan, too, a complete shutdown was observed on the strike call given by various traders association in the country. Markets in Quetta, Mastung, Kalat, Khuzdar, Dera Murad Jamali, Chaman, Loralai, Zhob and other cities of Balochistan remained shut in protest against the new tax measures announced in the budget 2018-19.
In Quetta, even private banks remained closed. As all business activities remained suspended, traffic on the main Jinnah Road, Liaquat Bazaar, Abdul Sattar Road, Sariab Road, Double Road and Qandahri Bazaar remained thin.
A protest rally was staged by traders against the government policies. Holding banners and placards inscribed with their demands, the protesters marched on the main roads and streets of Quetta and chanted slogans against the government.

"The burden of additional taxes on general public and businessmen community will be an atrocity that will badly affect the industries and business in the country," President of Balochistan's Traders Association Abdul Rahim Kakar said, adding that the successful countrywide strike was a referendum against the government.
He said traders wanted to pay taxes but the procedure of collecting taxes should be modest and easy. "Instead of new taxes the Federal Board of Revenue (FBR) should increase the number of tax-filers," he said.
Heavy deployment of police and Balochistan Constabulary were seen in different places in order to avert any untoward situation.
Aamir Shafaat Khan from Karachi, Khalid Hasnain from Lahore, Aamir Yasin from Rawalpindi, Abid Abbasi from Murree, Ali Hazrat Bacha from Peshawar, Saleem Shahid from Quetta and Zahiruddin from Chitral contributed to this report.

https://www.dawn.com/news/1493966

GOVT MISSES EXPORT TARGET BY A WIDE MARGIN

The Newspaper's Staff ReporterUpdated July 14, 2019

ISLAMABAD: Pakistan missed export target set for the outgoing fiscal year by a wide margin of $5.03 billion, Pakistan Bureau of Statistics reported on Saturday.
Exports dropped one per cent during the fiscal year ended June to $22.97bn from corresponding period falling massively short of the $28bn-target set by the government.
The bleak trade numbers come despite government extending tax incentives to the export-oriented sectors to help increase earnings.
The Commerce Division said the slowdown in economic growth in the EU along with spill over from US-China trade tensions led to the decline in exports.
On a month-on-month basis, export proceeds during June dipped by 8.77pc to $1.71bn, from $1.88bn in same month last year.
On the other hand, the government was successful in meeting its imports target during the fiscal year under review.
Imports fell by 9.86pc to $54.79bn from $60.79bn during the same period last year whereas on a month-on-month basis, import bill dipped by 22.8pc to $4.36bn as against $5.65bn over the corresponding month last year.
The reduction in imports of furnace oil, machinery and electric equipment, palm oil and textiles imports helped contract overall imports.
Consequently, the country's trade deficit during the period under review fell by 15.33pc to $31.82bn compared to $37.58bn during the same period last year.
The decline in deficit comes on the back of significant fall in the country's imports as the exports have shown no improvement from the previous fiscal year despite massive devaluation of the rupee and a range of subsidies and incentives offered by the government to the export-oriented sectors.
The government has taken several measures including the imposition of regulatory duties on almost 1,900 tariff lines mostly luxury items and restricting imports of used cars in order to reverse the rising import bill to narrow the trade deficit which had risen to over $38bn during the last fiscal year.

https://www.dawn.com/news/1493984

PM'S AIDE WARNS TRADERS AGAINST BLACKMAILING GOVT

The Newspaper's Staff ReporterJuly 14, 2019

ISLAMABAD: Special Assistant to the Prime Minister on Information Dr Firdous Ashiq Awan said that the traders who observed a strike in various parts of the country on Saturday were only protecting the interests of those who were opposed to economic reforms.
Addressing a press conference, she said the real representatives of traders did not need to observe strikes as the doors of the Federal Bureau of Revenue and other government departments, including the ministry of industries, were always open for them.
"However, different priorities will be set for those who are stubborn and acting on somebody's behalf," she added "The government will not be blackmailed by anyone."
Dr Awan said: "We need to understand that if the status quo is challenged and a move is made towards tax reforms the beneficiaries try to create hurdles."
She described the striking traders as a bunch of supporters of the Pakistan Muslim League-Nawaz (PML-N) who were trying to protect the interests of the Sicilian mafia.
The special assistant said the country's economy could not survive on loans and aids. There was a need for increasing the tax base, she added.

"We have been told that the huge Anarkali market of Lahore has 20,000 shops, but only 600 shopkeepers file tax returns, and it is another debate to see how many of them have shown profits and who are in losses," she said.
Dr Awan said that the buyers were paying taxes on all the goods they purchased, "but the traders are not depositing the money in the national kitty. The nation needs to stand with us over the issue of tax reforms".
She criticised Nawaz Sharif and described him as the king who resorted to emotional rhetoric at his party's workers convention, but failed to submit proof of his income to courts.
She called Shahid Khaqan Abbasi a puppet prime minister chosen by the 'king' for a brief period, but he made records by denting the national kitty.
She said Mr Abbasi made nine official visits abroad for 24 days along with 109 people and the expenditure was $111.74 million, while in 2018 he made 10 international visits along with 105 people, costing $146.80m to the nation, but these tours were only to protect the interests of his party leader 'and nothing else'.
She said Mr Abbasi spent Rs8.99m on meals, Rs75.17m on stay in hotels and Rs41.89m on ground handling, while Rs16.52m was miscellaneous expenditures.
She said a voice was heard in English from Sukkur at midnight, but the people of rural Sindh were not awake at that time. "The speech was only for the foreign patrons telling them that rigging was about to happen in the by-election of Ghotki," the special assistant said, calling Pakistan Peoples Party (PPP) chairman Bilawal Bhutto-Zardari a 'novice politician'.
She accused the PPP candidate in the Ghotki by-poll of enjoying official support at the behest of the Sindh chief minister. "But despite all this, you are claiming that your mandate is being snatched away, but the fact is that people of Sindh are set to reject you."
She said that the federal government had moved the Election Commission of Pakistan regarding this pre-poll rigging.
Meanwhile, PML-N leader Maryam Nawaz tweeted: "Pakistan has literally come to a grinding halt today," referring to the countrywide strike observed by the traders.

https://www.dawn.com/news/1493961

NEWS COVERAGE PERIOD FROM JULY 15th TO JULY 21st 2019

PAKISTAN NEEDS TO DIVERSIFY EXPORTS TO US

By Zafar BhuttaPublished: July 15, 2019

ISLAMABAD: The United States has been one of Pakistan's major trading partners. For the past several years, the trade volume between the two countries has been stagnant, hovering around $5.5 billion. However, in calendar year 2017, the Pakistan-US bilateral trade crossed $6-billion mark for the first time.
Given the product mix of Pakistan's exports, its major and closest competitors in the US market are China, India, Vietnam and Bangladesh. In the past five years, apart from 2017, Pakistan's share in the US market has been stagnant but its competitors have increased their share both generally and in textile. The current PTI government is focusing on import compression and boosting exports. So, the time is ripe for Pakistan to diversify its exports to the US.
At the same time, Pakistan is entering the second phase of industrialisation under CPEC. In this phase, Chinese industrial units will be relocated to Pakistan for manufacturing different products. Pakistan believes it will help step up exports from the country.
However, on the other hand, a major threat is the trade war between China and the US, which may hamper the plan of raising exports to the US market.
Calculated at $6.38 billion in 2017, the trade between Pakistan and the US recorded an increase of 15% over calendar year 2016. In 2017, Pakistan's exports to the US rose 4% year-on-year at $3.57 billion with a trade surplus of $765 million.

Bilateral trade volume in July-April 2018-19 stood at $5.5 billion against $5.3 billion in the same period of previous fiscal year.

Pakistan is comparatively a small trading partner of the US. Its exports had a mere 0.16% share in total US imports of around $2.34 trillion in 2017. Top five exporting countries to the US last year were China ($505 billion), Mexico ($314 billion), Canada ($300 billion), Japan ($136 billion) and Germany ($118 billion). Pakistan ranks at 59th place in this list. Pakistan's main export goods include articles of apparel and home textile, leather, surgical instruments, cotton fabrics and yarn, plastic, carpets, sugar confectionery and rice.

Pakistan's main imports from the US include machinery and electrical equipment, soybean, milk powder, maize, peas, cotton, iron and steel, rail locomotives, chemicals and pharmaceuticals.

In case of textile and apparel, Pakistan has a share of around 3% in total US imports of $99 billion, which is smaller compared to 36% for China, 12% for Vietnam, 7% for India and 5% for Bangladesh.

Vietnam and India have both increased their share in the US textile market since 2012 while China's share has shrunk. The US has an elaborate regulatory mechanism governing imports. As of July 2018, the harmonised tariff schedule (HTS) of the US had 105,168 tariff lines, of which 36.8% were duty-free tariff lines, 1.9% were subject to tariff quotas and the dutiable tariff lines had average rate of 7.6%.

At present, the US has free trade agreements with 20 countries including South Korea, Mexico, Morocco, Oman, Bahrain and Jordan. Because of the free trade agreements, Bahrain and Jordan have developed their textile sector and have begun to compete with other countries in the US textile market. The US has also bilateral investment treaties with 42 countries and trade and investment framework agreements (TIFA) with 52 countries. Pakistan also has TIFA with the US and the TIFA council is a formal bilateral forum where the two countries discuss issues governing trade and investment.

TIFA between Pakistan and the US was signed on June 25, 2003 in Washington DC. Wide-ranging initiatives are covered under the agreement which include enhancement of bilateral trade in goods and services and securing favourable conditions for long-term development and diversification of bilateral trade.

Under the agreement, a council has been constituted comprising representatives of both countries and co-chaired by Pakistan's minister of commerce and the US trade representative. The TIFA council aims to monitor trade and investment relations, identify opportunities for expanding trade and investment, and identify issues relevant to trade and investment that may be appropriate for negotiations at an appropriate forum.

Both countries have an understanding that the TIFA council will meet once at least in a year.

The TIFA council has met eight times since its inception. The eighth meeting was held on October 18, 2016 in Islamabad. Its meetings have not been held annually and the ninth meeting was scheduled for 2017 in Pakistan, but it has been put off to date.

In a meeting, the US authorities had stressed the need for value addition. Bilateral trade was more than $6 billion in 2017 and the target was $8 billion for 2018. However, the goal could not be met. Both sides had developed consensus for increasing trade by searching for new market avenues.

Recently, the US has withdrawn some tariff concessions for India, Bangladesh and Turkey. Pakistan comes under the GSP scheme of the US, which provides an opportunity to the country to grab a larger slice of the US textile market. However, the textile sector of Pakistan has become uncompetitive and the textile ministry should work on turning the sector more competitive in the international arena.

https://tribune.com.pk/story/2013397/2-pakistan-needs-diversify-exports-us/

CHAMBERS AND INDUSTRY ALARMED BY TRADERS' STRIKE; SUPPORT DOCUMENTATION EFFORTS

Dawn ReportUpdated July 16, 2019

LAHORE/KARACHI: On the first business day after the nationwide traders' strike, various chambers of commerce and industry associations gave a mixed response. Where all agreed that documentation of the economy is a worthwhile objective, some felt that the government should adopt a softer approach towards the concerns of the trader community whereas others denounced the use of strikes as a tool to advance commercial interests.

The All Pakistan Textile Mills Association (Aptma), one of the country's largest industry associations, said that the textile industry is grinding to a halt due to the budgetary measures. "Local sale of the textile sector has started declining fast in the wake of buyers' continuous disinterest in entering into any trade-related transaction due to imposition of 17 per cent tax and provision of copy of the CNICs," Aptma Chairman Syed Ali Ahsan told reporters in a press conference on Monday.

"The impact of the declining trade of the textile and other goods (yarn and fabric) is heading toward closure of the manufacturing business, and around 20 textile mills have already been closed, either partially or completely," Ahsan claimed.

"We are with the government in its move to achieve tax collection target set for 2019-20," he emphasised. "But the government must keep in mind that the way it plans to do this is not at all viable to achieve this target, as the trade sector has almost stopped buying."

Aptma group leader Gohar Ejaz went a step further. "Where should we go when our manufactured goods remain unsold?" he asked. "On the other side, due to variation in inflation while comparing Pakistan with other countries, we are also facing problems in our exports. At present, you can say, that the country's business activities have reached to a halt."

The Aptma leadership called for the reduction of applicable sales tax from 17pc to 7.5pc on local sales.

The Federation of Pakistan Chambers of Commerce and Industry (FPCCI), the apex trade and industry association, was a little more restrained in its reaction.

In a joint statement issued on Monday, FPCCI President Daroo Khan Achackzai, former presidents S.M. Muneer, Iftikhar Ali Malik and Mian Zafar of Faisalabad Small Traders Chamber urged Prime Minister Imran Khan to solve all issues of the business community through consultation.

In the statement, the FPCCI expressed support for the goal of documentation of the economy, but also expressed "serious concern over the problems of small traders" without getting specific.

The Karachi Chamber of Commerce and Industry (KCCI) in a statement said that "the chamber fully supports the government's resolve to bring everyone into the tax net" but expressed concern that the government has opened too many fronts in its strident efforts to document the economy. "In order to achieve the desired results in terms of revenue collection, the government has simultaneously opened many fronts which have terribly disturbed the entire business cycle and it was the basic reason behind why they [the government] have been facing agitations and resistance," the press release quoted Siraj Kassam Teli of the Businessmen's Group, a powerful grouping within the KCCI, as saying.

Meanwhile, KCCI President Junaid Makda said that he appreciated the prime minister's remarks about partnering with the business community in order to resolve issues and ensuring ease of doing business, he nevertheless "requested a flexible approach while dealing with loyal taxpayers."

The KCCI also advanced a few concerns about the discretionary powers given to the officers of the Federal Board of Revenue, that they fear will be used for harassment of taxpayers. It quoted Teli as saying that "the government has devised numerous laws and amendments with a sincere intent to enhance tax collection but we fear that most of these laws and amendments which have enhanced discretionary powers to FBR officials even at lower level would only be used to harass the taxpayers in order to seek personal benefits and gratifications."

Meanwhile, the Lahore Chamber of Commerce and Industry (LCCI) took a more pragmatic line. "There are misunderstandings among the traders in particular, which need to be addressed urgently," LCCI President Almas Haider told Dawn via telephone on Monday evening.

"They think they need a copy of CNIC to be attached to every invoice. So many photocopies may not be physically possible. This is not correct. Similarly, the rate of withholding tax is also high compared to their margins, the government should be flexible here," he added.
The Faisalabad Chamber of Commerce and Industry (FCCI) Chairman, Syed Zia Alamdar Hussain, said the deadlock between the government and traders over 17pc tax and CNIC issue still persists. "We had a meeting with the FBR's top officers on Monday. Though the government has agreed to reduce turnover tax from 1.5 to 0.2 or 0.3pc and 4pc withholding tax to 1pc, it is not ready to reduce 17pc sales tax. Similarly it did not agree over the CNIC issue," he told Dawn when contacted.
However, Mr Hussain termed the meeting a positive development towards resolving the issues. "They [the FBR] have also agreed for imposing a fixed tax on the shopkeepers and small traders or wholesalers. So let see what they do about other issues that are still unresolved," he added.
The Sialkot Chamber of Commerce and Industry President Masud Akhtar termed the traders' demands genuine. "It is good to hear that the government has agreed to relax the requirements on traders to some extent. But their main demands are to reduce 17pc tax and withdraw condition of CNIC provision on all business transactions," he maintained. "So I would request the government to resolve the traders' issues immediately, as the entire industry is in problem due to their strikes" he added.

https://www.dawn.com/news/1494312/chambers-and-industry-alarmed-by-traders-strike-support-documentation-efforts

IMPORTERS, TRADERS AGREE TO PAY SALES TAX AT RETAIL PRICE

RECORDER REPORTJUL 16TH, 2019 KARACHI
Commercial importers and traders on Monday said that they have agreed to pay sales tax at retail price but the same should not be collected at import stage but at the time of delivery of goods to the retailers. These views were expressed by the commercial importers and traders during 4th meeting of the FPCCI standing committee on Customs Agents, which was chaired by vice president FPCCI Arshad Jamal and convener Muhammad Sajid at Federation House here.
In federal budget 2019-20, the government has included finished articles in the Third Schedule of Sales Tax Act, 1990, showing its intension to aggressively discourage commercial imports and ease the pressure from import bill.
According to a circular issued by Pakistan Customs, as per the measures taken through federal budget 2019-20, the items listed in Third Schedule of Sales Tax Act, 1990 shall now be assessed at the retail price at the import stage.
The customs department also directed that retail prices should also be printed on each individual item in the manner as specified clause (a) of sub-section (2) of the section 3 of the Sales Tax Act 1990. However, during the interim period up to July 31, 2019, the clearance may also be allowed if the imported items are affixed with sticker, showing declared retail price.
Arshad Jamal said that this amendment has spread panic among the commercial importers, who were reluctant to get released consignments from ports; adding that commercial importers before the said amendment cleared their consignment as per customs value however, now they had been directed to print retail prices on each individual item and the customs department would now clear consignments on the basis of declared retail price, putting excessive burden of additional packaging cost on the importers.
In addition, majority of purchases is not being made directly from manufacturers but from international local markets hence it is impossible for the commercial importers to determine retail price of the finished article including all overheads and print the same in the exporting country, he said and added that manufacturers were also reluctant to print retail price for Pakistani markets on their products.
Therefore, the government should allow the importers to declare estimated retail price in goods declaration but printing of retail price on the products and the payment of sales tax should be allowed at the time of delivering the goods to the retailers to clear the backlog of the consignments of finished articles at ports.
Furthermore, he said that business community supported this government initiative and we were requesting them to ensure not only the printing of retail price but also the names of manufacturer and importer along with the number of goods declaration on the imported products to avoid smuggling and other malpractices; adding that if such information was mentioned on the products, it would not only assist the government in identifying the importers but also help curbing the influx of smuggled goods in the local markets.

Regarding the consignments of solar panel and equipments used in solar energy technology, which are not released from ports in violation of SRO 604/2019, Arshad said that they had examined the issue in detail and the documents provided by the importers confirmed that the said items were imported as per the standards given in the said SRO but due to lack of coordination, hundreds of consignments arrived in Pakistan without fulfilling the condition of Pre-Shipment Inspection (PSI).
He said that due to lack of coordination between the ministry and other government departments, number of consignments had been released and hundreds more were arrived at ports under previous order.
However, the ministry has issued clarification and mentioned July 4 2019 as the date of implementation of new requirement but did not issue any guideline for the release of the consignments of solar panel and equipments used in solar energy technology stuck at ports as they were arrived under previous order and were not cleared before July 4, 2019.
https://fp.brecorder.com/2019/07/20190716497738/

DECISION TO REGISTER TRADERS WON'T BE WITHDRAWN, CABINET RESOLVES

Syed Irfan RazaUpdated July 17, 2019

ISLAMABAD: Terming the traders' recent countrywide strike 'politically motivated', the federal cabinet on Tuesday resolved not to withdraw its decision on registration of traders to bring them under the tax net.
The cabinet set up a committee to review the recent decision of the International Centre for Settlement of Investment Disputes on the dispute between Pakistan and the Tethyan Copper Company on the Reko Diq project contract that may cost the country $5.976 billion.
Members of the cabinet were told that $60,000 would be spent on the coming visit of Prime Minister Imran Khan to the US. On the other hand, former prime minister Nawaz Sharif visited the US at a cost of $460,000.
They were also provided details of over Rs27bn expenditure incurred on security, camp offices and foreign visits of former presidents Asif Ali Zardai and Mamnoon Hussain, former prime ministers Nawaz Sharif, Shahid Khaqan Abbasi, Yousuf Raza Gilani and Raja Pervez Ashraf and former chief minister of Punjab Shahbaz Sharif.
In view of unbridled price hike in the country, the cabinet decided to reduce the recently imposed custom duty on imported edible oil from seven to two per cent and resolved to take action, with the help of provincial governments, against hoarders and Naanbais who are reportedly selling a Naan (bread) for Rs15-20 against last week's price of Rs10.
The meeting also decided to ban use of plastic shopping bags and impose heavy fines on their production, sale and use.
In the post-cabinet meeting presser, Special Assistant to the Prime Minister on Information Dr Firdous Ashiq Awan said Prime Minister Khan had decided that the government would not surrender on registration of traders. She quoted the prime minister as saying: "We will not step back from our stance and traders will have to register themselves under tax net."
A successful shutter down strike was observed by traders all over the country on Saturday in protest against documentation of commercial activities.
However, Dr Awan said the strike was observed by some traders belonging to traders' wings of opposition parties, not by entire traders' fraternity.
According to her, the prime minister said the country was facing an enormous burden of foreign debts and therefore it was the need of the hour that everyone should contribute to the efforts to stabilise the crippling economy. She quoted the prime minister as saying: "Half of our income goes into debt retirement and this situation requires that all trade activities should be documented so that everyone can play their role for the stable economy."
The prime minister said how a country could run if only 1 to 1.5 million people among the population 210m paid taxes.
Dr Awan said PM Khan formed a committee to ascertain the reasons for the Reko Diq predicament and fix responsibility for it.
She said the committee to be headed by Law Minister Farogh Naseem would comprise Economic Affairs Minister Hammad Azhar, Attorney General Anwar Mansoor, the PM's adviser on Institutional Reforms Dr Ishrat Hussain, Special Assistant to the PM on Accountability Shahzad Akbar and the PM's aide Shahzad Syed Qasim.
Federal Minister for Communication Murad Saeed, while jointly addressing the press conference with Dr Awan, said more than Rs4.3bn had been spent on security, camp offices and travels of Nawaz Sharif, Rs3.16bn on Asif Ali Zardari, Rs8.72bn on Shahbaz Sharif, Rs350 million on Shahid Khaqan Abbasi, Rs245m on Yousuf Raza Gilani, Rs32m on Raja Pervez Ashraf and Rs300m on Mamnoon Hussain while they were in power.

Mr Saeed said 1,600 security personnel had been deployed on the security of the Sharif family members and Rs8.3bn spent on their security during last 10 years. The minister said Shahbaz Sharif misused official aircraft of the former prime minister and paid 526 visits inside and 30 trips outside the country on which Rs417m was spent. Similarly, Rs2.14bn was spent on renovation and other expenditures of Jati Umra, the residence of the Sharif family in Raiwind.
The cabinet meeting expressed concern over increasing prices of kitchen items, including wheat flour (atta), pulses and sugar, and decided to take action against responsible people with the help of the provincial governments.
Adviser to the PM on Climate Change Malik Amin Aslam, who was also present in the press conference, said the cabinet had decided to ban plastic shopping bags and this would start from Islamabad.
He said such bans had already been imposed in 1994, 1995, 2001 and 2013 but all remained fruitless. “We are following the policies of some developed countries and imposing a new kind of ban under which manufacturers, sellers and users of plastic shopping bag will be fined,” he added.
The adviser said the ban would be imposed through an ordinance under which a manufacturer of plastic shopping bags would have to pay a fine ranging between Rs5,000 to Rs50,000, a seller from Rs10,000 to Rs50,000 and a user Rs5,000.
He said 55bn plastic bags were used and then thrown into drains, streams, rivers and sea every year in Pakistan.
Mr Aslam said the government would hold four camps to create awareness among the people on the issue and provide 100,000 specially manufactured plastic bags to the people which could be re-used for different purposes. “We are committed to make Pakistan a clean and green country,” he added.
The cabinet approved appointment of Mohammad Shahbaz Jamil as president of the Zarai Taraqiati Bank Limited, Dr Nasir Khan as executive director of National Vocational and Technical Training Commission and Tauseef H. Farooq as chairman of National Electric Power Regulatory Authority. Chief Commissioner of Islamabad Amir Ali Ahmed was allowed to continue to hold his additional charge as chairman of the Capital Development Authority for three months.
It was also decided in the cabinet meeting that the government would expose alleged corruption of former rulers (the leaders of the Pakistan Muslim League-Nawaz and Pakistan Peoples Party) on a daily basis on the media.
In this connection, Federal Minister for Ports and Shipping Ali Zaidi, Hammad Azhar and Shahzad Akbar held a separate press conference and provided some details of corruption allegedly committed by leaders of the PML-N and the PPP.
https://www.dawn.com/news/1494550/decision-to-register-traders-wont-be-withdrawn-cabinet-resolves

KCCI TALKS TRADE AND INVESTMENT TIES WITH US DIPLOMAT

The Newspaper's Staff ReporterUpdated July 17, 2019

KARACHI: The Chief of the Economic Unit of Consulate General of United States Chad Miner met with Karachi Chamber of Commerce and Industry (KCCI) president Junaid Esmail Makda and other officials on Tuesday.
Both sides discussed the possibility of an expansion in trade and investment ties between the United States and Pakistan.
The two sides discussed removal of issues faced by Pakistani manufacturers exporting their products to the US can help stimulate bilateral trade and investment. The KCCI president highlighted that the China-Pakistan Economic Corridor was a good opportunity for many US companies.
Makda pointed out the need for a bilateral free trade agreement between Islamabad and Washington to pave way for enhanced trade and investment ties. He further urged local manufacturers to take full advantage of the Generalised Systems of Preferences (GSP) opportunity keeping in view the withdrawal of GSP facility to India and Turkey.
“Under GSP, approximately 3,500 Pakistani products have been granted duty-free access to the US,” he said. However, he lamented that the list did not include textile products. He expressed hope that Prime Minister Imran Khan will take up the issue with US authorities during his visit to the Washington next week.
https://www.dawn.com/news/1494565/kcci-talks-trade-and-investment-ties-with-us-diplomat

TRADERS BODY SEEKS CLARITY ON COLLECTION OF VARIOUS TAXES

The Newspaper's Staff ReporterJuly 20, 2019

LAHORE: The All-Pakistan Anjuman Tajran has urged the Federal Board of Revenue (FBR) to explain various complications in the general sales tax and turnover tax collection before the tax laws come into force by Aug 1.

In a communiqué sent to the FBR chairman on Friday, the traders' body sought clarification on who should be booked for enlisting wrong identity card number on the sales invoice worth Rs50,000 and above -- the shopkeeper or the customer, if the latter submitted the wrong information.
Regarding the sales tax rules, it requested for explanation on collection of 7.5 per cent tax on purchase of merchandise by a retailer not included in the Active Taxpayers' List presuming 10pc profit on the consignment.
In the letter, the traders body asked: "As the government has decided to offer fixed tax scheme for the retailers, will the scheme cover both income tax and sales tax? And if a retailer opts for the fixed tax scheme, what will be the situation of the 7.5pc tax recovery rule to be recovered from him in case of not being on the Active Taxpayers' List?"
The letter sent on behalf of All-Pakistan Anjuman Tajran General Secretary Naeem Mir also questions 17pc extra GST plus 3pc fine from customers who refuse to mention their identity card numbers for the sales invoice worth Rs50,000 and above, as the customer will already be paying 17pc GST.
https://www.dawn.com/news/1495031/traders-body-seeks-clarity-on-collection-of-various-taxes

TEXTILE EXPORTS DOWN 1.42PC IN FY19

Javed MirzaJuly 21, 2019

KARACHI: The country's overall textile sector exports declined 1.42 percent to $13.329 billion in the fiscal year ended June 30, 2019, as high cost of doing business kept the sector under pressure, latest government data showed.
"With the government withdrawing zero-rated status of the five export-oriented sectors along with hefty amount of refunds yet to be distributed by the Federal Board of Revenue (FBR), growth in exports is anticipated to remain modest, despite hefty rupee devaluation," an analyst at Pearl Securities said.
"However, we highlight recently negotiated CPFTA-II with China as an important development, which has the potential to enhance the country's exports over the course of next year," he said.
Textile exports fell 15 percent in June 2019 to $1.01 billion as against $1.19 billion in the same month of the last year, data released by the Pakistan Bureau of Statistics (PBS) suggests.
Exporters said uncertainty in exchange rate and budgetary measures negatively impacted exports, as the cost of raw material surged, while non-issuance of stuck-up refunds aggravated the liquidity crunch.
Knitwear exports grew seven percent to $2.89 billion during the fiscal year 2018/19, compared with $2.711 billion in the preceding fiscal year.
Similarly, the exports of readymade garments exhibited three percent growth to $2.65 billion during the year as against $2.577 billion in the preceding year.
The exports of raw cotton and cotton yarn witnessed decline of 65 percent and 18 percent during the comparative fiscal years, respectively.
However, bedwear exports remained flat at $2.262 billion in the fiscal year 2018/19.
"Although textile exporters have increased volumes, tough international competition has made it highly difficult to maintain prices," Ahmed Lakhani at JS Global Capital said.
The State Bank of Pakistan (SBP) in its third quarterly report on Pakistan Economy said the stagnation in overall textile exports stem med from a slowdown in export growth (in value terms) of readymade garments and knitwear items, and Year-on-Year (YoY) declines in cotton fabric and yarn exports.
Except for yarn, export values of all these major products suffered from a drop in unit prices, as quantum exports grew appreciably.

The drop in dollar-based unit prices was mainly owed to exchange rate adjustments, as exports rose significantly in rupee terms, the State Bank of Pakistan said.

In the rupee term, textile exports registered 22 percent growth during 2018/19, compared with the preceding fiscal year.

https://www.thenews.com.pk/print/501238-textile-exports-down-1-42pc-in-fy19

NEWS COVERAGE PERIOD FROM JULY 22nd TO JULY 28th 2019

DPP'S QUARANTINE WING CONTINUE TO CREATE HINDRANCES FOR TRADERS: KCCI

RECORDER REPORT JUL 26TH, 2019 KARACHI

President of Karachi Chamber of Commerce and Industry (KCCI) Junaid Esmail Makda has said that the business community has been facing a lot of issues and barriers due to Department of Plant Protection's Quarantine department.

"The Quarantine department of the DPP continues to create problems for traders who are either exporting or importing goods," he said, expressing deep concerns over meagre number of workforce at the DPP. He was speaking at an awareness session organised at KCCI.

Makda called it a very serious issue hence he said they seek help from President Dr Arif Alvi because he, during his recent visit to Karachi, had assured to get the issue of limited workforce at DPP resolved on priority.

Sharing the experience of his recent visit to SGS Pakistan, KCCI president said that all the laboratories at SGS Pakistan were well-equipped and everything was available under one platform and it was really heartening to see that certification for the textile sector, which was the mainstream of Pakistan's exports, was also being provided by SGS Pakistan through state-of-the-art laboratories and testing facilities as per international standards.

"The SGS Pakistan has evolved into a dynamic team of specialists in the related disciplines of quality verification, supported by state-of-the-art testing laboratories and advanced technology," he said, noting that with its head office in Karachi and offices across the country, the SGS offers a broad range of services to all sectors, including agricultural, mineral, environmental, oil, gas & chemical, and industrial. He said that it helps them mitigate risks, expedite workflow and assure quality standards.

The KCCI chief said that manufacturing is invariably complex, therefore it requires tremendous attention to standards and regulations, needs compliance with quality, health and safety legislation and often, international regulations. In this regard, SGS has a comprehensive suite of services to help manufacturing processes run smoothly, he said.

Referring to SRO 237, he pointed out that it was made mandatory that the ingredients and details of the imported food products would be printed in Urdu and English languages on consumer packaging while the logo of Halal certification body would also be printed which was widely criticised by KCCI as it was technically impossible to get this new regulation implemented immediately yet the said SRO was enforced overnight, which resulted in blocking all the consignments even those which had already arrived at the ports or were in transit.

Realising the grievances faced by traders and on KCCI's request, Adviser to the PM for Commerce Abdul Razak Dawood extended its implementation for three months which KCCI warmly welcomed as it provided sufficient time period to foreign manufacturers of food stuffs to comply with recent amendments to the Import Policy Order 2016.

The SGS Pakistan Managing Director Abdul Razzak Lakhani stressed that the business and industrial community of KCCI must work collectively with SGS Pakistan to promote the standardisation of products both either being produced and imported in Pakistan or being exported to other countries which would certainly ensure sustainability and growth for the national economy.

"Developed world has focused on standardising products, processes and management system and also ensured regulatory, ethical and social compliances which must also be adopted by Pakistan as well in order to ensure sustainable economic development," he urged.

Lakhani further said that since its founding around 150 years ago, SGS Global Group has operations in 140 countries with a total workforce of 97,000 and 2,500 laboratories/ offices, giving SGS Pakistan the access to knowledge which was being mobilised to come up with the solutions that would definitely bring up the economy of Pakistan.

"We are operating in Pakistan since 1952 with around 1,000 specialists while comprehensive labs have been established in Karachi and Lahore," he said, adding they were practically working in every segment of economy, including agriculture, food, minerals, textile, leather, oil & gas, chemicals, equipment, refineries, power plants, fertiliser plants, pipelines and cement plants, etc. You name the commodity and you will find us offering services for the same," he asserted.

The SGS Pakistan's MD also spoke on activities in agriculture sector.

"We are practically involved in everything that is going out or coming in the country, including rice, wheat, sugar,

seeds, pulses or any other thing being traded as we intervene as third party and enjoy confidence of international players and also the governments because of our excellent services."
Lakhani said that SGS Pakistan holds comprehensive laboratories where visual, chemical, biological, pesticide, halal, GMO and many other testing and quality assessment facilities were being provided for various commodities, including beverages, meat, processed foods and frozen foods, etc.
He said SGS Pakistan was also providing the Farm Management service to enhance productivity of farmers by monitoring soil, seeds, fertilisers and pesticides.
He also referred to SGS Pakistan's activities in the Mineral Sector, saying whatever being explored in Pakistan, including zinc ore, copper ore, iron ore, coal or any other mineral, SGS Pakistan was there with complete geochemical laboratories and field services to help exploration sector.
https://fp.brecorder.com/2019/07/20190726500299/

FY19 SERVICES TRADE DEFICIT DOWN 30 PERCENT YOY

RECORDER REPORT JUL 28TH, 2019 KARACHI
The country"s services trade deficit sharply declined by 30 percent during the last fiscal year (FY19) supported by lower imports. The country"s services sector trade statistics were very encouraging during the last fiscal year as services import bill fell by 16 percent while exports remained stable. Services trade posted deficit of $ 4.265 billion in July-June FY19 compared to $ 6.068 million in the same period of FY18, depicting a decline of 30 percent or $ 1.083 billion.
The sharp decline in the services deficit also supported the external account. Contractions in import payments for both goods and services and a decent growth in workers" remittances were the primary factors behind lower current account deficit. These factors cumulatively offset the higher primary income deficit and a decline in export receipts during the last fiscal year. As a result, the current account deficit for FY19 declined by 32 percent to $ 13.587 billion.
The detailed analysis revealed that with 16 percent decline, overall services imports amounted to $ 9.55 billion in FY19 against $ 11.356 billion in FY18. During the period under review, services sector exports remained flat at $ 5.28 billion.
During the last fiscal year, the country earned $ 740 million on account of transportation services, $ 423 million from travel, $ 1.093 billion from communication, $ 56 million from construction services, $ 45 million from insurance sector, $ 90 million from financial sector and some $ 1.249 billion on account of government services.
Transportation payments stood at $ 3.647 billion, travel $ 1.586 billion, communication $ 441 million, other business services $ 2.457 billion, insurance $ 240 million, financial sector $ 160 million and government"s payments on account of services imports stood at $ 632 million during the period under review.
https://fp.brecorder.com/2019/07/20190728500990/

NEWS COVERAGE PERIOD FROM JULY 29th TO AUGUST 4th 2019

THE HYPERBOLE OF PAK-US TRADE

Fatima S AttarwalaUpdated July 29, 2019
“I see great trade with Pakistan. And I’m not talking about a little bit more. I’m talking about 10 and even 20 times what we’re doing right now,” said US President Donald Trump.
Those are big numbers to throw around. The United States is Pakistan’s top market accounting for 16 per cent of its exports in 2018. An increase of this magnitude would mean a jump of over $67 billion in our bilateral relationship, with exports increasing by $38bn.
Clearly, the words are hyperbolic. Trump pooh-poohed a 20pc increase in trade but even that would indicate a nearly $1bn increase in exports. Textiles dominate and make up over 80pc of exports to the United States.
Assuming an ideal scenario in which Pakistan and the United States are best buddies, what would it take for Pakistan’s textile sector to make such a leap?
Amongst the many hurdles are the age-old woes of ease and cost of doing business that the textile sector has been lamenting since time immemorial. Then there is the current macroeconomic environment that is scaring off investors. And last but not least, the shortcomings of the textile sector that render it uncompetitive even if all other variables are in place.
After the 2012 Baldia fire tragedy at a garment factory, Walt Disney sent a letter expressing concern about the safety standards in the industry. The upshot of it was that Pakistan was removed from the list of permitted sourcing countries since it scored 18 points on the World Governance Index (WGI) when the minimum qualifying requirement was 25 points.

“When Disney pulled out, it gave us two options — improve our WGI standing or join the Better Work Programme,” said Pakistan Textile Exporters Association Chairman Khurram Mukhtar.
Better Work is a programme run by the International Labour Organisation and the International Finance Corporation. Its objective is to improve working conditions in the garment industry and make the sector more competitive by bringing together diverse groups such as governments, global brands, factory owners, unions and workers.
However, when Pakistan approached Better Work, it was informed that it “currently had more candidate countries that it could accommodate”. This was back in 2013. An arduous process followed requiring feasibility studies and assessments.
Fast-forward to 2019, the process is finally bearing fruit and Pakistan is expected to be part of this programme this year, which will be funded by the Export Development Fund.
While there may not be a direct link between the Better Work programme and Pakistan’s exports, it increases arsenal in Pakistan’s ammunition, says Majyd Aziz, president of the Employers’ Federation of Pakistan.
The Disney ban did not materially impact Pakistan’s exports, which have averaged around $3.6bn over the last 10 years.
However, it did highlight concerns regarding compliance.
“We can’t take the risk to not be compliant, we will be sued!” Soorty Enterprises Managing Director Shahid Soorty says, contending they have to be ready for spot checks at all times. These words represent the generally held views of different big manufacturers/exporters representing various associations.
While the major players may be compliant with international standards, they do tend to outsource to Cut-Make-Trim (CMT) units, said a source in the sector.
CMT units are the most basic form of operations in the ready-made garment industry. Input and product specifications are provided by the retailer while garments are manufactured and packaged by CMT units.
Compliance covers issues like minimum wage, working hours, child labour, fire-fighting systems, working conditions, treatment plant, disposal of hazardous waste and so on. Some renowned international chains require a suite of additional compliance certificates as well.
While the big boys fulfil the requirements, the CMTs fly below the radar and adhere to far lax standards. Incidents like the Baldia factory fire draw attention to non-compliance in the sector and paint a negative picture, which costs the textile sector across the board.
A lot of pens have dwelled on the high cost of doing business in Pakistan, especially in the current macroeconomic environment, but it bears repeating.
“About 90pc of garment exporters are small and medium enterprises (SMEs),” says Shaikh Muhammad Shafiq of the Pakistan Readymade Garment Manufacturers and Exporters Association. “With the withdrawal of zero-rating and a liquidity crunch, they will have to leave the market.”
This sentiment was echoed by various associations of textile exporters that asserted that the medium and smaller players were being forced to exit.
“Bangladesh can supply five-pocket jeans at $7-7.5 while Pakistan quotes $8-8.5,” said Mirza Ikhtiar Baig, a denim exporter. “This is why the bulk of orders go to countries like Vietnam, Cambodia and Bangladesh whereas Pakistan gets only spillover orders.”
“We have a factory in Bangladesh because of its lower cost of production. We get a 7pc discount there by default,” said Mr Soorty. In order of importance, he stated the ease of doing business, wages, labour laws, energy and other facilities were the reasons why Soorty Enterprises opts to export from Bangladesh while also having operations in Pakistan.
Since the majority of Pakistan’s exporters are SMEs, they do not have the critical mass to enjoy economies of scale. At most, they manage to get a stall in international exhibitions but lack marketing skills. Nor are they savvy enough to bid online for tenders with competing nations.
The sector’s concerns and complaints notwithstanding, demand-side trends have changed over the last decade, which makes a dramatic increase in textile exports to the United States unfeasible in the short and medium terms.
Oil-based synthetic fibres have a lion’s share at 60pc of the world market while cotton’s share is about 25pc. Technological advances in synthetic fibres, better moisture absorbency and a lower cost of raw material make manmade fibre textiles a preferred option compared to Pakistan’s cotton-dominated exports.
There is a lack of research and development within the sector, a factor highlighted by the State Bank of Pakistan’s 2016-17 annual report that flagged a decrease in textile exports to the United States. The report stated that textile players are still “excessively focused on cotton-based textile and apparel products” when the market is moving elsewhere.
This situation is exacerbated by the absence of a strong domestic polyester industry with demand for manmade fibres largely met by imports.
The share of cotton products in the US textile imports decreased from 40pc in 2010 to 29.7pc in 2017, indicating a changing preference of consumers in foreign markets. Pakistan’s share in the textile and apparel imports of the United States in 2016 was 3pc, as per the US Office of Textile and Apparel. It was 5pc for cotton-based products. The

manmade fibre imports by the United States in 2016 were $52bn, of which Pakistan's insignificant exports were $200 million.
Yet the sector opts to fixate on its cost of doing business woes without taking into account the evolving trends that have come after years of high cotton prices and improving synthetic technology. The polo shirts and assorted apparel manufactured nearly two decades back are still the bread and butter of the garment industry.
Admittedly, the macroeconomic and business environments are key variables for Pakistan's textile export competitiveness. However, till firms move out of their comfort zones and take it upon themselves to improve operations and product offerings, any increase in exports will remain marginal at best.
https://www.dawn.com/news/1496845/the-hyperbole-of-pak-us-trade

AFGHANISTAN: SBP PROPOSES MASSIVE CHANGES IN TRADE REGIME

MUSHTAQ GHUMMAN JUL 29TH, 2019
ISLAMABAD: The State Bank of Pakistan (SBP) has proposed massive changes in trade regime with Afghanistan, including relating to settlement of export proceeds in Pak Rupees, sources close to Prime Minister"s Adviser on Finance told *Business Recorder*. These proposals came from the incumbent governor SBP, Dr Reza Baqir, who believes that the current trade facilitation mechanism with Afghanistan is one of the reasons for the stress on Pakistan"s exchange rate.
Conveying SBP"s concerns on Afghanistan-Pakistan trade related issues due to which Pakistan is facing a significant risk the governor SBP has asserted that Pakistan has been accommodating the trade related activities of Afghanistan since long in view of the geo-political situation in the region. Accordingly, to be in line with government"s policies, the SBP allowed the settlement of Pakistan"s exports to Afghanistan in cash US dollars over the counter of banks. Pakistan"s average exports to Afghanistan, through formal channel, during last five years, were $ 1.4 billion and almost 45 percent of this amount was settled in cash.
The Ministry of Commerce and Textile has also allowed settlement of export of certain perishable goods, eg, fruits, vegetables, dairy products and meat to Afghanistan in Pak rupees. Pakistan extended such facilitation due to the fact that Afghanistan is a land-locked country and lacked well-established banking/financial systems. Therefore, almost 50 percent of Afghanistan"s trade is routed through Pakistan under Afghan Transit Trade Agreement. However, Pakistan is paying a huge cost for this facilitation for quite some time.
The Governor argued that it has been highlighted at various fora that a significant part of exports destined for Afghanistan using Pakistan"s land route are smuggled into Pakistan. This on the one hand hampers the growth of local industries and on the other causes loss to exchequer on account of duties, taxes etc. The third detrimental impact in the payment for such goods is that they are arranged through illegal channels (Hundi/Hawala).
The Central Bank asserts that the current mechanism causes unwarranted demand of foreign exchange in the local market and also places a stress on Pakistan"s exchange rate. Secondly, this has also resulted in rampant smuggling of currencies to and from Afghanistan which carries the risks of financing various illegal activities including terrorism, money laundering, illegal trade practices etc. This risk has been highlighted by Asia Pacific Group as well in its recent assessment of Pakistan.
According to the governor SBP, the Bank has also raised this matter at various fora in the past starting from January 2016. In this backdrop, following proposals have been submitted to Finance Ministry: (i) revisiting of existing policy in settlement of Pakistan"s exports to Afghanistan through banking system instead of settlement in cash US dollar over counter of banks whereby all the exports proceeds should be realized; (ii) reviewing current policy of the government (Ministry of Commerce and Textile) on settlement of exports of perishable goods from Pakistan to Afghanistan in Pak Rupees and resumption of normal process for repatriation of export proceeds through banking channels; and (iii) putting in place an effective control mechanism through a consultative process to curb the smuggling of goods into Pakistan under the garb of APTTA.
Prime Minister"s Adviser on Commerce, Textile, Industries and Production and Investment, Abdul Razak Dawood is also against prevalent trade regime with Afghanistan which he has pointed out is hurting domestic industry more than benefiting the country.
According to IMF"s staff report Pakistani authorities have informed the Fund that National Executive Committee (NEC) is monitoring and coordinating efforts to implement the FATF action plan. The Asia Pacific Group on money laundering is expected to discuss Pakistan"s mutual evaluation report in August 2019. Pakistan has also sought technical assistance from providers, including the IMF, to support its efforts to complete action plan and further strengthen the effectiveness of the AML/CFT regime.
Recently, Prime Minister Imran Khan also presided over a meeting on smuggling which was attended by different stakeholders including the army and discussed different options to deal with this issue. Afghan delegation which was in Islamabad a few days ago urged Pakistan to also tighten control on its side to curb smuggling.

https://fp.brecorder.com/2019/07/20190729501130/

STAGNANT EXPORT GROWTH INDICATES SEVERE STRUCTURAL CHALLENGES

By Aadil Nakhoda Published: July 29, 2019

KARACHI: The trade summary published by the Pakistan Bureau of Statistics (PBS) for FY19 highlights major challenges on the external front.

Although imports declined by 9.86% in FY19 over the value reported in FY18, exports too dropped by 1%. The lack of export growth is disconcerting. The failure to increase exports at a time when the real effective exchange rate is close to 100 is a cause for concern.

The lack of export growth at a time when exporters receive greater incentives accompanied by weakening currency suggests severe structural issues. Although imports may continue to decline as demand falls for many major goods, it is imperative that policymakers focus on addressing the issue of stagnant export growth and increasing global competitiveness of domestic firms.

According to the FY19 export data extracted from the PBS, the petroleum group was the only major group that showed an increase in value in dollar terms over FY18. However, a closer look suggests that export of knitwear and readymade garments also increased in value but the increase in quantity significantly outweighed the rise in dollar terms.

Benefits in rupee terms failed to translate into an increase in much-needed dollar revenues. Interestingly, there was an increase in export of petroleum crude by 49% as more than $285 million worth of the product was exported from Pakistan in FY19, suggesting a mismatch between its import and local demand.

On the other hand, imports declined in dollar terms in FY19 as compared to the value in FY18 for all major products except for petroleum. Import of machinery fell by more than 20% with a decrease of more than 50% in power generating machinery and equipment and fall of 18% in import of electrical machinery and apparatus.

Furthermore, there was a decline in the import of road motor vehicles driven by completely built units (CBUs).

Import of parts and accessories of vehicles dropped by 15%, suggesting a fall in local production of automobiles.

Import of petroleum crude and liquefied natural gas (LNG) increased by 12% and 44% respectively. This points to the restructuring of imports as the composition has shifted from import of machinery towards import of items in the petroleum group.

According to data of export receipts extracted from the State Bank of Pakistan (SBP), there was an increase in export receipts from China and the United States between July 2018 and May 2019 compared to the same period of previous year.

On the other hand, export receipts from Afghanistan, Germany and the United Kingdom either stagnated or decreased. The decline in export receipts from Afghanistan was calculated at 30%.

Considering the data of import payments, the payments to China decreased by approximately 10%, payments to Japan dipped by 16% and payments to Singapore decreased by 22%.

On the other hand, payments to Qatar increased by more than 33% due to the increase in demand for LNG from Qatar. This again suggests a change in composition as Pakistan has increased import of fuel and reduced import of machinery, vehicles and electronic appliances.

Although it is obvious that the burgeoning trade deficit may require measures to reduce the gap, results will only be sustainable if exports increase. The policymakers must consider integration of the country into regional and global value chains.

This will require efforts to improve quality and standards of production. Even though larger countries are adopting policies to limit foreign trade, countries such as Vietnam and those belonging to the African Union have recently signed free trade agreements (FTAs) at global and regional levels.

Trade agreements help to not only lower the cost of production but also raise export competitiveness of firms as they provide access to essential markets. Unfortunately, poorly negotiated trade agreements can also lead to high levels of trade deficit.

Pakistan-China FTA is blamed for the burgeoning trade deficit of Pakistan rather than to be seen as an opportunity to increase exports.

A new phase of the FTA between Pakistan and China was signed in April 2019 with the intent of boosting exports from Pakistan to China and reducing the large trade deficit.

A closer look at the agreement suggests that upstream textile producers, such as those producing cotton yarn, have been the biggest beneficiaries in terms of export gains under the FTA.

According to data extracted from the ITC's Trademap.org for studying trade patterns, China had imported less than $100 million worth of a particular variant of uncombed single cotton yarn from Pakistan in 2005. However, this increased to more than $1.26 billion in 2014.

With total imports by China from Pakistan at $2.8 billion, the focus was highly concentrated in a few products. Downstream industries report a negligible rise.

Pakistan had already received major concessions for export in the first phase but failed to utilise them. Furthermore, China is now providing more relief on tariffs to Pakistani exporters.

Therefore, establishing joint ventures with Chinese firms is essential to increase export of products receiving immediate tariff relief, particularly those that are not commonly exported to China but have potential, such as leather and plastic products.

On the other hand, tariffs on imports from China into Pakistan are also likely to be reduced further for products that are frequently imported such as machinery, chemicals and allied products, base metals and vehicles.

It is imperative to note that the FTA with China laid the foundation of the China-Pakistan Economic Corridor (CPEC) as it provided easier access for import of essential Chinese goods. The success of CPEC should be linked to industrial development in Pakistan.

FTAs with various countries not only facilitate market access but also provide opportunities to procure inputs at the most competitive rates, especially when local producers have failed to produce quality substitutes.

Promoting trade linkages with the Association of Southeast Asian Nations (Asean) can benefit Pakistan and its small and medium enterprises as several Asean member countries specialise in the trade of parts and components. It is essential that the government balances its desire to accumulate customs revenue and improve business competitiveness.

The writer is Assistant Professor of Economics and Research Fellow at CBER, IBA

https://tribune.com.pk/story/2023517/2-stagnant-export-growth-indicates-severe-structural-challenges/

BILATERAL TRADE BETWEEN VIETNAM, PAKISTAN URGED

RECORDER REPORT JUL 30TH, 2019
KARACHI: Vietnam's head of trade mission and Commercial Counselor, Nguyen Hong Tan, urged industrialists to invest in Vietnam for promoting bilateral trade between Vietnam and Pakistan. During his visit at North Karachi Association of Trade and Industry (NKATI), he said that Vietnam's businessmen are interested in joint partnership with Pakistani businessmen.
He said that special economic zone has been established in Vietnam for foreign investors with a favourable business environment and the best infrastructure, where Pakistani investors can establish their units, also offer affordable labor support, while Pakistani entrepreneurs can also promote bilateral trade through joint venture with Vietnam's businessmen. "Pakistani businessmen explore Vietnam's markets and look for new export sectors for which they would be facilitated," he said.
https://fp.brecorder.com/2019/07/20190730501385/

TAX DOCUMENTATION: TRADERS ANNOUNCE 4-DAY SHUTTER-DOWN STRIKE

TAHIR AMIN AUG 1ST, 2019
ISLAMABAD: All Pakistan Anjuman-e-Tajiran (APAT) Wednesday announced to observe four-day countrywide shutter-down strike against measures taken by the government including documentation requirements and new tax system introduced in the budget 2019-2020.
Addressing a press conference, the APAT office-bearers said shutter-down strike would be observed phase-wise. In the first phase, the traders would observe countrywide strike on 15th and 16th Aug against the government's taxation measures introduced in the budget.
The traders will observe another strike on 26th and 27th Aug as well if their demands are not met, said traders union representatives including APAT chairman Ajmal Baloch, central general secretary Naeem Mir, Kashif Chaudhry and others.
However, Baloch said traders are ready to talk if the govt is ready to resolve their problems. He further rejected the notion of non-payment of taxes by the traders, adding that the traders' community is paying taxes. He said the prime minister should protect the traders from the looters within tax departments.
The traders demanded that Prime Minister Imran Khan in consultation with the traders should announce forthwith amendments in the budget; otherwise the traders would go for complete shutter-down for an extended period.
They were of the view that without bringing any reforms in the Federal Board of Revenue (FBR), the government handed over budget matters to the International Monetary Fund (IMF).
The traders lambasted the government, saying that anti-business measures with the slogan to improve country's economy are actually creating difficulties for survival of the masses. The country is moving towards destruction with the new policies, they added.
Talking to Business Recorder, Kashif Chaudhry said shutter-down strike call is unanimous decision of all trade bodies. This time markets from Peshawar to Karachi would remain shut, he claimed. He further said that 32-point charter of demand was presented to the government for improving economy, but the government did not respond positively. He admitted that such shutter-down strikes would result in unemployment and closure of industries.
The traders had earlier observed a strike on July 13 as they refused to submit tax returns of 2019 until acceptance of their demands. The business community gave a mixed reaction to the countrywide shutter-down strike given by the traders' bodies to protest the imposition of certain taxes in the budget. The traders have been demanding the government to remove the new condition of presenting computerised national identity cards (CNICs) for purchases of over Rs 50,000.
FBR chairman Shabbar Zaidi said condition of CNIC is part of a larger drive against the tax evasion. There are about 381,000 trading units that fall under the sales tax jurisdiction, but only 47,000 of them are registered. Of the

registered trading businesses, only 17,000 pay sales tax to the government. The government wants to change that equation by bringing more traders in the tax net, he said.
https://fp.brecorder.com/2019/08/20190801501961/

GOVT TO INTRODUCE FIXED TAX REGIME FOR SMALL TRADERS

By Our Correspondent Published: August 2, 2019

ISLAMABAD: The government would soon introduce a fixed tax regime for small traders, after which they would not be bound to collect CNIC copy on sale of more than Rs50,000, said Federal Minister for Economic Affairs Muhammad Hammad Azhar, while addressing a post-budget conference at the Islamabad Chamber of Commerce and Industry (ICCI).

However, he said, the CNIC condition would be mandatory for business-to-business (B2B) transactions and the government would not reverse the decision at any cost.

Azhar said the contribution of retail sector to the gross domestic product (GDP) was 20%, but its share in taxes was just 0.25%. He said 80-90% of retailers were not registered with the tax department and the government was determined to bring the sector into the tax network.

The government had to increase the tax revenue by 35% during fiscal year 2019-20, he said and urged the business community to cooperate.

The minister said due to policies of the previous government, the country experienced de-industrialisation.

The current government would further strengthen the industry, he emphasised, adding that for the purpose, the duty on import of industrial machinery would be reduced in the next budget. “Forty per cent of tax revenue is collected at the import stage and the government wants to rationalise it,” he added.

Azhar pointed out that the State Bank’s policy rate was enhanced to control inflation and with the reduction in inflation, the key interest rate would also be reduced.

Commenting on high electricity tariffs, the minister said 40% of electricity was being produced through imported fuel and the government was working to generate energy through hydel and other domestic sources, which would bring down the energy cost.

The Federal Board of Revenue (FBR) was being automated, which would minimise interaction between the taxpayers and tax collectors, he said and added that the previous government increased the circular debt to Rs453 billion in one year, while the current government would slash the debt to zero in two years.

Speaking on the occasion, ICCI President Ahmed Hassan Moughal said tax rates were high in Pakistan, due to which people were avoiding tax payments.

He emphasised that the government should address the reservations of traders about the CNIC condition. He said sales tax rate should be reduced to single digit, which would bring down the cost of doing business and inflation.

He suggested that the government should reduce duties on the import of industrial machinery in order to give a boost to industrialisation, employment, exports and tax revenue.

https://tribune.com.pk/story/2026248/2-govt-introduce-fixed-tax-regime-small-traders/

KARACHI TRADERS DIVIDED ON POST-EID STRIKE CALL

Aamir Shafaat KhanUpdated August 04, 2019

KARACHI: Consensus failed to develop amongst various trade bodies in the city over the post Eidul Azha strike call given by All Pakistan Markazi Anjuman Tajiran (APMAT), with some groups stressing that ‘continued dialogue with the government must be the preferred route’.
A meeting held few days ago at a local hotel in Karachi was called upon to bring all trade bodies on one page besides garnering support for countrywide shut down on August 15-16, 2019. However, things have not worked out so far.
Earlier on, owing to the split among trade bodies, Karachi witnessed partial closure of markets and shopping centres on July 13.
A member of Karachi Tajir Action Committee (KTAC), Sharjeel Gopalani said the association’s members will meet with Federal Board of Revenue Chairman Shabbar Zaidi on Monday at the FBR House in Islamabad to discuss budgetary measures and their negative impact on trade.
When asked whether he would support the call for a countrywide shutter down strike on August 15-16, he said, “We believe in holding discussions with the FBR to resolve the issues.” Besides, he said, two main leaders of APMAT Naeem Mir and Kashif Chaudhry have not contacted him regarding a decision on the strike call.
Sharjeel also claimed that the KTAC members, who are going to meet chairman FBR, also include those market representatives who had closed down their shops on July 13.
He said the committee would hold meetings on the 11-point agenda besides various SROs owing to which trade and business activities had been adversely affected. “We are also not satisfied on fixed tax regime proposal,” he added.
President Karachi Electronic Dealers Association (KEDA), Mohammad Irfan Rizwan, said he would first take his members into confidence and then decide to become part of KTAC’s Monday meeting.
The Electronics Market in Karachi saw a complete shutter down on July 13.
“It is true that various trade bodies of Karachi have yet to take a united stand on the harsh budgetary measures and every association has its own agenda,” he said. “Many traders know that the government has not resolved any issues that created problems for business community since Budget 2019-20, he added.
Some traders’ groups had deviated from the July 13 strike call. These groups were engaged in the meeting with the government representatives while traders belonging to the other camp had kept their shutters down to support Punjab-based traders’ body.
Chairman All Karachi Tajir Itehad (AKTI), Atiq Mir said he had no information regarding the FBR meeting with the KTAC.
However, he hoped that the FBR chief would come to Karachi next week to resolve various issues before country wide closure.
On this issue of fixed tax regime, he said, “The government needs to make some amendments. Traders are not agreeing to pay fixed tax per square ft of shops. Instead, the FBR should make it easy for collecting fixed tax on sale volume of shopkeepers.”
He said he could not understand why some members of the KTAC are willing to meet FBR chief when these trade representatives had been claiming that the government had resolved their major issues.
One of the main issues of going for shutdown post Eid is the mandatory requirement of providing CNIC for sale and purchase of goods of transaction of Rs50,000 and above. However, so far trade bodies are not ready to comply with the requirement.
Talking to Dawn APMAT Central General Secretary Naeem Mir said that chairman Khawaja Mohammad Shafiq is going to Karachi on Monday to meet all the market representatives to make the post-Eid market shutdown a real success.
He said the feedback of trade representatives of Karachi would be more important for making future strategy.
Mir said he had been mainly in regular touch with Atiq Mir, Mohammad Rizwan and Jamil Paracha but would try to contact others if they complain for not reaching them.
When asked that a group of traders is meeting the FBR chairman on Monday, he said he had no knowledge.
He admitted that the July 13 strike in Karachi remained partial owing to difference of opinion among trade bodies.
Markaze Tanzeeme Tajiran Pakistan President Kashif Chaudhry told Dawn that he had been trying to contact all trade bodies of Karachi to firm up their support for a country-wide shutter down after Eid.When asked that some members of Karachi Tajir Action Committee (KTAC) had complained regarding no contact, he said “I have been trying to bring them on one page. I am going to Karachi on Sunday to intensify efforts for traders’ united stand on strike.

https://www.dawn.com/news/1498042/karachi-traders-divided-on-post-eid-strike-call

AUGUST, 2019

NEWS COVERAGE PERIOD FROM AUGUST 05th TO 11th 2019

ENHANCE EXPORT CAPACITY TO CATER TO CHINESE MARKETS, SAY EXPERTS

Kalbe AliAugust 06, 2019

ISLAMABAD: Experts at a seminar on Monday called upon the government to enhance its export capacity to cater to the demand of Chinese markets at competitive pricing as the second phase of the Free Trade Agreement (FTA) between Islamabad and Beijing is being finalised.

The seminar, 'Pakistan China Free Trade Agreement (FTA): where we are and where we are going?' was organised by the Sustainable Development Policy Institute (SDPI).

The speakers termed FTA a silver lining for Pakistan's economy.

Dr Wang Zhihua, Minister Counsellor Economics and Commercial Section at the Chinese embassy, said though trade volume between Pakistan and China had increased, trading imbalance remained the biggest challenge for the government and the business community of Pakistan.

"The main reason behind the trade imbalance between the two countries is of structural in nature where China has strong manufacturing base to export goods compared to import," he said, adding the finalisation of the second phase of FTA on the sideline of the second Belt and Road Forum would help resolve these issues and further strengthen bilateral trade ties.

Dr Zhihua said as per the FTA phase two, China had agreed to eliminate duties on more than 300 products, especially in the agriculture sector where Pakistan had the potential to expand its export basket to China.

He said China also encouraged more business to business interaction activities to help Pakistani business community learn more about Chinese demand and needs.

Project Director and Focal Person for CPEC Hassan Daud Butt said the previous two FTAs could not yield the desired results and paved the way for another revised agreement for the benefit of both the countries.

"In the previous FTAs, there were no safeguard measures for industries, no synergy between relevant institutions and the balance of payment vision was not incorporated. Besides, no data exchange policy was agreed to counter under-invoicing issues."

He argued that due to the lack of efficiency and relatively lower productivity of human resource, Pakistan was lagging behind in the race of competitiveness compared to its peer countries in the region and in the world.

He stressed the need for enhanced efficiency and urged the business community to initiate joint ventures with the Chinese businesses.

Mustafa Hyder Sayed, Executive Director Pakistan-China Institute, stressed the need for changing the mindset when it comes to trade with China.

"We always look for concessions, favours and grants and fail to develop our own market and industries" he said, adding the government and the business community of Pakistan should change the mindset.

https://www.dawn.com/news/1498348/enhance-export-capacity-to-cater-to-chinese-markets-say-experts

UAE PULLS WTO TRADE COMPLAINT AGAINST QATAR

AFPAugust 09, 2019

ABU DHABI: The United Arab Emirates withdrew on Thursday a complaint it had made to the World Trade Organization accusing Qatar of imposing discriminatory trade restrictions on its goods.

"Qatar withdrew the measures in question, in order to address the claims" which led Abu Dhabi to discontinue its action against Doha, the UAE foreign ministry said in a statement.

The UAE, whose complaint was referred to a WTO dispute resolution panel in May, has enforced a complete economic embargo of Qatar along with Saudi Arabia and other regional allies since June 2017.

The Saudi-led bloc, which also includes Bahrain and Egypt, accuses Doha of supporting Islamist movements and backing Iran, a claim Qatar rejects.

The UAE previously said the measures it challenged "appear to be inconsistent" with WTO agreements.

"Qatar's discriminatory measures against goods... originating from the United Arab Emirates, imposed in May and June 2018, violated Qatar's obligations and commitments as a member of the WTO," added the Emirati statement.

https://www.dawn.com/news/1498912/uae-pulls-wto-trade-complaint-against-qatar

PAKISTAN FORMALLY SUSPENDS TRADE WITH INDIA

Mubarak Zeb KhanUpdated August 10, 2019

ISLAMABAD: Pakistan on Friday formally downgraded its trade relations with India to the level of Israel with which Islamabad has no trade ties at all.
In reaction to India's decision to revoke Article 370 of its constitution that granted occupied Kashmir a special status, Pakistan has downgraded diplomatic relations with India and now suspended bilateral trade with it.
On Friday, the federal cabinet headed by Prime Minister Imran Khan endorsed the decisions taken by the National Security Committee and the joint session of parliament, which include suspension of trade ties with India.
Special Assistant to the Prime Minister on Information Firdous Ashiq Awan, replying to a question at a media briefing, said that Pakistan had also suspended import of Indian goods under the Pak-Afghan transit treaty.
Two different notifications were issued soon after the cabinet meeting to implement the decision to suspend bilateral trade with India with immediate effect and until further orders. As per notification SRO928 of 2019, all kind of exports to India have been suspended by amending the Export Policy Order 2016.
Through the other notification — SRO927 — by amending the Import Policy Order 2016, the government has banned import of goods of Indian origin or those imported from it. Earlier, this ban was only limited to imports from Israel. In February Pakistan did not reciprocate to the New Delhi decision to withdraw the Most Favoured Nation (MFN) status to Islamabad in the backdrop of Pulwama attack.
India had granted the MFN status to Pakistan in 1995. The term means the country which is the recipient of this treatment must receive equal trade advantages by the country granting such treatment
A day later, India slapped 200 per cent import duty on Pakistani goods.
The restrictions imposed by India in the backdrop of Pulwama attack have affected the flow of bilateral trade. The value of bilateral trade in February was $164m, which fell to the level of $105m in June.
Pakistan's imports have already entered negative growth with almost all countries, except India, as Islamabad mostly imports raw materials from India.
Maximum share of imports constitutes p-Xylene (an important chemical feedstock), polypropylene (a thermoplastic polymer used in a wide variety of applications), reactive dyes and preparations based thereon, pharmaceuticals and tea, respectively.
Approximately 100 other products are imported from India but these remain less in values in a few millions of dollars.
The bulk of Pakistan's exports to India include fresh fruits — dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried — cement, the second biggest exportable product, and sesame seeds, the third biggest export to India. The fourth biggest Pakistan export to India is gypsum.
And the export of almost 100 other products to India is valued at less than $5m per year.

https://www.dawn.com/news/1499076

GWADAR FREE ZONE SET TO WIN TAX RELIEF

By Shahbaz Rana Published: August 10, 2019

ISLAMABAD.: The National Development Council (NDC) has decided to grant tax concessions to business units that would be set up at the Gwadar Free Zone under the China-Pakistan Economic Corridor (CPEC) — an issue that has remained in limbo for the last three years over fears that the move would adversely impact other economic zones of the country.

The NDC — a body formed to give a formal role to the military in economic policymaking — directed the prime minister's finance adviser to notify the sweeping concessions, sources in the Ministry of Finance told The Express Tribune.

The meeting of the forum, presided over by Prime Minister Imran Khan and with army chief General Qamar Javed Bajwa in attendance, was held on Thursday.

The sources said finance adviser Hafeez Shaikh had assured the NDC that the matter would be resolved soon.

But the adviser will require a report giving the nod to the move from an inter-ministerial committee, which has been looking into the matter for quite some time.

The sources said that because of the NDC's intervention, the matter would soon land in the Economic Coordination Committee (ECC) of the Cabinet for approval.

Earlier, Shaikh had instructed the Ministry of Finance to fast-track the process but the matter remained unresolved.

Progress on CPEC projects has come to a grinding halt since the Pakistan Tehreek-e-Insaf (PTI) government has come to power.

There has been little headway in the second phase of CPEC and the prime minister on Friday chaired a meeting to address the issues delaying the setting up of the CPEC Special Economic Zones.

Gwadar Port is described as the most significant strategic pearl in China's plan of expanding its influence in the Arabian Sea — a move that India sees as a threat to its hegemonic designs.

China is developing the Gwadar port as a strategic and commercial hub under its 'One-Belt One-Road' initiative that promises shared regional prosperity. CPEC is one of many arteries of the 'One-Belt One-Road'.

The Gwadar Free Zone is part of the overall port city's development plan. The original Gwadar Port Concession Agreement was signed between the Gwadar Port Authority and the Port of Singapore Authority, which the ECC approved in 2007.

In February 2013, the China Overseas Ports Holding Company Limited (COPHCL) took over the operations of the port from the Singaporean company. The concession agreement included tax holiday for both the Gwadar port operators and the businesses being set up there.

The previous government of the Pakistan Muslim League-Nawaz (PML-N) had notified a 23-year tax holiday for the port operator but the issue of similar concessions for industrial units remained pending.

The first phase of the Gwadar Free Zone was completed in January 2018 and the light industries that are being set up there are waiting for a notification to import construction and raw material, according to an official working at the free zone. The COPHCL, however, did not officially comment on the matter.

The ECC took up the issue in February this year but deferred making a decision because of a difference of opinion among various ministries.

The Ministry of Maritime Affairs proposed that the income derived from the Gwadar Free Zone should be exempted from tax for 23 years, starting from the date of notification. It also suggested that the contractors and the sub-contractors of the free zone should be exempted from paying income for 23 years. Besides, it also proposed giving tax relief on the profit on debt by foreign lenders of the free zone for the same period.

According to another proposal, all visiting foreign and local ships and fishing vessels at the Gwadar Port and business established in the free zone should also be exempted from paying import duties.

The ECC directed the Board of Investment, the Ministry of Planning, the Ministry of Maritime Affairs, the Law Division and the Federal Board of Revenue to review the proposals and provide their feedback to the committee.

The sources said the FBR was not comfortable with giving sweeping tax concessions to the business units and sub-contractors.

Instead, it proposed that a business unit should either avail a 10-year tax holiday available under the Special Economic Zone Act 2011 or under the Export Processing Zone statutory regulatory order.

The FBR officials argued that the country was suffering an annual loss of Rs970 billion because of tax concessions and exemptions given to various sectors. They said new concessions could not be notified without amendment in the law.

At the ECC meeting in February, Prime Minister's Commerce and Investment Adviser Abdul Razak Dawood had also expressed similar views about instrument of tax concessions.

Dawood wanted that the Gwadar Free Zone should only be granted concessions offered to other economic zones. However, the Gwadar Free Zone does not fall under the Special Economic Zone Act of 2011. It is being set up under a special arrangement with Beijing.

https://tribune.com.pk/story/2032280/1-gwadar-free-zone-set-win-tax-relief/

A 'NEW' ORDER

Aqdas AfzalAugust 11, 2019

SEVENTY-FIVE years ago, delegates from the victorious nations of the Second World War met in Bretton Woods to design a new economic order. This economic order, or system, was to be governed by two new institutions: the IMF and the World Bank.

Few people know that the US delegation led by Harry Dexter White muscled out competing ideas for the new system that sought to assign checks on rich lending countries. Dexter's team stalled British efforts to set up an international clearing bank for automatically reducing borrower countries' deficits. The US secured a third of all votes, guaranteeing itself the power to veto any proposal as well. Some say this new economic order was designed to ensure America's geopolitical dominance.

The Bretton Woods' delegates were ardent proponents of free trade. Free trade's supposed positive influence was not new thinking. Even in the early 19th century, Adam Smith and David Ricardo extolled the virtues of free trade and advised nations to improve their 'comparative advantage'. Thus, free trade between nations became one of the pillars of the new economic order.

Free trade has been successful in lifting millions out of poverty. The problem is that these gains are concentrated in only a few nations. For others like Pakistan, free trade has led to persistent current account deficits and plummeting exchange rates. The primary reason why such nations have not been able to benefit from the economic order is the inability to produce high-value exports. Specifically, Pakistan's economy has not been able to make the transition from agriculture to even light manufacturing. Why has Pakistan failed?

Standard trade and growth theories that assume that countries can always improve their comparative advantage are of little help. Had that been the case, Pakistan would have been able to diversify and increase the total value of its exports; 21 per cent of its export earnings would not come from agriculture.

'Product-space' scholars like Ricardo Hausmann offer a more plausible explanation by showing there is nothing automatic about high-value exports. They argue that a country's export sector is connected in such a way that a country cannot automatically move from having a comparative advantage in textiles to having one in machinery, chemicals or artificial intelligence, ie what a nation exports today largely determines what it will export 10 years later unless policies encourage economies towards high-value sectors.

Given that the present economic order is based on free trade and the fact that Pakistan has been unable to develop comparative advantage in high-value exports, what options are available for policymakers?

Policymakers can decide to leave the free trade economic order and impose a stringent import control regime while implementing import-substitution-industrialisation (ISI). Many Latin American states tried ISI with sub-par results as inward-oriented growth is costly in a globalised world — intermediate goods, foreign technology, foreign savings and ideas are not available locally.

Policymakers can also decide to go the East Asian 'Tigers' route. East Asian countries achieved exponential economic growth rates by improving their comparative advantage in high-value exports within the free trade economic order through developing good policies and effective implementation. It should be mentioned that there was nothing automatic in this process as the government played a key role — picking 'winners', credit allocation, promotion of industrial investment, encouraging firms to upgrade technology, etc.

However, the best way forward for Pakistan is a combination of both ISI and export-oriented industrialisation policies. It should play within the free trade arena to earn foreign exchange but then channel heavy investment to import substitution that will actually improve its comparative advantage. At the same time, policymakers need to pick sectors like IT and AI and make winners out of them by establishing world-class universities and business incubators, which will train the next generation of Pakistani technology workers and entrepreneurs. Compared to commodities, technology-based exports have tremendous potential as they earn more foreign exchange and increase in demand as incomes in our trading partners rise.

The Bretton Woods system just turned 75. Though free trade has been a pillar of this system, it has not benefited everyone since nations like Pakistan have failed to produce high-value exports. In order to gain from free trade, Pakistan's economy needs a structural shift to produce high-value exports. To do so, policymakers need to design policies that will tangibly assist in improving its comparative advantage. With the rise of African economies, the window to improve Pakistan's comparative advantage may be closing sooner than we think. The time to act is now.

https://www.dawn.com/news/1499260

IN TRADE WAR, INDIA IS THE LOSER

Khalid Mustafa August 11, 2019

ISLAMABAD: After placing trade embargo by Pakistan, India will be the major loser as bilateral trade was heavily tilted in favour of the latter.

Soon after New Delhi revoked seven decades of autonomy of Indian Held Kashmir, Pakistan downgraded diplomatic ties and placed embargo on trade with India under SRO 927. The authorities in Pakistan this time have decided to treat India as it is treating with Israel.

"We have placed India with Israel in trade policy under SRO-927 and will not import anything from India as is not being imported from Israel. Pakistan had earlier bound itself to import anything from all countries except Israel because of its expansionist designs against Palestine and under new scenario the government of Imran Khan has placed India with Israel and will not import anything from India," Spokesman for Commerce Ministry and Director General Trade Policy Muhammad Ashraf told The News.

The story does not stop here as Pakistan under SRO-927 has also declared India as Most Unfavoured Nation. However, for intra-Kashmir trade, there will be no bar for trade from Pakistani side as Pakistan considers that Kashmir is a disputed territory and rejects the claim of India on held Kashmir.

India extended Most Favored Nation to Pakistan in 1996, but in return Pakistan did not reciprocate. Even then Indian exports to Pakistan touched $1.84 billion and Pakistan exports to India could not increase with pace rather it remained at $324 million just because of the huge NTB (non tariff barriers).

Coming to the debate as to which nuclear power--- India or Pakistan in Saarc family will be the loser or winner after trade embargo, he said, according to 2018-19 Pak-India trade figures, imports from India remained at $1.503 billion while Pakistan exports stood at $262 million and in 2017-18, imports from India was at $1.84 billion whereas exports from Pakistan stood at $324 million. So if kept in view the trade balance which is in favour of India, after placing embargo on trade by Pakistan, the major loser is India not Pakistan.

After Pulwama incident, India imposed 200 percent tariff duty on Pakistani products so the exports to India tumbled to $262 million in 2018-19 from $324 million in 2017-18. However, the top management of the Commerce Ministry soon after imposition of 200 percent tariff duty, swung into action and bailed out the dates and cement exporters by diverting their products to other countries.

Mr Ashraf said, "Our main exports to India includes mainly dates and cement which were damaged on account of duty of 200 percent by India but the government has managed to export the dates to other countries such as Nepal, Bhutan, Bangladesh, UAE and Oman. We have already booked the orders of other dates' crop from the said countries.

Likewise, the cement exporters have managed to export the product to Central Africa, Middle East and Afghanistan and surprisingly the growth in cement export has increased by 30 percent. So with trade embargo, Pakistan is not the loser, rather it is India."

After India's 200 percent duty imposition, Pakistan's monthly exports to India tumbled to $4 million in the month of April, 2019 from average $30-35 million which continued to stay at $3 million in May and $4 million in June 2019. This also means that Pakistan diverted its exports to other countries successfully. "So we absorbed the negligible loss and when it comes to India, it is the biggest loser if kept in view the bilateral trade volume.

Pakistan used to export dates of $90 million to India which is now being diverted to other countries and in this regard Pakistan sustains no loss. The official also said that over $5 million vegetables were imported in 2018-19 and with ban on trade Pakistan farmers will benefit out of it.

Hamid Mallhi, President of Punjab Farmer Association when contacted said that Pakistan was importing the vegetables from India mainly in order to stabilise process in Pakistan but at the cost of Pakistan farmers. The import of vegetables had inflicted huge loss to Pakistani farmers. 'We welcome the trade embargo with India.'

The fruit and vegetables association's president of Islamabad chapter Muneer Ahmad told that the stock of imported onion and potatoes may go for 15 days, but after that the prices of onion will increase. However, the said items may come from other parts of the country and help stabilise the prices but because of monsoon and flood like situation, the prices of onion may soar further. 'As far as import of tomatoes from India is concerned, this item is banned since long.'

FPPCI former president Zubair Tufail who deals with import of chemicals said that with embargo on trade with India, business community has started importing chemicals from China, Saudi Arabia and Qatar instead of India and there is no loss of the business community.

The top official of Commerce Ministry said that Pakistan earlier used to import from India organic chemicals valuing $362 million both for textile and pharmaceutical industry. Now with embargo, pharmaceutical industry has been asked to bring the same product from China and the government is playing its catalyst role to help pharmaceutical industry as the government does not want any delay in import of the product that pharmaceutical industry uses as it wants to ensure the availability of medicines in abundance in the country in which the said products is used.

Similarly, Pakistan was used to import cotton and yarn valuing $8 million, but Adviser to APTMA Shahid Sattar says when contacted that Pakistan textile industry will not get injured because the textile industry is importing cotton and other raw material from Central Asian States and Egypt. In addition, Pakistan also used to import plastic and other items of $129 million and now it has started importing the same product from China. Besides, Pakistan also used to import machinery and boilers of $117 million and pigments and dyes for textile industry of worth $117 million, now all these are being imported from China.

According to World Investment Report 2019 (UNCTADE), in 2018 the FDI of $42 billion came to India showing 6 percent growth. The top official said after Pakistan embargo on trade because of Indian hegemonic designs in Kashmir, the FDI in India may reduce.

However, the other senior official dealing with India, said that Pakistan, prior to trade embargo, was trading with India under Appendix-G of Trade Import Policy. Further explaining he said that under negative list of 1209 item, Pakistan was in trade with India.

Highlighting the bilateral trade history between India and Pakistan after independence, in 1948-49, Pakistan's export to India was 56 percent of global export which has now tumbled to 1.14 percent of global exports. However, 1948-49, India's exports to Pakistan stood at 32 percent of its global exports which now stands at 0.46 percent of its total exports to the world. According to the latest Trade Map data, in 2018-19, Pakistan's exports stood at $23 billion whereas in the same period India's exports remained at $323 billion. The export of Indian goods to Pakistan in 2018-19 was at $1.503 billion and Pakistan exports to India stood at $261 million. If the total exports of India which is at $323 billion are viewed, the loss of $1.5 billion is negligible, but when it comes to the bilateral trade with Pakistan, it is huge loss to India. Behind the export of India to Pakistan there was a massive investment and employment which will now suffer. At Attari Indian side of border, huge infrastructure was developed for loading and unloading facilities for bilateral trade and all these will be done away with and all the people working there will get unemployed.

Trade history also shows the facts that after independence both the countries traded with each other like integrated countries and in 1947 under 24 Article and 11 paragraph of GATT, both the countries are prone to work in customs union and even if both the countries violate the rules in trade, WTO rules will not be applied on both the countries. This clause was made in a positive sense for both the countries in GATT but both Pakistan and India has used this clause negatively. In January 1996, India gave Pakistan the status of Mot-Favoured Nation, but Pakistan did not respond in the same spirit, but India did not move WTO against Pakistan as WTO rules are not applied on both the countries under GATT agreement.

Likewise, after Pulwama incident, India imposed 200 percent duty on Pakistan products, but Pakistan did not move WTO knowing the fact that under article 24 of GATT, WTO rules are not applied as both the countries were considered the integrated countries in trade.

Secondly, countries entered in PTA, FTA agreements and Saarc region entered in Safta Agreement which got hostage to both India and Pakistan because of their political issues, but WTO cannot take action.

In 1948-49, both the countries of Pakistan and India used to trade under commodities exchange agreements which lasted for one year. Then the said agreements were used to be renewed for another year.

In 1965, trade between the two countries fist stopped and then assumed. In 1971 trade got blocked and in 1972 after Simla Agreement with India trade go opened but between public sector entities as the nationalization process had begun in Pakistan and private sector was not allowed to trade between Pakistan and India. Since, the private sector which is considered the engine of economy was not allowed to trade, so the trade between the two countries was massively undermined. In early 90s, when Nawaz Sharif came to power, the privatization process gained the momentum, then private sector from both sides started trade with each. Till March 2012, out of 8000 items, 1963 items were allowed to import from India, but after that under negative list of 1209 items, trade began between the two countries. Under negative list regime, Indi was not allowed to send the items to Pakistan other than the ones mentioned in the list of 1209 items.

However, the stalemate, according to business community, in trade between the two countries will not serve the region as according to World Bank that Pakistan and India has the potential to increase the trade up to $37 billion barrier are eliminated.

https://www.thenews.com.pk/print/511237-in-trade-war-india-is-the-loser

NEWS COVERAGE PERIOD FROM AUGUST 14th TO 18th 2019

EXPORTS TO EU STAGNATE DESPITE GSP+ STATUS

Mubarak Zeb KhanUpdated August 14, 2019

ISLAMABAD: Pakistan's exports to the European Union have stagnated in the last four years despite waiver of duties on several products under the Generalised System of Preferences Plus (GSP+).

The GSP+ facility, implemented from Jan 1, 2014, helped promote exports from Pakistan to the EU by almost 21 per cent in the first year. However, "no tangible growth was recorded in export proceeds to EU in the following four years", a senior official of the commerce ministry said.

He admitted that the full potential of GSP+ is yet to be achieved despite the fact that the facility has been in place for the last five years.

Before the GSP+ scheme, Pakistan's exports to 28-member EU stood at €4.54 billion in 2013, which jumped to €5.51bn in 2014. In the second year of the GSP+ scheme, exports further jumped by 10pc to €6.09bn. However, since 2016 the exports proceeds have remained stagnant at €6.30bn in 2016, €6.69bn in 2017 and €6.88bn in 2018.

On the other hand, Pakistan's imports from EU, which were at €3.84bn in 2013, have also increased in tandem with exports during the last four years to reach €5.66bn in 2018. In the post-GSP+ period, the country's imports form the EU rose to €4.09bn in 2014, €4.44bn in 2015, €5.34bn in 2016, €6.15bn in 2017.

Pakistan in order to avail the scheme — set to expire in 2024 — implemented 27 United Nations conventions in 2014. On the basis of reports (Joint Staff Working Documents) prepared by the European External Action Service, European Commission and EU Delegation in Islamabad, EU Parliament evaluated its GSP+ Scheme in 2016 and 2018, respectively.

According to reports, Pakistan, being the largest beneficiary of GSP+ scheme — 75pc imports under the scheme to EU are from Pakistan — is under immense scrutiny by not only the EU's civil society organisations but also by the textile and garment manufacturers which see Pakistan as a competitor.

Other challenges to the continuation of GSP+ scheme include the failure of Pakistan to implement labour regulations in export processing zones and shrinking space from the EU's civil society — which has been agitated by the labour unions, think tanks, INGOs and members of the European Parliament.

The commerce ministry official said the upcoming GSP+ review, due in the first half of 2020, is crucial for the continuation of the scheme.

To enjoy preferential access for goods, Pakistan needs to implement in letter and in spirit the 27 UN conventions on human rights, labour rights, environmental protections and good governance.

Country-wise, data showed that exports to the United Kingdom grew 2.2pc to €1.35bn during the year 2017 compared to €1.32bn in year 2016 whereas those to Germany grew by 3pc to €1.3bn during the period from €1.26bn in the previous year.

Both UK and Germany have emerged as major export destinations for Pakistani goods under the GSP+ scheme. The increase in exports to the UK is an encouraging factor. However, exporters fear they will lose the UK market following Brexit.

Further, Spain has emerged as the third leading destination for Pakistani goods as exports to Madrid increased by around 11pc to €875.4 million in 2017 from €788.5m. Effective marketing strategies have helped Pakistani exports increase its market share in Spain.

Pakistan's exports to Italy increased 5pc year-on-year to €629.4m in 2017, exports to the Netherlands went up by 14.7pc year-on-year to €635.2m and those to France rose 6.6pc to €463.4m.

https://www.dawn.com/news/1499463

KREMLIN SAYS WTO WILL BE IN DOUBT IF US LEFT

By Reuters Published: August 15, 2019

MOSCOW: The Kremlin said on Wednesday that the existence of the World Trade Organisation (WTO) would be in serious doubt if major economies such as the United States left it, a prospect raised a day earlier by US President Donald Trump.

The Kremlin made the comment in response to a question about US media reports which said Trump had threatened on Tuesday to pull out of the WTO over what he described as the organisation's unfair treatment of the United States.

"It is obvious that the existence of keystone international economic organisations (like the WTO) would be called into serious question after the exit of the biggest economies on earth," Kremlin spokesman Dmitry Peskov told reporters on a conference call.

Earlier on Tuesday, US President Donald Trump threatened to pull the United States out of the WTO if conditions were not improved.

"We will leave if we have to," Trump told a cheering audience of workers at a Shell chemical plant in Pennsylvania. "We know that they have been screwing us for years and it's not going to happen again," he said.

Trump has made the WTO the target of many previous attacks, and threatened before to withdraw, claiming unfair treatment towards the US and saying Washington does not have to abide by WTO rulings.

He was especially critical about the terms granted to China when it joined the organisation, given US complaints about Chinese theft of American technology.

But the United States in fact has a successful track record of winning disputes mediated by the global trading body.

While calling for reforms to the institution's rules, the Trump administration also had effectively paralysed its work.By blocking the naming of new members to the appellate panel part of the Dispute Settlement Body that arbitrates disputes, the system would grind to a halt by the end of the year.

Chad Bown, a trade expert with the Peterson Institute for International Economics, said the moves weakening the WTO had done "lasting damage", not all of which can be reversed.

https://tribune.com.pk/story/2034048/2-kremlin-says-wto-will-doubt-us-left/

TRADE DEFICIT CONTRACTS 29PC IN JULY

Mubarak Zeb KhanUpdated August 17, 2019

ISLAMABAD: The government's battle against bloated trade deficit is bearing fruits as it shrank by 29 per cent in the first month of this fiscal year, driven largely by a decline in non-essential luxury items.

The trade deficit decreased 28.84pc to $2.27 billion in July, from $3.19bn over the corresponding month of last year.

The government has projected to reduce the annual trade gap to $27.476 billion by June 2020.

In 2018-19, the trade deficit fell to $31.82bn from $37.58bn over the previous year, registering a decline of 15.33pc.

This contraction can primarily be attributed to a steep fall in the overall import bill even though export proceeds posted a mixed trend during the same period.

Official data available with Dawn show that the value of imported goods in July came in at $4.15bn, down 14.07pc from $4.89bn over corresponding month last year.

The decline in imports is mainly due to the imposition of regulatory duties on luxury items and automobiles.

Moreover, the government also slapped a ban on import of furnace oil last year, in addition to a number of policy interventions including improved energy supply, import substitution drive, economic stabilisation, and currency devaluation.

According to a customs officer, the curtailment in the flow of imports could have been even more pronounced had the government not waived off duty on 1,639 raw materials in this year's budget. As a result, the import of these raw materials recorded a growth of 28pc during July.

However, the rise in import of raw materials and machinery is expected to accelerate industrial growth in the country. "We are expecting that duty waiver on raw materials and machinery will boost economic activities in the current fiscal year", the official said.
On account of higher growth trajectory, the government projected imports to increase by a marginal 0.8pc and reach $53.664bn in 2019-20, from an estimated total of $53.248bn for 2018-19.
Pakistan's merchandise exports grew 14.6pc to $1.88bn in July, from $1.64bn in same month of FY19. The encouraging data comes owing to multiple currency depreciations in the past one year that have seen the rupee sink significantly.
According to the government plan, which envisages higher growth in exports sector in the backdrop of positive global outlook, improved domestic infrastructure, low cost energy supply to export sector and competitiveness gained due to depreciation of the rupee. The exports have been projected at $26.187bn for 2019-20, up from $24.656bn estimated for FY19.
To achieve the target, the government has already reduced the cost of raw materials and semi-finished products used in exportable products by exempting them from all customs duties in its last budget.
The Commerce Division has yet to finalise its trade policy despite a lapse of one year. Similarly, the government's claim to introduce an industrial policy with a deadline of last December was also missed.
In 2018-19, export proceeds shrank by 1pc to $22.97bn, as compared to $23.21bn recorded in FY18.

https://www.dawn.com/news/1500007/trade-deficit-contracts-29pc-in-july

'TRADE SUSPENSION WILL NOT APPLY TO SHIPMENTS IN PIPELINE'

The Newspaper's Staff ReporterUpdated August 17, 2019

ISLAMABAD: The Commerce Division on Friday clarified that the trade suspension decision with India will not apply to those shipments already in the pipeline before the announcement.
A week after the issuance of notifications, the division in an official statement said that the trade suspension decision will not affect all those shipments for which letters of credit or bill of lading have been issued prior to Aug 9.
Two different notifications were issued soon after the cabinet meeting to implement the decision to suspend bilateral trade with India with immediate effect and until further orders. As per notification SRO928 of 2019, all kind of exports to India have been suspended by amending the Export Policy Order 2016.
According to an office order issued said that the business community of Pakistan has been approaching the Commerce Division for clarification regarding the scope and date of the implementation of the SROs.
For facilitating the business community, it has also been announced that the subject SROs did not affect trade under the Afghanistan-Pakistan Transit Trade Agreement (APTTA) 2010.
Moreover, the concerns have been raised that suspension trade with India might result into increase in smuggling of Indian goods, import of Indian origin goods by misdeclaration through third countries and smuggling under the APTTA.
Addressing these concerns the Federal Board of Revenue has been directed to take necessary enforcement measures to prevent misdeclaration and smuggling, the Commerce Division said.
It hinted that an effective anti-smuggling campaign may be launched immediately against smuggled Indian goods that may be available in the markets across the country.

https://www.dawn.com/news/1500005

BUSINESS, CONSUMERS STRUGGLE TO COPE AS INFLATION EATS INTO INCOMES

Aamir Shafaat KhanUpdated August 18, 2019

KARACHI: The first year of PTI government turned out to be a difficult one for consumers as the cost of living witnessed sustained increase over the period.
High food prices, increasing petroleum, CNG and LPG rates, rupee depreciation against the dollar, rise in utility bills and changes in duties and taxes were the main drivers fuelling this higher cost of living.
One of the major reasons behind the push in costs was the exchange rate parity, as dollar has surged to Rs158, from Rs123 in August 2018.
Meanwhile, the consumer price index July grew by 10.3 per cent year-on-year versus an increase of 8.9pc in June and 5.8pc in July last year.

Petrol and diesel, which were Rs95.24 and Rs112.94 per litre, are now available Rs117.83 and Rs132.47 per litre.
When the government came into power, CNG was priced at Rs81.70 as against the current rate of Rs123 per kg owing to increase in gas prices.
The price of chappati and nan went up by Rs2 to Rs8and Rs12, respectively while that of sheermal and taftan to Rs35-40, from Rs 30-32. Because of rising flour prices and other items, bread makers had raised prices twice – first ahead of Ramazan by 8.1pc and then by 9pc before Eidul Azha.
Sugar price jumped to Rs75-78 per kg depending on the area, from Rs65 per kg in last August. However, the rate of the commodity this January was around Rs55-60 per kg. Similarly, cost of steel bars swelled up to Rs120,000 per tonne from Rs103,000 in August 2018 while cement bag is worth Rs720-740 per 50 bag, as against Rs640 in last year.
Good quality ghee per kilo and one-litre cooking oil prices went up to Rs200-220 and 230, from Rs180-200 and Rs180-200, respectively.
The prevailing rates of gram pulse, moong, masur and Arhar are Rs140-160, Rs160-170, Rs130 and Rs180 as compared to Rs95, Rs90, Rs80-90 and Rs130 per kg respectively. Various varieties of rice became costlier by Rs10 per kg.
In the absence of any official rate hike, milk sellers on their own raised loose milk price to Rs100-120 per litre, from Rs 94, followed by yogurt to Rs150-160 per kg as against Rs140 per kg.
According to Mohammad Sohail of Topline Securities, gas prices for feed stock climbed to Rs300 per mmBtu (excluding Gas Infrastructure Development Cess of Rs300 per mmBtu), from Rs123 per mmBtu. In fuel (normal gas), gas rate were raised to Rs1,021, from Rs600 per mmBtu (excluding GIDC of Rs150-200 per mmBtu).
He said a urea bag used to sell at Rs1,650 as compared to the current rate of Rs1,850 while DAP costs Rs3,600 versus Rs3,382. According to him, power rates have gone slightly up to Rs14 per kWh, from Rs12 per kWh.
“Rising energy prices is due to the reduction in government subsidy and its attempts to control the sector’s circular debt, in addition to meeting the International Monetary Fund conditions,” Sohail said, adding that as per the IMF document released last month, power tariff in Pakistan would further go up in September.
Veil meat with and without bones are now sold at Rs540-580 and Rs680-700 per kg as compared to Rs480-520 and Rs600-640 per kg while mutton price now hovers around Rs1,100-1,200 per kg depending on the area as compared to Rs950-1,000 per kg.
Around one kg pouch of Nido and EveryDay tea whitener are now sold at Rs980 and Rs930 respectively, up from Rs780 and Rs765 a year back whereas 1kg bag of tea is worth Rs910, versus Rs830 per kg.
All of this has hit the lowest strata the hardest as they now struggle to meet the burgeoning expenses with many limiting their purchases to necessities only, instead of buying in bulk.
Giving an example, a residential area shop owner in Karachi’s FB Area - Ali Tariq - said people now increasingly buy 125 or 250 grams of pulses to meet the ready demand instead of half kg or one kg which they used to buy when prices were lower. The same trend also persists in sugar, rice, flour, etc.
He said some consumers instead of asking per kg rate take pulses for just Rs20-40 now.
Residential area shopkeepers also maintain a credit register of consumers and according Tariq, the number of shoppers seeking credit has grown in the past one year and the situation is so bad that many ask to write menial purchases of Rs120-200 in their account.
Giving an example, Ali said if he had list of 10 customers last year but now the numbers are 13-14. Customers availing credit purchases pay the amount either at the end of month or after one to two weeks while in many cases “we have to remind the customers to clear their dues to meet our shops’ running expenses.”
Karachi Retail Grocers Group (KRGG) General Secretary Farid Qureshi the practice of availing goods on credit is mainly common in shops located in residential areas where shopkeepers know the whereabouts of buyers.
According to shopkeepers, consumers still want to buy items but higher prices have rendered their affordability limited. Besides, the erosion in rupee value has also pushed up the cost of imported raw materials used in manufacturing local products.

https://www.dawn.com/news/1500191

NEWS COVERAGE PERIOD FROM AUGUST 19th TO 25th 2019

GOODS OF INDIAN ORIGIN ARRIVED BEFORE AUGUST 9 SHOULD BE EXEMPTED FROM SRO 927 (I)/2019: EFP

RECORDER REPORT AUG 19TH, 2019 KARACHI
"The manufacturers of Pakistan fully support the decision of the government to suspend all trade with India. This has sent a strong and favourable message to the business community to source their imports and exports from countries that are not inimical to the sovereignty of Pakistan". This was stated by Zaki Ahmed Khan, Vice President Employers Federation of Pakistan (EFP) in a press release.

Zaki Ahmed Khan said that EFP members from Pharmaceutical Companies have sent an emergency SOS to EFP to contact the government and explain that SRO 927 (I) /2019 dated 9th August, 2019 by Ministry of Commerce for suspension of trade with India requires further clarification and needs consideration. He added that goods of Indian origin that have already arrived in Pakistan at airport/seaport and were imported before this decision should be exempted from this SRO.
Zaki Ahmed Khan moreover said that in-transit goods, imported from India where the Bill of Lading date is before 9th August, 2019, should also be exempted from this SRO. At the same time, shipments where letter of credit/bank contracts were already established before the SRO date, should be exempted from this SRO too.
Elaborating further, Zaki Ahmed Khan said that Pharmaceutical APIs (Active Pharmaceutical Ingredients), imported from India to manufacture life saving products by the Pharmaceutical industry of Pakistan, should be allowed on the condition that the Pharmaceutical Companies would immediately develop alternate sources of these API's within a reasonable mutually agreed upon time with the Drug Regulatory Authority of Pakistan.
Zaki Ahmed Khan feared that immediate suspension of trade without any guidelines regarding the above mentioned decisions would seriously impact on the Pharmaceutical manufacturers and result in mega shortages of medicines in Pakistan. He requested Ministry of Commerce and Finance to urgently issue the necessary directives to Customs so that the present and immediate crisis could be controlled at present.-PR
https://fp.brecorder.com/2019/08/20190819507066/

PROPOSAL FLOATED TO BAN IMPORT OF MEDICINES FROM INDIA

Ikram Junaidi August 21, 2019

ISLAMABAD: While stakeholders in the health sector fear that life-saving drugs can vanish from the market due to the trade ban with India, a proposal was on Tuesday floated in a parliamentary committee that there should be a complete ban on Indian medicines and raw material.
“I have credible information that India exports us medicines which are to expire in a few months. I can identify the place in Indian where expiry dates of medicine are changed,” said Senator Rehman Malik during a meeting of the Senate Standing Committee on National Health Services (NHS).
Though Mr Malik, a former interior minister, is not a member of the parliamentary committee he was there to get an answer to his question raised in the Senate regarding quality and value of Indian medicines, which was forwarded to the committee by the upper house.
“India is violating basic human rights in Kashmir and its army is perpetrating atrocities on Muslims in the occupied valley but we are importing medicines from India,” he said.
Through a statutory regulatory order (SRO) dated Aug 9, 2019, the Ministry of Commerce suspended trade with India. Pharmaceutical companies fear that it could lead to a severe crisis of life-saving drugs in Pakistan.
Last week, the Employers’ Federation of Pakistan appealed to the government to exempt from the ban Indian goods that had already arrived in Pakistan before the issuance of the SRO. It also demanded that rules for import of medicines and raw material should be relaxed until alternative source for the import was arranged.
The Drug Regulatory Authority of Pakistan (Drap) has decided to hold a meeting on Wednesday (today) to consider the issue. Representatives from the pharmaceutical industry and other stakeholders would also attend the meeting.
During the meeting of the parliamentary committee, Mr Malik claimed that medicines worth billions of rupees were brought to Pakistan through the tribal districts of Khyber Pakhtunkhwa.
He asked if India could manufacture medicines and export them why not Pakistan.
“On the one hand we are ready for a war with India but on the other we have been giving benefit of billions of rupees to India by importing its goods,” he said.
Mr Malik suggested that every pharmaceutical company should manufacture at least five per cent of its medicines on their own.
“Moreover, it should also be considered that if quality of Indian raw material is verified in Pakistani labs,” he asked.
Committee chairman Mian Mohammad Ateeq Shaikh said the matter would be looked into thoroughly.
Senator Kalsoom Parveen walked out of the committee, saying she had been getting similar answers to her question for the last one decade.
The senator on April 26 had raised the increase in prices of medicine across the country and the matter was referred by Senate to the committee.
“It is strange that medicines having the same formula are being sold at 10 different rates. I have been asking questions for the last one decade but never received satisfactory answers. I am leaving and you can make a report whatever you want,” she said while addressing the chairman.

https://www.dawn.com/news/1500683

ISRAEL, SOUTH KOREA ANNOUNCE FREE TRADE DEAL

22 Aug 2019 03:44AM

JERUSALEM: Israel and South Korea announced on Wednesday (Aug 21) they have concluded a free trade agreement to eliminate tariffs on goods ranging from cars to video games.
"This is the first free trade agreement of its kind that we have with an Asian economy, and what an economy," Prime Minister Benjamin Netanyahu said.
"A leading economy in the global arena; an advanced and vibrant economy," he said, standing alongside South Korean Trade Minister Yoo Myung-hee after they met in his Jerusalem office.
It was not clear when the agreement would enter into force.
"The advantage of this agreement will go beyond our economic ties," Israeli Economy Minister Eli Cohen said at an earlier ceremony to formally announce the deal.
"I'm confident that this will also mark the start of a new era and an even closer friendship between Israel and Korea."
Yoo said at the ceremony that she hoped "Israeli companies will take full advantage of Korea as a stepping stone into the vast Asian market."
Before Wednesday's ceremony, the pending agreement had been the subject of political controversy in Israel, over claims it would not apply to goods from Israeli settlements.
Cohen denied that was the case and said if businesses in settlements were in any way disadvantaged they would be compensated by the government, as is the case with other trade deals.
The issue is a sensitive one in Israel, particularly ahead of Sep 17 elections. Israeli settlements are viewed as illegal under international law.
Negotiations on the agreement stretched three years.
Trade between the two countries reached US$2.5 billion last year, an increase of nearly 15 per cent over 2017, according to Israel's economy ministry.
"I am sure that this will multiply the volume of trade between us," Netanyahu said of the new agreement.
South Korea is home to companies including Samsung, the world's biggest smartphone and memory chip maker, and carmaker Hyundai.
The deal foresees tariffs removed on Israeli imports of goods including vehicles, industrial machinery and video game consoles, according to Israel's economy ministry.
Israeli exports to South Korea of goods including medical equipment, fertiliser, wine and cosmetics would also see tariffs eliminated, it said.
Israel is a major exporter of arms and defence equipment, but there was no mention of those being included in the deal.
Read more at https://www.channelnewsasia.com/news/business/israel--south-korea-announce-free-trade-deal-11829768

https://www.channelnewsasia.com/news/business/israel--south-korea-announce-free-trade-deal-11829768

EU LEADERS ROUND ON TRUMP OVER TRADE AT G7

August 24 2019 17:30:00

EU leaders rounded on U.S. President Donald Trump over his trade threats on Aug. 24 as they arrived in the chic French seaside resort of Biarritz for a G7 summit overshadowed by trans-Atlantic tensions and worries about the global economy.
Already embroiled in a high-risk trade war with China, Trump warned late Friday he would impose punishing tariffs on French wine if France doesn’t withdraw a new digital tax that will hit US tech giants.
The European Union "will respond in kind," EU Council President Donald Tusk answered to Trump, who issued his threat on departing Washington for Biarritz.
Host Emmanuel Macron, France’s president, and even British Prime Minister Boris Johnson also sounded the alarm about the dangers of Trump’s escalating trade war with China.
"I am very concerned. The UK is at risk of being implicated in this. This is not the way to proceed," Johnson told reporters on the plane to the G7 summit in Biarritz.
"I want to see a dialling down of tensions."
The stormy start to a summit of what are meant to be like-minded allies -- Britain, Canada, France, Germany, Italy, Japan and the United States -- led Tusk to sound a dire alarm over the future of Western leadership.
"This may be the last moment to restore our political community," he said. "The world needs our cooperation."
In an attempt to lighten the mood, Macron deployed his secret weapon of French cuisine diplomacy, treating Trump to a surprise lunch minutes after he had arrived on Air Force One.

Speaking to reporters in fluent English, Macron called Trump "a very special guest".
Trump, sitting across the small table on a terrace of the ornate Hotel du Palais, appeared to be softened by the warm, unscheduled welcome.
"So far so good. The weather is perfect. Everybody's getting along. I think we will accomplish a lot this weekend," Trump said, praising his "special relationship" with Macron.
In addition to the global economy and fears of recession, the G7 chiefs will huddle over several hot topics, including their diverging positions on Iran's nuclear program.
European leaders are also focusing on a push for action against fires in the Amazon rainforest, despite Brazilian right-wing President Jair Bolsonaro's angry response to what he sees as outside interference.
Echoing criticism from France, Tusk said Bolsonaro's response to the "destruction of the green lungs of the Earth" was insufficient and he warned that a big EU trade deal with South America could be imperilled.
G7 leaders were greeted by protests outside Biarritz, though 13,000 police have been deployed to keep them far from view.
Organisers said 15,000 people rallied around 30 kilometres (20 miles) south of the G7gathering at the border town of Hendaye for a march over the Bidassoa River toward the Spanish town of Irun.
Red, white and green Basque flags waved above a crowd that included anti-capitalists, environmental activists as well as a few dozen of France's "yellow vest" anti-government protesters, according to AFP journalists at the scene.
"It's important to show that people are mobilised and do not accept the world they're offering us," said Elise Dilet, 47, of the Basque anti-globalisation group, Bizi.
The rally has been peaceful so far, after police said 17 people were arrested as of Friday night amid clashes with protesters camped out near Hendaye.

http://www.hurriyetdailynews.com/eu-leaders-round-on-trump-over-trade-at-g7-146025

THOUSANDS JOIN ANTI-G7 MARCH AS WORLD LEADERS FLY INTO FRANCE

August 25, 2019

HENDAYE, France: More than 9,000 anti-G7 protesters joined a mass march over a bridge linking France and Spain on Saturday as leaders from the Group of 7 nations descended for their summit in the Atlantic resort of Biarritz.
Since Monday, anti-capitalist activists, environmentalists and other anti-globalisation groups have been flocking to a counter-summit in southwestern France that organisers insisted would be peaceful.
Saturday's march took place in the French coastal town of Hendaye, about 30 kilometres (18 miles) from Biarritz, without incident in a good-natured atmosphere, with police giving a figure of 9,000 but organisers saying as many as 15,000 people turned up.
Biarritz is a popular tourist destination that would normally be basking in its annual summer boom, but with US President Donald Trump and other world leaders flying in for three days of talks, the resort was in lockdown.
"Heads of state: act now, Amazonia is burning!" read one banner as the huge crowd rallied under cloudless blue skies in Hendaye, the slogan referring to the wildfires ravaging the world's largest rainforest.
"If the climate was a cathedral, we would already have saved it," read another, referring to Notre-Dame in Paris, which was ravaged by a fire in April that prompted donors to pledge 850 million euros ($954 million) to rebuild it.
Waving thousands of flags, they marched across the Bidassoa River heading for the Spanish town of Irun, chanting slogans while some played drums.
The colourful crowd was an eclectic mix of environmental activists, families, anti-globalists, a handful of anti-government "yellow vest" protesters and Basque nationalists, AFP correspondents said.
There was even a group dressed in traditional Basque shepherd costumes, with red, white and green Basque flags as far as the eye could see.

"We are very happy because it was a huge challenge," said Sebastian Bailleul of Alternatives G7, one of the march's organisers, saying the event had "brought together French, Basque and international struggles".

But authorities remain on high alert, with Biarritz in lockdown and police deployed en masse in the neighbouring town of Bayonne as well to keep protesters at bay.

"I want to call for calm and for unity," French President Emmanuel Macron said in an address to the nation just before the opening of the summit, where world leaders were to address the Amazon crisis along with other global issues.

"We won't be able to face all these big challenges if we don't act together," he said.

Overnight, 17 people were arrested and four police lightly injured when skirmishes erupted near in Urrugne, a village some 25 kilometres south of Biarritz.

Friday night's confrontation occurred as activists tried to block police from a site where they had set up camp, with police firing tear gas and using controversial rubber rounds known as LBDs to disperse them, AFP correspondents said.

Earlier on Friday, police blocked several hundred demonstrators from reaching a roundabout on the road between Biarritz and the Spanish border.

France has deployed more than 13,000 police and gendarmes to secure the event amid fears of disturbances by radical anti-capitalist groups, anarchists or the yellow vest protesters.

But the demonstrators insisted their aims were peaceful.

"It's important to show that people are mobilised and do not accept the type of world they're offering us," said Elise Dilet, a 47-year-old activist with Bizi, a Basque anti-globalisation group.

"We want the march to be totally peaceful."

A raft of unprecedented security measures has been put in place for the summit, with the picturesque Grand Plage beach off-limits to everyone except delegates and those accredited for the summit.

Earlier this week, police arrested three German activists carrying a tear gas canister, an icepick and wrenches along with documents "linked to the extreme left", prosecutors said.

They were charged with planning violence, sentenced to several months prison and banned from returning to France.

Another German national was arrested early on Wednesday and deported, since French authorities had banned him over "violent actions" at a previous G20 meeting, legal sources said.

https://www.thenews.com.pk/print/516847-thousands-join-anti-g7-march-as-world-leaders-fly-into-france

ANOTHER CORRIDOR TO DEVELOPMENT

Dr Raza Khan August 25, 2019 Leave a comment

The World Bank-funded Khyber Pass Economic Corridor has a huge potential to change the fate of KP

As Pakistan is waiting to reap the benefits of $60 billion plus China-Pakistan Economic Corridor (CPEC), a silver lining has emerged for Khyber Pakhtunkhwa in the shape of World Bank-funded Khyber Pass Economic Corridor (KPEC). The project was approved on June 14, 2018 and scheduled to be completed by June 28, 2024. However, the KP and its newly-merged tribal districts (NMTDs) can benefit from the KPEC only if the project is expeditiously and seriously pursued unlike the deliberately-abandoned Reconstruction Opportunity Zones (ROZs).

The ROZs was a project by the United States to establish industries in the war-affected areas of KP and erstwhile Federally Administered Tribal Areas (FATA) and give the products of these proposed industries a tariff-free access to

American markets. But the sluggishness and malafide intentions of certain members of federal bureaucracy sealed the fate of the ROZs and deprived the region of a complete economic turnaround.

The KPEC is a project of immense economic and security importance. The project has two components. The first component of KPEC — Expressway Development — includes the construction of a four-lane Peshawar-Torkham Expressway (PTEX) and associated administrative infrastructure facilities. This part also includes the laying of fiber optic cables in trenches along PTEX, land acquisition and resettlement, afforestation, and technical and independent reviews and studies for the preparation of new related projects.

The second component — Development of the Khyber Pass Economic Corridor — has several subcomponents. The anchor of the Peshawar-Torkham Economic Corridor is a new expressway which will provide a reliable and safe driving environment with higher travelling speeds. The existing Peshawar-Torkham road is a part of the National Highway N-5 that traverses the historic Khyber Pass. The 400-year old existing carriageway is a 6.0-meter-wide two-lane facility with earthen shoulders. Improvement to the existing highway is constrained by heavy population settlements on either side, a railway line running along the road, and steep gradients and sharp curves that are difficult for large multi-axle commercial trucks to negotiate. Geometrics are inadequate to cater for the modern high speed heavy vehicular traffic.

The proposed expressway will be built on a new alignment and will be constructed as a dual highway facility with a 7.3-meter-wide carriageway on each side and 3.0-meter-wide treated shoulders. The expressway will reduce transit time and costs for regional and international trade goods using Peshawar-Torkham corridor. The proposed expressway could be an extension of the Karachi-Lahore, Islamabad-Peshawar Trans-Pakistan Expressway System as well as part of the Peshawar-Kabul (Afghanistan) Dushanbe (Tajikistan) Motorway.

The Economic Corridor Development component aims, in conjunction with other projects, to facilitate the development of marble and horticulture industries to maximise the benefits of the expressway. The main constraints in development include insecurity (including for women workers), difficult access to markets (hard and soft infrastructure issues), land (unsecured mining rights, lack of irrigated and industrial land), utilities, skills and finance (the latter being largely a consequence of other constraints).

> The proposed KPEC route passes through the mountainous region which is a barren land with some dotted human settlements and cultivable area. Peshawar-Torkham area can be divided into two major geographical divisions: the rugged mountainous and the comparatively narrow strip of valleys.

The proposed KPEC route passes through the mountainous region which is a barren land with some dotted human settlements and cultivable area. Peshawar-Torkham area can be divided into two major geographical divisions: the rugged mountainous regions on the north and west, with one end touching the Afghan border, and the comparatively narrow strip of valleys.

The proposed project starts from the end of Peshawar Northern Bypass at the Takhta Baig Bridge from tehsil Jamrud of Khyber District and ends at the Torkham border. It passes through Peshawar, Jamrud, Baghyari Post, Lala China, Ali Masjid, Kata Kashta, Gagra Sar, Char Bagh, Gurjura, Wali Khel, Landi Kotal and Torkham. The proposed alignment mostly follows the valleys and hilly slopes.

The KPEC is of significance because it passes through the ancient and legendary Khyber Pass, which has been the main route of entrance to India for traders, invaders and conquerors from Europe, Central Asia, Arabia and Afghanistan. Thus, the route has been instrumental in cross-regional and inter-regional trade and commerce. The KPEC fulfils the long-cherished dream of traders of sub-continent, Afghanistan and Central Asia of economically integrating Central Asia with South Asia and the greater Middle East and Persia.

The KPEC becomes even more important once CPEC routes traversing Pakistan reach Peshawar. Here it is important to note that KPEC is not part of CPEC. However, China has been desirous of making Afghanistan a part of CPEC — a flagship project of Beijing’s $900 billion plus, Belt and Road Initiative (BRI). So as soon as KPEC becomes functional, it would give a huge boost to CPEC and China’s BRI aiming to economically integrating the Afro-Eurasian landmass including nearly 60 countries.

KPEC is not only a route or motorway, but a complete project of economic development. It would benefit Peshawar, KP and specifically the Khyber district extensively. Although Peshawar is a sizable Pakistani city with satisfactory infrastructure, it severely lacks industrial establishment despite having colossal trading and consumption potential. Peshawar is an ancient Pakistani city which once used to be a hub of Central Asia, South Asia cross-regional commerce and trade. The KPEC could be instrumental in enabling Peshawar to realise its true economic potential.

The population of Khyber district, according to the provisional results of the 2017 national census, is 986,973 with annual growth of 3.92 percent and population density of 212 per Sq.km with an average household size of 9.9 per household. The Khyber district consists of four Tehsils; Bara, Landi Kotal, Jamrud and Mulla Gori. The area has a deep entrenched tribal structure.

The communities of the KPEC project area lead their lives under strict tribal code and cultural practices. The four main tribes of Khyber are Afridis, Shinwaris, Mollagoris and Shilmanis and this project may affect Afridi and Shinwari tribes. Land is collectively owned and a fundamental marker of the identity of a clan.
The communal land, managed under unwritten customary laws (Rawaj), passed down through oral tradition which has now been adopted by the tribes and have become the model for accepted norm for members of a tribe. The patrilineal and descent invoke claim rights to inherited land and assert their dominant position through shares in land. The main source of income of local people depends on transportation and rearing of livestock.
The prevailing security situation over the last few years has retarded the pace of growth in education sector. Females are particularly unable to access middle and secondary schools. The socio-economic development indicators are worst as illiteracy is prevalent and poverty widespread. The KPEC would fundamentally change the social and economic complexion of the area by giving the inhabitants of Khyber district constant and easy connectivity to Peshawar and down country as well as to Afghanistan and Central Asia.
According to Zahidullah Shinwari, former president of Sarhad Chamber of Commerce & Industry and a well-known industrialist from Khyber District, “It is one of the most important projects in the history of KP, especially NMTD and could be a revolutionary step in the development of the region by connecting CPEC with Afghanistan and CARs which is a $50 billion potential market for Pakistani exports. The KPEC project would immensely increase Pakistan’s exports to Afghanistan and beyond. It would be instrumental in economic revival and rehabilitation of KP.”
The KPEC Component-II investments seek to facilitate improvements in the productivity of existing enterprises in tribal areas and encourage private investments in the area. Two target sectors are marble production, a sector in which NMTD has 446 processing units (which account for 20 percent of Pakistan’s total marble production); and horticulture. Both sectors have great potential for export. Although marble exports are currently limited, the mineral can fetch prices around five to ten times higher in international markets than in local markets. Fruits and vegetables, which may be further processed, already comprise a substantial share of export volume through Torkham. Both sectors have substantial participation by SMEs, and given their relatively high labour intensity, show great potential for employment of internally-displaced people (IDPs), women and youth.
According to a study conducted by consultants for National Highway Authority, the implementing agency of the KPEC, alignment has been finalised under Component-I, while actual activities to be financed under Component-II are not clear at this stage. Therefore, hybrid approach is being followed where site specific Environmental and Social Impact Assessments (ESIA) for component-I and Environmental Management Framework for activities under component-II have been prepared.
According to Adnan Saleem, Senior Urban Planner at the Provincial Urban Policy Unit, thus far no significant progress has been made on the urban development subpart of the KPEC. However, he says the project has a huge potential to trigger large-scale urbanisation with associated benefits in the region. “Therefore, it needs to be implemented on a fast pace.”
Shinwari also agrees, saying, “KPEC should be initiated as soon as possible. It is not only feasible but would also tap the huge natural resources of the area besides attracting foreign investment as well as public-private partnership. The process on KPEC implementation is slow but we are optimistic about its early commencement because it is greatly beneficial for Pakistan.”
Given the KPEC importance and its potential of economic growth, it would a historic mistake to let go the project and any laggardness and red-tape in this connection must not be allowed. Around $480 million for KPEC have already been approved by the World Bank and there is no hurdle in the swift implementation of the project.

http://tns.thenews.com.pk/another-corridor-development/

NEWS COVERAGE PERIOD FROM AUGUST 26th TO Sep 1st 2019

ECONOMIC DECISION TAKEN FOR BALOCHISTAN BORDER AREAS

SOHAIL SARFRAZ AUG 26TH, 2019 ISLAMABAD
Federal Board of Revenue (FBR) will finalise a plan for establishing border markets to curb smuggling and generate economic activity at border areas of Balochistan, issuing tax holiday notifications for Gwadar Port, strengthening customs operations at border terminals and implementing new anti-smuggling strategy.
Sources told Business Recorder that the decisions have been taken in the last meeting of the National Development Council (NDC) which took key decisions for the Balochistan Development Plan. Under the Balochistan Development Plan, the NDC has also decided to establish Saudi oil refinery at Gwadar, improve security in border areas of Balochistan by completing fencing at borders, facilitate exploration of oil and gas resources in Balochistan and establish a port at Gaddani.
The NDC has decided that the FBR customs department and Federal Investigation Agency (FIA) would strengthen

their operations at border terminals and intensify anti-smuggling drive, while the Ministry of Interior would improve security in border areas of Balochistan by completing fencing at borders.
According to the plan, it has been decided to improve security in the border regions by completing fencing, improving border terminals and converting B-areas into A-Areas. For law enforcement, the province is divided into 'A' and 'B' areas. The 'A' area comprises some five percent of Balochistan, and is entrusted to the police; the remaining 95 percent 'B' area is handled by the Levies.
It has also been decided to enhance the control of motorway police on highway in Balochistan and repatriate Afghan refugees.
The meeting decided provision of funds approved for fencing to be ensured by Finance Division and Ministry of Planning and Development.
Customs and the FIA would strengthen operations at the border terminal and deployment of NH&MP is to be enhanced on highways in Balochistan.
Ministry of Planning, Development & Reform (MoPD&R) would evaluate the proposal of additional budgetary support for development and mitigating deficit for Balochistan in the light of available fiscal space and to come up with options.
The meeting decided that the federal government would take measures to ensure recruitments of locals in public sector jobs against the federal government's posts in lower grades in Balochistan.
For improving road infrastructure in Balochistan, the NDC decided that the (MoPD&R) would consult National Highway Authority (NHA) to work out options for developing Karachi-Quetta-Chamman motorway. The adequate funding for the ongoing highway projects in Balochistan to be ensured.
The NDC has given one month period to the Ministry of Maritime Affairs to evaluate the proposal of developing coastal areas by setting up a port at Gaddani.
For the establishment of the National Coastal Area Development Authority to develop and promote tourism in coastal areas, the concept has been approved. Ministry of Maritime Affairs will consult the government of Balochistan and chairman National Tourism Coordination Board (NTCB) to finalise structure and legal framework.
The meeting also decided to improve conditions for fisheries industry and protecting marine resources.
The meeting also decided to give two weeks time to the FBR for resolving pending issues related to the development of Gwadar Port. The FBR will expedite issuance of tax holiday notification. The FBR will issue the Transit and Transshipment Rules within one month period. The human resource and technical capacity of customs will be enhanced. The FBR has also been assigned to set up a chemicals identification lab.
The meeting directed the provincial government to look into the possibility of waiving sales tax for the port operators.
It has been decided that the Pakistan Navy would make land available for the free zone and port in Gwadar.
For developing minerals and mining sector in Balochistan, the government of Balochistan would take necessary action. The proposed strategy was approved in principle along with proposed model to encourage investment by private sector in large-scale mining. The government of Balochistan would formulate a formal proposal for seeking federal government's assistance to enhance capacity in minerals and mining sectors.
The meeting also decided to encourage exploration of oil and gas resources in Balochistan and resolve issues relating to the resource sharing and pending liabilities. A committee headed by advisor to PM on finance and representatives of government of Balochistan, Law Division and other relevant stakeholders to propose a way forward in the light of constitutional provisions post 18th amendment.
The NDC has directed Ministry of Petroleum to ensure aggressive follow-up on implementing the commitment made through an MoU signed for establishing Saudi Oil Refinery at Gwadar.
The FBR, Communication Division and Government of Balochistan would firm up a proposal for establishing border markets to be presented on priority to curb smuggling and generate economic activity in border areas.
For implementing the Balochistan Development Plan, the meeting decided that in light of the development plan presented during the meeting, MoPD&R in consultation with the government of Balochistan will evaluate and prioritise interventions requiring assistance from the federal government and suggest possible funding options keeping in view the available resource envelope.
https://fp.brecorder.com/2019/08/20190826511792/

ABSENCE OF COMMERCIAL COUNSELORS

RECORDER REPORT AUGUST 26, 2019
ISLAMABAD: The government has recalled around 40 commercial counselors without replacing them with the new ones which may hamper country’s exports prospects as well as exacerbate hardships for business community abroad, said government officials and representatives of export-oriented sectors. Sources in the ministry of commerce said the ministry has called back around 40 commercial counselors posted abroad while their replacements are yet to be finalized.
The sources said that they have been asked to report back to the commerce ministry by August 30. Out of the total 45,

the sources said that 15 positions are already vacant and the remaining 30 have been recalled by the ministry of commerce. They said that there is no possibility of replacement in the next few months due to court stay, which may make the important stations abroad dysfunctional.
The vacant positions included important stations such as China, Canada, Sri Lanka, Italy, Kuwait, Malaysia and the UK.
Last month, a two-member bench of Balochistan High Court stopped the federal government from selecting the trade officers for their postings abroad.
In its order, the court stated: “Till the next day of hearing, the Ministry of Commerce and Trade, Government of Pakistan, is restrained from conducting tests”. The Senate Standing Committee on Commerce also took up the matter recently which was informed by senior official of the ministry of commerce that the government is reviewing policy with respect to posting of the commercial counselors.
The committee expressed concerns that several positions of commercial counselors were lying vacant for the last one year. The officials of the commerce ministry further told the panel that with the approval of Prime Minister, policy for such postings will be revised and post-assessment of officers would be carried out to ensure performance. Committee member Senator Talha Mehmood said that five commercial counselors were called back without prior show-cause notice.
However, the Ministry informed that those officers were called back due to their poor performance. According to Ijaz Kokar, Chairman Pakistan Readymade Garments and Manufacturers and Exporters Association (PRGMA), exporters are facing hardships abroad due to the vacant positions and recall of those will badly affect the country’s exports abroad. He urged the government to resolve the matter as soon as possible to facilitate the business community.

https://epaper.brecorder.com/2019/08/26/17-page/798108-news.html

FLOUR PRICES SEE THIRD HIKE IN TWO WEEKS

Aamir Shafaat Khan Updated August 30, 2019

KARACHI: As Prime Minister Imran Khan on Wednesday directed provincial authorities to do more to ensure price stability of all essential commodities, the Sindh millers on the same day hiked flour prices further by Rs2 per kg.
This is the third consecutive price shock since Aug 15. The first price increase was made on Aug 15 (third day of Eidul Azha) and second on Aug 22.
After three consecutive price hikes, the new rate of flour no. 2.5 is now Rs44.50 while for super fine and fine flour is Rs47.50.
In the absence of any intervention from the provincial authorities, the millers have raised flour prices nine times since April citing persistent increase in wheat prices.
Consumers saw Rs11 per kg in flour no. 2.5, super fine and fine flour from April 2019 to date.
The 10kg bag produced by the mills now costs Rs450 versus Rs340 in April.
Chairman Pakistan Flour Mills Association (Pfma) Sindh Zone, Mohammad Jawed Yousuf said the 100 kg bag of wheat is now costs Rs4,000 in the open market which was Rs3,900 only a few days ago, while it was priced at Rs3,000 in April.
“I have warned the Sindh government of a serious flour crisis if the government fails to manage wheat stocks,” he tells Dawn.
The open market can sustain wheat stocks up to October 15, 2019 and the Sindh millers will need fresh supplies for making flour in November to March 2020.
Jawed said when he contacted the Food Department of the Sindh government, a senior official said that he approached Pakistan Agricultural Storage and Services Corporation (Passco) twice for releasing 500,000 tonnes of wheat to Sindh to overcome flour and wheat crisis in coming months.

https://www.dawn.com/news/1502537

PAKISTAN RULES OUT POSSIBILITY OF BILATERAL ENGAGEMENT

ALI HUSSAIN AUG 30TH, 2019 ISLAMABAD
Foreign Office on Thursday ruled out any possibility of engagement with India bilaterally on Kashmir dispute following the Modi administration's August 5 illegal steps, and emphasised that solution of Kashmir dispute lies only in the United Nations Security Council resolutions.
Speaking at his weekly media briefing, Foreign Office Spokesperson Dr Mohammad Faisal rejected the Indian government's claims that Kashmir is its internal matter, saying recent session of UN Security Council is a huge

success of the Pakistan's foreign policy and a manifestation of the fact that Kashmir is not India's internal matter.
"The entire world is now well aware of the India's hypocrisy. They [Indian] call Kashmir issue as its internal matter within India and to the rest of the world they say it is a bilateral matter," he said while commenting on Prime Minister Narendra Modi's remarks after his recent meeting with US President Donald Trump.
To a question, he said that Pakistan has always supported bilateral talks with India on all issues including IOJ&K but it is India, which is not willing to resolve it through bilateral means.
He pointed out that Prime Minister Khan and Foreign Minister Qureshi have repeatedly supported resolution of Indian occupied Jammu and Kashmir (IOJ&K) issue through negotiations. "Contrarily, the Indian side is claiming the disputed territory of IOJ&K as its integral part and bringing about a material change in IOJ&K, hence the Prime Minister and foreign minister have stated that it is no longer possible for us to talk to India bilaterally," he asserted.
Commenting on Indian Defence Minister Rajnath Singh's recent statement, claiming that Azad Jammu and Kashmir and Gilgit-Baltistan are parts of India and Pakistan has illegally occupied both, Faisal said that Pakistan's position on Kashmir is very clear.
"We do not agree to Indian claims as these are not based on ground realities. The problem is not Azad Jammu and Kashmir or Gilgit-Baltistan but Indian occupied Jammu and Kashmir. India has already taken illegal action on 5th August 2019. As a result, India is facing censure and pressure domestically and internationally," he added.
Responding to another query, the spokesperson asserted that there has been no change in Pakistan's policy on Israel following some media commentators suggested to establish diplomatic ties with Tel Aviv. "Our policy on Israel is very clear and there is no change in it," he added.
To another question about approaching International Court of Justice (ICJ) on Kashmir, he said that consultations with all stakeholders are underway on this 'very delicate' issue and no final decision has been taken as yet.
Faisal said that Kashmir dispute is not a closed one and it is quite on the agenda of the UN Security Council, adding that further developments are expected on it. He asked India to stop misleading the international community and accept the ground realities by resolving the issue as per the aspirations of the people of Jammu and Kashmir.
To another query about the airspace closure with India, he said that the matter was discussed at the highest level and no decision has been taken so far. "However, we can exercise this option at the time of our choosing," he added.
About the grave situation in the Indian occupied Jammu and Kashmir, he said Indian occupation forces have converted the occupied Kashmir especially Srinagar into a military garrison by deploying Indian troops in every nook and corner to prevent people from staging demonstrations against the illegal actions.
He said that the IoK is under siege and cut off from the rest of the world, adding that Indian forces continue to impose an unprecedented military lockdown and total clampdown in the occupied valley.
He said the people have repeatedly attempted to break the curfew and other restrictions, adding that Kashmiri people are staging protests to show their resentment against the Indian occupation and its nefarious designs. The spokesperson called upon the international community to take cognizance of blatant human rights violations in the occupied valley. He further said that Foreign Minister Shah Mahmood Qureshi will be visiting Geneva to attend the meeting of UN Human Rights council next month to raise the human rights abuses being committed by the Indian forces. He said that Special Envoy Tehmina Janjua is already in Geneva for an extensive outreach with OIC and other countries.
About the possible outcome of US-Taliban talks in Doha, the spokesperson said that Pakistan has been making sincere efforts to facilitate the process. He said the next round of talks between the US and Afghan Taliban has started and the peace agreement between the two sides is in its final phase "We are hopeful to see its early positive conclusion leading to peace and security in Afghanistan," he said, adding that Pakistan will continue to work to help take peace efforts in Afghanistan to its logical conclusion.
https://fp.brecorder.com/2019/08/20190830513571/

TRADERS ASKED TO CAPTURE CHINA MARKET

By Our Correspondent Published: September 1, 2019

ISLAMABAD: China is open for imports and Pakistani exporters should be more proactive to penetrate the Chinese market for exports, otherwise, other countries will capture the market in China, said Zhejiang Eman supply chain management delegation leader Anderson. During a visit to the Islamabad Chamber of Commerce and Industry (ICCI), the delegation offered to arrange free display of Pakistani commodities at Pakistan pavilion in China. The delegation represented Yiwu International Trade City of Zhejiang province, China. Anderson called on Pakistani entrepreneurs to provide samples of their products so his company could arrange free display in China. Highlighting the business potential of Yiwu International Trade City, Anderson said it ranked first because it traded with 70,000 shops and three million items were traded daily. "Every year in October, an international commodities fair is held at Yiwu, which is attended by buyers and consumers from around the world," he said. He stressed that Pakistani traders should participate in the fair with their commodities to promote their business.

https://tribune.com.pk/story/2046561/2-traders-asked-capture-china-market/

SEPTEMBER, 2019

NEWS COVERAGE PERIOD FROM SEP 2nd TO 8, 2019

CHINESE TEAM DISCUSSES PREFERENTIAL TARIFF ON 313 PAKISTANI PRODUCTS

RECORDER REPORT SEP 2ND, 2019

RAWALPINDI:A seven-member Chinese delegation on Sunday visited the Rawalpindi Chamber of Commerce and Industry (RCCI) and held an informative and interactive session on preferential tariff by the Chinese government on 313 Pakistani products.

The head of the delegation Anderson informed the participants that M/s. Zhejiang Eman, a supply Chain Management Company Limited from Yiwu International Trade City of Zhejiang Province of China, was offering free display of Pakistani commodities at the Pakistan Pavilion in China. He stressed that Pakistani businessmen should provide samples of their products so that the company could arrange their free display in China.

Pakistani exporters should be more proactive to penetrate Chinese market for exports, otherwise other countries would capture market share in China, he suggested.

He said China had implemented a preferential tariff on 313 Pakistani products and Pakistani exporters should fully capitalize on that concession. Highlighting the business potential of Yiwu City, Anderson said Yiwu was number one city of China in terms of exports/imports with 70,000 shops and 3 million daily trade of items.

Earlier, RCCI President Malik Shahid Saleem, in his remarks, said preferential tariff by the Chinese government on 313 Pakistani goods would help improve the trade balance between the two countries.

The Pakistani exporters, he said, should avail the golden opportunity and captured their place in one of the biggest Chinese markets in Yiwu City to flourish their exports.

Malik Shahid Saleem assured the delegation of full support and assistance for joint ventures and investment. He said the China-Pakistan Economic Corridor (CPEC) was a mega development initiative and a game changer for Pakistan and the region as well. A joint venture strategy including Chinese and Pakistani companies could capitalize on the golden opportunity, he added.

Representatives from M/s. Zhejiang Eman, Vice President Fayyaz Qureshi, members of the executive committee and a large number of traders were also present on the occasion.

https://fp.brecorder.com/2019/09/20190902514816/

CHINA LODGES WTO TRADE COMPLAINT AGAINST US

AFP Updated September 03, 2019

BEIJING: China said on Monday it had lodged a complaint against the United States with the World Trade Organisation (WTO), one day after new tariffs imposed by Washington on billions of dollars worth of Chinese goods came into force.

The world's two biggest economies have been embroiled in a bruising year-long trade war which escalated further on Sunday when Washington moved ahead with fresh levy hikes which Beijing had promised to match.

"These American tariffs seriously violate the consensus reached by the leaders of our two countries in Osaka," Beijing's commerce ministry said, referring to trade discussions in the Japanese city in June.

"The Chinese side is strongly dissatisfied and resolutely opposed to that.

In accordance with relevant WTO rules, China will firmly safeguard its legitimate rights and interests," the ministry added in a statement published on its website.
Washington's latest levies on imports from China took effect under a stepped-up high-pressure campaign aimed at compelling Beijing to sign a new trade deal.
President Donald Trump launched his trade war in March 2018, demanding that China end practices widely seen as unfair, such as forced technology transfers from US firms and the massive subsidies given to Chinese enterprises. The additional 15pc tariffs affected a portion of the $300bn in goods from China that so far had been spared.
Beijing has said it would retaliate by targeting $75 billion in US goods, beginning in part on September 1.

https://www.dawn.com/news/1503221/china-lodges-wto-trade-complaint-against-us

PACT SIGNED WITH SAUDI ARABIA TO SHARE TRADE DATA

Mubarak Zeb Khan Updated September 04, 2019

ISLAMABAD: Pakistan and Saudi Arabia have formally agreed to exchange values of goods for imports and exports to control of under and over invoicing as part of Financial Action Task Force's (FATF) recommendation.
Saudi Arabia will become Pakistan's 23rd major trading partner with whom the country will formally into an agreement to monitor and control illicit financial flows and currency smuggling as part of the recommendations of money laundering watchdog.
The FATF has recommended that narcotics, smuggling, under and over invoicing are the primary sources of illicit financial flows (IFFs), which is inherently a global phenomenon. Over invoicing is a serious threat and a tool used for whitening of black money.
Pakistan already has agreements in places with 22 countries, including the USA, China, Malaysia, UAE etc for online sharing of information on real-time basis to curb under and over invoicing.
On Tuesday, a five-member delegation of Saudi Customs Authority, led by Deputy Governor of Security Affairs Muhammad AlNuaim, held discussions with Pakistan's top customs officials under Federal Board of Revenue (FBR) Chairman Shabbar Zaidi to discuss matters of mutual interest.
Both sides agreed to exchange of information on real-time basis regarding values of goods originating from both countries, along with sharing experiences in law enforcement domain and explore avenues of future cooperation in areas such exchange of intelligence-based information to crack down on illicit flow of currency.
The two states will also share profiling of advance passenger information; encourage cooperation between both Customs to arrest senders and recipients of drugs; post seizure and arrest investigations; designation of contact officers for mutual cooperation and capacity building for automation/harmonisation of customs procedures.
Member Customs Operation Jawwad Agha gave details of the National Single Window (NSW) and National Targeting Centre (NTC) and how these initiatives provide complete frameworks for intra-agency cooperation in Pakistan. The delegation was apprised that at national level, Risk-Based Mitigation Secretary (RBMS) has been evolved after taking due input from all stakeholder agencies including the Federal Investigation Agency (FIA), Anti Narcotics Force, Airport Security Force and Pakistan Customs.
Under RBMS, a completely new institutional apparatus has been set up with a dedicated directorate, namely Cross Border Currency Movement within the Directorate General of Customs Intelligence and Investigation to address the risks of cash smuggling.
Both sides also unanimously agreed that there exists huge scope for enhanced cooperation which will help them address a wider range of problems originating from currency smuggling, narcotics and mis-declarations.

https://www.dawn.com/news/1503381

PAK-INDIA TRADE REALITIES

By Muhammad Ashraf Published: September 5, 2019

In wake of the heightened political tensions, Pakistan suspended bilateral trade with India on August 9, 2019. This was after exercising restraint from retaliating in February 2019 when India had suspended cross-border trade through LoC, withdrawn Pakistan's MFN status (whatever its worth), and imposed 200% import duty on Pakistani products in contravention of commitments under the South Asian Free Trade Agreement (SAFTA). Since then the bilateral trade reduced to unilateral trade — Indian exports continued unabated at a monthly average of $150 million while Pakistan's decreased from $30 million to $4 million. Pakistan's decision to suspend bilateral trade has pulled the plug on this one-way trade.

Neither Pakistan nor India is critically dependent on each other's market, though the suspension of bilateral trade might, in the short term, affect the consumer welfare by increasing prices of a few agricultural and other products, necessitate diversion of raw material sources for certain industries, and further reduce regional integration and inter-dependence of economies.

In absolute terms, India stands to lose a market of $2 billion compared with Pakistan's loss of $0.38 billion. Pakistan's exports of $383 million to India in 2018 constituted 1.6% of Pakistan's global exports. Since Pakistan's value-added products are systematically excluded through NTBs, Pakistan's exports to India are concentrated in a few primary and intermediate products — dried dates ($92 million), cement ($63 million), sugar ($23 million), gypsum ($19 million), sesame seed ($15 million), leather ($14 million), steel scrap ($13 million), disodium carbonate ($12 million) and surgical instruments ($11 million). There is little dependence of Pakistan's exports on the Indian market for these products except for dried dates, though the reliance has been reduced through an aggressive market diversification strategy since February 2019.

Similarly, Indian exports to Pakistan constitute a mere 0.7% of her global exports but value nearly $2 billion in absolute terms. The major export items include cotton ($522 million), organic chemicals ($473 million), cotton yarn ($230 million), plastic articles ($139 million), dyes and pigments ($114 million), machinery ($93 million), pharmaceutical products ($65 million), iron and steel ($64 million) and tea and spices ($56 million). Most of the products are industrial raw materials for which multiple global sources of supplies exist. The trade diversion would, therefore, be rather smooth, despite some initial pains of adjustment.

There is a protracted history of bilateral political conflicts trumping Pak-India trade relations. The trade became the first victim of the war in 1965 when on 6th September, Pakistani Customs officials at Wagah were taken as the first civilian prisoners of war and bilateral trade was suspended before resuming seven years later under the 1972 Simla Agreement. From 1972 to 1995, both the countries traded on the basis of restrictive positive lists. With the advent of the WTO in 1995, India granted Pakistan the Most Favoured Nation (MFN) status, while Pakistan continued with a positive list that gradually expanded from 328 items in 1995 to around 2,000 items in 2012. The positive list regime was liberalised in 2012 to a negative list of 1,209 items, which boosted Indian exports by 34% in two years. Despite India granting the status of MFN to Pakistan, Pakistani exporters have faced an impregnable wall of overt and covert non-tariff barriers (NTBs). So effective were the barriers that Pakistan's "favoured" exports could never exceed $0.4 billion in an Indian import market of more than $500 billion, while Indian "unfavoured" exports claimed a $2 billion share in Pakistan's annual imports of $60 billion. Though India's level of trade restrictiveness under the Overall Trade Restrictiveness Index (47.6) is more than double the Pakistani restrictiveness (22.2), the concealed Pakistan-specific NTBs have been the most constricting. A hostile mindset (considered to be the most restrictive of the NTBs), limiting visa policies, long waiting periods at borders and, above all, the harassment of Indian importers doing business with Pakistan have greatly restricted trade. A report by Ms Nisha Taneja, commissioned by the Indian Ministry of Commerce, acknowledged that Indian businessmen importing from

Pakistan were subjected to surveillance by Indian intelligence agents and their import goods were subjected to multiple security screening. Unsurprisingly, every round of trade liberalisation during the last two decades led to only one-side gains. Since 2005, Pakistan's exports have remained stuck at $350-400 million but Indian exports increased more than three-fold from $577 million to $1.9 billion.

While many regions in the world have integrated during the last few decades, Pak-India trade has drifted apart. In 1948, Pakistan's trade was anchored in the region with reliance on India for 56% exports and 32% imports. In 2018, the bilateral trade of Pakistan and India was merely 2.76% and 0.35% of their global trade, respectively. The bilateral conflicts and the ensuing trust deficit between India and Pakistan have also impeded the regional integration in South Asia. Pakistani and Indian trade with SAARC partners is merely 3% and 7% of their global trade respectively, even though both the countries have a reasonable level of trade with other immediate neighbours. Indian trade integration with contiguous countries (China, Pakistan, Nepal, Bhutan, Myanmar and Sri Lanka) is around 14%, while Pakistan's with the four immediate neighbours (China, India, Iran and Afghanistan) is 25%.

The World Bank estimates the potential of Pak-India trade at $37 billion against the actual $2.3 billion and the SAARC region's potential at $67 billion against the actual $23 billion. All hostilities and conflicts have to end eventually. Hopefully, the bilateral political relations will improve sooner rather than later, and trade returns to the bilateral agenda. However, any future attempt at bilateral trade liberalisation must ensure that any gains made from it are reciprocal. To ensure that Pakistan gets an equitable share in gains from the bilateral trade, it is to link the trade liberalisation with assured trade values rather than mere commitments so that covert NTBs do not neutralise the market access agreed on at the negotiating table.

https://tribune.com.pk/story/2049299/6-pak-india-trade-realities/

PAKISTAN, OMAN AGREE TO ENHANCE TRADE COOPERATION

RECORDER REPORT SEP 6TH, 2019 ISLAMABAD

Pakistan and Oman have agreed to enhance cooperation in the fields of trade and economy, as the visiting Oman's Majles Al Shura Chairman Sheikh Khalid Bin Hilal Al Maawali described Pakistan as gateway for his country to the Central Asian States. The visiting high-level Omani parliamentary delegation led by Majles Al Shura Chairman Sheikh Khalid Bin Hilal Al Maawali held a meeting with Foreign Minister Shah Mehmood on Thursday, Foreign Office said.

"The two sides agreed to enhance cooperation in the filed of trade and economy given the geographical closeness of Pakistan and Oman," it stated, adding that Oman's Majles Al Shura Chairman said Pakistan has the status of a gateway for Oman to access to the Central Asian States. Speaking with the visiting delegation, the foreign minister said the two countries can take bilateral cooperation to the new heights by improving economic relations.

Qureshi also apprised the Omani delegation of the prevailing grave situation in Indian-occupied Jammu and Kashmir in wake of the Modi government's August 5 illegal and unilateral actions. He further told the visiting Omani delegation that India has held Kashmiri people hostage for over four weeks through continuous curfew in contravention to the international laws and the UN Security Council resolutions.

The foreign minister said the entire international community, particularly the Muslim world, will have to play their effective role to stop Indian atrocities against the armless Kashmiri people in the occupied valley. He said the people of occupied Jammu and Kashmir do not have access to food, medicines and other essential commodities due to continuous curfew and lockdown. He further said Modi regime has been subjecting elders, children and women to violence and tyranny.

He said gross human rights violations are being committed in occupied Kashmir and Pakistan has a clear stance that

Kashmir dispute should be resolved as per the UN Security Council resolutions. Expressing concern over the situation in occupied Jammu and Kashmir, the leader of the Omani parliamentarian delegation said the dream of progress in the region can turn into a reality only through peace. He said that Oman believes in resolution of issues and conflicts through peaceful dialogue.
https://fp.brecorder.com/2019/09/20190906515797/

HUMANITARIAN GROUNDS: PAKISTAN UPLIFTS BAN ON TRADE OF MEDICINES FROM INDIA

By Our Correspondent Published: September 7, 2019

KARACHI: Pakistan has decided to lift the ban on the import and export of life-saving medicines from India, despite the recent escalation of tensions over Kashmir.

According to the details provided by the Ministry of Commerce, the decision was taken on humanitarian grounds to prevent the shortage of essential medicines in both countries.

Last month, Islamabad downgraded its trade and diplomatic ties with New Delhi in retaliation against the former's decision to deprive occupied Kashmir of its special status.

Currently, Pakistan imports 820 chemicals for medical use. It relies on India for 60 such chemicals. Of those 23 are used in life-saving medicines to treat blood pressure, cancer, heart diseases, Tuberculosis, and diabetes.

Earlier this week, a notification by the ministry was issued to amend the import policy order 2016. The document stated that the ban would not apply to therapeutic products regulated by the Drug Regulatory Authority of Pakistan.

Prices of several medicines increased due to the government's decision to ban Indian origin imports last month. The ban could have caused a shortage of life-saving drugs in the country as the pharmaceutical industry imports up to 50 percent of the raw material from India to produce medicines.

Doctors, pharmacists, and medical petitioners have praised the government's decision to restore the trade of medical supplies between the two countries.

According to the pharmaceutical industry, the ban stoked fears of a shortage of several life-saving medicines in the market.

To address the issue, representatives of the pharmaceutical industry met the Federal Health Minister, Dr. Zafar Mirza, earlier this month.

According to the pharmaceutical industry, importing raw material from any country other than India would add to the production cost that the consumers will have to bear.

Following the annexation of Kashmir, Islamabad asked India to withdraw its top diplomat and announced that Pakistan would not send its high commissioner-designate to New Delhi.

The two countries have been at odds since India divided the occupied territory into two centrally administered "union units" and took away powers from the state's assembly.

In the most recent round of oppression, India has blocked all forms of communication in Kashmir and detained political leaders in the occupied territory.

https://tribune.com.pk/story/2051121/1-humanitarian-groundsl-pakistan-uplifts-ban-trade-medicines-india/

PM`S DIRECTION ON TRADE POLICY FORMULATION IGNORED

By Mubarak Zeb Khan | 9/8/2019 12:00:00 AM

ISLAMABAD: The Commerce Division has delayed the ñnalisation ofproposed ñveyear Strategic Trade Policy Framework (STPF) document despite clear directions from Prime Minister`s Secretariat to enhance export competitiveness and productivity of the domestic industries.

Prime Minister Imran Khan had directed the Commerce Division to draft a five-year plan with a deadline of Dec 31, 2018 to accelerate exports. However, the division not only missed the deadline by nine months but put the whole process on cold burner.

The policy was touted to provide muchneeded boost to the country`s exports which have remained range bound between $20-25 billion during the last decade and have declined in the last few years.

An official document, available with Dawn reveals that the division has almost completed the preliminary work on the draft and also sought feedback from all stakeholders.

Despite multiple attempts by Dawn to reachthe directorto seek his ofñcialposition on the reason for delay in the STPF through his cell phone, no reply was received till the finalisation of the story. Similarly, official spol(esperson of the Commerce Division Muhammad Ashraf also did not respond to written queries.

In the last decade, the Commerce Divisionhas notified three STPFs in 2009-12, 2012-15 and 2015-18 respectively, but none of these were successfully implemented to achieve the desired objectives due to various reasons.

Moreover, the policies also failed to alter export paradigm over the last decade.

The 2009-10 STPF failed mainly due to mismanagement, whereas the 2012-15 framework suffered due to government`s failure to release the allotted funds. Further, the 201518 STPF was announced after a delay of more than nine months and suffered from financial crunch as the government only released Rs500 million of the total budget of Rs20bn leading to poor implementation.

The ultimate target of the last STPF was to enhance the country`s annual exports to $35bn by 2017-18.

The new framework is expected to revolve around four pillars competitiveness, trade related investment, production sophistication and diversification and trade facilitation.

The ultimate goal of the policy is to increase exports at a minimum compound annual growth rate of 12pc annually till FY23.

On the other hand, an official document estimates serious threats to the country`s export sectors in case government fails to take corrective measures in a timely manner.

One of the major threats faced by the exports comes from looming de-industrialisation mainly due to absence of a proactive industrial policy since the 1990s, over 58pc tax burden on manufacturing sector, high cost of energy, and higher tariffs on indus-trial inputs.

Additionally, the export sector also faces sectoral distortions as over the years, exports have remained concentrated in three major commodities cotton, rice and leather.

Other distortions include cannibalisation of the land and water resources of cotton by the sugarcane crop.

As a result, annual cotton production has fallen short of the target by 4-5m bales, whereas Pakistan continues to produce surplus sugar which is uncompetitive in international market due to procurement price mechanism.

A review study of the past three STPFs identified various shortcomings in the implementation of the proposed frameworks. One of the major interventions of the policies was to extend cash support to exporting enterprises without linking it to boost their competitiveness. The move led to increase in number of corruption vases.

An attempt was made to introduce reforms in the existing trade support institutions and create new ones where institutional gaps exist. However, the results were mixed and not very encouraging.

Furthermore, restructuring exercise for the existing institutions such as Trade Development Authority of Pakistan has encountered strong resistance to change and establishment of new institutions i.e. Exim Bank, Land Port Authority has taken longer than anticipated, due to internal bureaucratic impediments.

https://epaper.dawn.com/DetailImage.php?StoryImage=08_09_2019_010_004

PAK-AFGHAN TRADERS HAIL 24/7 OPENING OF TORKHAM BORDER

RECORDER REPORT SEP 8TH, 2019 PESHAWAR

Traders of both Pakistan and Afghanistan have welcomed the trial-based round the clock (24/7) opening of the Torkham border for bilateral trade and termed it a good step towards the promotion of trade between both neighbouring countries. Commenting on the opening of the border, Zia-ul-Haq Sarhadi, a former senior vice president of Pak-Afghan Joint Chamber of Commerce & Industry (PAJCCI) appreciated the decision of the government of Pakistan and said that the step would play crucial role in the promotion of bilateral trade between both countries.

He said that the volume of bilateral trade between Pakistan and Afghanistan decreased manifold and keeping Torkham border open for 24/7 will not only help in the achievement of the target of trade rather it will also prove helpful in the resolution of the problems of the business community particularly exporters.
Sarhadi, who is also the president of Frontier Customs Agents Group urged the governments of both Pakistan and Afghanistan for provision of facilities to business community and taking immediate steps for the resolution of their problems. He said that besides, the simplification of the issuance of visas for business community including exporters and importers, the provision of facilities can also play major role in the promotion of bilateral trade.
He said that due to inflexible policies, the volume of bilateral trade between both countries slashed down from US$2.5 billion to less than US$1 billion. Therefore, he urged the leadership of both countries to soften their policies to promote bilateral trade.
Similarly, a prominent Afghan trader Ahmad Shah has also welcomed the round the clock opening of Torkham border and said that the business community of Afghanistan is jubilant over the step and are hopeful that the step will help resolve maximum problems at the border and would also build confidence.
The Afghan trader also called for the segregation of politics from the trade and setting aside pity issues by the governments of both countries to promote bilateral trade.
Another Afghan trader, Haji Zalmai has also welcomed the around the clock opening of Torkham border for trade. He said that the closure of the border on minor issues was causing mistrust between both countries. The round the clock opening of the border, he said, will promote bilateral trade between both countries.
The president of Sarhad Chamber of Commerce and Industry (SCCI) Faiz Mohammad Faizi has also hailed the around the clock opening of the Torkham border and termed the initiative as a good step that would be good for the promotion of exports of the country. He has further demanded the opening of letter of credit on soft terms with the objective of increasing exports to Afghanistan.
https://fp.brecorder.com/2019/09/20190908516326/

CHINA PLEDGES TO INCREASE TRADE WITH PAKISTAN

By Our Correspondent Published: September 8, 2019

QUETTA: Chinese Aman Logistic Company Chairman Anderson has said there are vast business opportunities between Pakistan and China and the bilateral trade between the countries is booming, which will produce positive results for both the states.

He shared these views while meeting with members of the Quetta Chamber of Commerce and Industry (QCCI) in the provincial capital. The QCCI President Jumma Khan Badezai, senior vice president Salahuddin Khilji and other members were present in the meeting.

“Chinese Aman Logistic Company seeks to expand its business across Pakistan, and our company is willing to establish warehouses and offer other facilities to Pakistani businessmen in China,” Anderson said and added that Pakistan is a suitable investment spot for foreign investors.

He pledged full cooperation for the owners of import and export companies and noted that millions of people are attached to his company. He stressed that and he is willing to trade with the Pakistani community.

Briefing Anderson, the QCCI president said, “We want to increase trade with China and other countries under the platform of the China-Pakistan Economic Corridor (CPEC) project”.

https://tribune.com.pk/story/2051896/1-china-pledges-increase-trade-pakistan/

NEWS COVERAGE PERIOD FROM SEP 9th TO 15th 2019

CHINA OFFERS COLD STORAGE, OTHER FACILITIES AT TORKHAM

Zulfiqar Ali Updated September 12, 2019

PESHAWAR: Hailing round-the-clock functioning of the Torkham border crossing between Pakistan and Afghanistan for trade, Chinese ambassador to Islamabad Yao Jing said Beijing was ready to build cold storage and other facilities in the border town to promote trade and commerce in the region.

"The functioning of the Torkham border crossing is very meaningful for expansion of trade in future," the envoy told reporters on the sidelines of the two-day international conference on 'Belt and Road Initiative, Pakistan and China Economic Corridor and Trans-Regional Integration' at the Area Study Centre of the University of Peshawar here on Wednesday.

Ambassadors from five Central Asian States, including Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan and Turkmenistan, senior diplomats of the Russian Federation and Iran, senior officials of the Foreign Office, faculty members, and experts are attending the high-level event.

Though Afghanistan serves as a gateway between Central Asia and South Asia and China, the war-ravaged country's ambassador and top officers of its mission in Islamabad were absent. The Saudi ambassador, too, did not show up despite being formally invited.

The Chinese Embassy, Islamabad, UoP Area Study Centre, and CPEC Centre of Excellence, Islamabad, are jointly organising the conference with the collaboration of the Centre for Global and Strategic Studies, Islamabad.

Director of the UoP Area Study Centre Professor Shabir Ahmad Khan inaugurated the conference.

The Chinese envoy termed the 24-hour functioning of the Torkham border crossing a very positive step and said China was ready to build customs, cold storage facilities and hospital there.

He said during a conference held in Islamabad last week, China, Pakistan and Afghanistan had decided to work together for the construction of Kabul-Peshawar Highway and its further expansion to the Central Asian States.

The Torkham border crossing, around 55 kilometers west of Peshawar, was opened round-the-clock on a trial basis last Monday to enhance trade between Pakistan and Afghanistan.

Prime Minister Imran Khan and Afghan President Dr Ashraf Ghani are expected to attend the formal crossing opening ceremony on Sept 14, officials said.

The Khyber Pakhtunkhwa government has planned to announce several incentives for traders and provision of other facilities.

When asked about the suspension of talks between the US and Afghan Taliban, the Chinese ambassador said Washington's announcement in that respect had surprised him.

He said Americans and Afghan Taliban had been negotiating for a long time and everyone had some hopes because Afghanistan had a war-like situation for too long.

"Generally, we hope that this kind of peace efforts should continue and should be carried forward," he said.

When asked about China' stand on the situation in India-occupied Kashmir, the envoy said that Beijing's position on Kashmir was very clear.

"We are against unilateral change to the status quo (by the revoking of Article 370 of the Constitution) by Indians. We think that the international law, UN charter, resolutions and bilateral agreements should be honoured," he said.

The envoy said China was concerned about 'humanitarian situation' in the occupied Kashmir. "By now, a lot of international communities have raised their concern and we hope that the dispute should be settled through dialogue between the two countries," he said.

Earlier, Mr Jing told the conference that China wanted connectivity of the region through mutually-agreed projects and non-confrontational strategies.

He said China was looking to complete Peshawar-Karachi Motorway section sooner, while the Peshawar-Kabul Motorway section was the next shot.

In his opening remarks Area Study Centre director Prof Shabir Ahmad Khan asked key stakeholders to fully participate in this millennium project of 'open integration' of regional countries without restrictions and imposed goals.

He said countries in today's world prospered due to openness, mutual learning andexperience.

Prof Shabir said his centre would serve as a pivotal point to garner scholastic and intellectual input for the projects of 21st century.

Diplomats from the Central Asian States told participants that Karachi and Gwadar provided the shortest route to landlocked countries.

They called for regional connectivity to provide more opportunities for development and regional cooperation.

Centre of Global Strategic Studies President retired Major-General Syed Khalid Jafferipointed out that regional integration would take a longer time if the Afghan security situation didn't develop stable and secure environment for connectivity routes.
He, however, warned that the routes from Xinjiang could bypass it in the long run.
CPEC Centre of Excellence director Liaqat Ali Shah said industrial and trade development would happen after major energy and infrastructure initiatives were completed under the CPEC project.
He said he was optimistic that the CPEC and BRI projects would boost regional economies as regional business would have a lion's share in the trade.
Ministry of Foreign Affairs Director General (China) Mudassir Tipu said Peshawar, the sister city of Urumqi, had an important role to play in the BRI and connectivity of Peshawar between western China and Central Asian States.
https://www.dawn.com/news/1504763

TRADE DEFICIT FALLS SHARPLY BY 38PC IN JULY-AUGUST

Mubarak Zeb Khan Updated September 13, 2019

ISLAMABAD: The country's trade deficit shrank by nearly 38 per cent in the first two months of current fiscal year, driven largely by a decline in imports of non-essential luxury items.
The constant decline in trade deficit shows the government's battle against bloated trade deficit is finally bearing fruit as imports have plummeted despite paltry growth in exports proceeds.
Provisional trade figures available with *Dawn* showed the trade deficit dipped to $3.973 billion in July-August from $6.37bn over the corresponding months last year, reflecting a decline of 37.62pc.
On a monthly basis, the trade deficit decelerated by a hefty margin of 42.25pc to $1.848bn in August as against $3.20bn over the corresponding month last year. The government has set a target to bring down annual trade gap to $27.476bn by June 2020.
During the last fiscal year, the country's trade deficit narrowed to $31.82bn, registering a decline of 15.33pc. The decline came on the back of government's interventions to arrest the rising import bill even though export proceeds posted a mixed trend during the same period.
The provisional figures show the imports in July and August clocked in at $7.659bn, down 21.74pc from $9.787bn over corresponding period last year.
The decline is significantly steeper as the value of imported goods in August dipped by 26.9pc to $3.64bn as against $4.98bn over the corresponding month last year.
Imports have remained well above the $3bn mark since October 2016 and have risen consistently over the period peaking at $5.8bn in May 2018. The incumbent government has taken several measures to curtail rising import bill since coming into power in August 2018.
Because of these policies, the value of dutiable imports dropped to $4.4bn in July-August as against $6.8bn over the corresponding months last year, showing a decline of 35.3pc. The decline in dutiable imports is mainly due to the imposition of regulatory duties on luxury items and automobiles.
Moreover, the government also slapped banned furnace oil imports last year, in addition to a number of policy interventions including improved energy supply, import substitution drive, economic stabilisation, and currency devaluation.
On the other hand, duty-free imports — machinery and raw materials — grew by 6.89pc to $3bn in July-August as against $2.9bn over the corresponding months last year. The growth comes on the back of government's decision to exempt maximum raw materials from duty in the last budget and facilitate machinery-related imports to promote economic activities in the country.
According to a customs officer, the import bill could have declined further had the government not waived off duty on import of 1,639 raw materials in the last budget.
He claimed that the rise in raw material and machinery imports is likely to accelerate industrial growth in the country.
"We are expecting that duty waiver on raw materials and machinery will boost economic activities in the current fiscal year", the official hoped.
Further, the country's merchandise exports grew by 8pc to $3.686bn in July and August, from $3.41bn during the same period last year. The numbers are massively discouraging, as exports, which should have grown over the last few months owing to multiple currency depreciations, have failed to pick up.
The growth in export proceeds during July was encouraging as it grew by 15.65pc on a year-on-year basis. However, exports during August grew by a scanty 1.12pc to $1.792bn as against $1.772bn over the corresponding month last year.
Cumulative exports during the ongoing fiscal year are likely to reach $26.187bn, up from $24.656bn in FY19. The government has already reduced the cost of raw materials and semi-finished products used in exportable products by exempting them from all customs duties.

https://www.dawn.com/news/1504945

ALARMING HR VIOLATIONS IN IOK: EU MPS CALL FOR TRADE, TRAVEL SANCTIONS ON INDIA

September 15, 2019

ISLAMABAD/HELD SRINAGAR: The Members of the European Union Parliament on Saturday called for trade and travel sanctions on India over the alarming human rights situation in the Indian Occupied Kashmir (IOK).

The Co-Chair of the Friends of Kashmir Group in the EU Parliament, Richard Corbett, called for utilising all possible means to mount pressure on India to ease the military curfew in the occupied Kashmir. He proposed the imposition of trade sanctions on New Delhi and restrictions on the travel of those involved in committing human rights violations and acts of terrorism in IOK.

Corbett was speaking to a conference jointly organised by Friends of Kashmir Group in the European Parliament and the Jammu-Kashmir Self-Determination Movement at the European Parliament in Brussels. The Friends of Kashmir Group also proposed that a resolution be presented in the EU regarding the situation in the occupied Valley. Last month, members of this group had visited Azad Jammu and Kashmir. During the visit, the EU members had a chance to meet the victims of the unprovoked attacks from India on the Line of Control (LoC) and the relatives of those who had lost their lives in these attacks.

The group also met a wide range of civil society members including journalists, physicians, teachers, students and lawyers to collect firsthand information about the area. They called upon the Indian government to provide a similar kind of access in IOK so as to independently verify claims about lack of food, medicines and other items in the occupied Valley. Those who spoke at the conference included Anthea McIntyre, Shaffaq Mohammed, John Howarth, Irena Von Weise, Theresa Griffin and Raja Najabat Hussain.

Azad Jammu and Kashmir President Sardar Masood Khan was also present on the occasion and welcomed the decision of the European Parliament to hold a debate on the situation in occupied Kashmir. He said the decisions reflected growing concern in Europe over the deteriorating human rights situation in IHK and warned about prolonged siege turning into genocide. He said all the developments in the Indian occupied territory fit into the definition and criteria of genocide and called for swift action by the international community to intervene and prevent a catastrophe.

Meanwhile, the European Parliament (EP) is set to debate an urgent resolution for the horrible conditions including human rights violations in Indian occupied Kashmir (IOK) more than a month after New Delhi scrapped the Muslim-majority region’s special status and put the valley on a lockdown. The European Union (EU) high representative for foreign affairs and security policy Federica Mogherini is scheduled to deliver a detailed policy statement on the Kashmir situation during the EP General Assembly to be held in the French city of Strasbourg on September 17. The EP confirmed that Mogherini who is also the EU Commission’s Vice President would deliver the Kashmir statement following which the general assembly is expected to debate on an urgent conflict resolution in occupied Kashmir during a full plenary session.

It is noteworthy that this is the second time in the EP’s history that it would open debate the Kashmir issue, the last time being in July 2008 when it discussed mass graves in Indian occupied Kashmir. It is therefore another foreign policy milestone for Pakistan given the efforts of the Pakistani and Kashmiri diaspora to raise their voices in the EU particularly the Kashmir Council EU (KC EU).

Meanwhile, Nobel laureate Malala Yusufzai lamented over the ongoing lock down in occupied Kashmir, saying that she is asking the leaders at the United Nations General Assembly and beyond to work towards instilling peace in the valley. She said the global leaders should listen to the voice of Kashmiris and help children go back to school. In a series of tweets, Malala said in the past week she has spent time speaking with people living and working in occupied Kashmir, including journalists, human rights lawyers and students. “I wanted to hear directly from girls living in Kashmir right now. It took a lot of work from a lot of people to get their stories because of the communications blackout. Kashmiris are cut off from the world and unable to make their voices heard. #LetKashmirSpeak,” she tweeted.

She said that the girls told her that the best way to describe the situation in the valley right now is ‘absolute silence’. “We have no way of finding out what’s happening to us. All we could hear is the steps of troops outside our windows. It was really scary,” Malala quoted one of the Kashmiri girls as saying. She said that she is deeply concerned about the reports saying that 4,000 people including children, who have been arbitrarily arrested, students out of school more than 40 days and girls who are afraid to step outside their homes.

Malala shared the account of another Kashmiri girl lamenting her ordeal. The school girl said that she feels purposeless and depressed as she can’t go to school. “I missed my exams on August 12 and I feel my future is insecure now. I want to be a writer and grow to be an independent, successful Kashmiri woman. But it seems to be getting more difficult as this continues.” “People speaking out for us adds to our hope. I am longing for the day when Kashmir will be free of the misery we’ve been going through for decades.”

Meanwhile, three Nobel Prize laureates have demanded of Bill & Melinda Gates Foundation to rescind its award to Indian Prime Minister Narendra Modi for blatant basic human rights violations in the occupied Kashmiri, attacks on minorities in India and his role in horrific massacre of Gujarat. In their joint letter addressed to Foundation, Mairead Maguire, Tawakkol Abdel-Salam Karman, and Shirin Ebadi expressed their serious reservations, saying they were deeply disturbed to discover that the Bill & Melinda Gates Foundation would be giving an award to Indian Prime Minister Narendra Modi later this month.

“Under Prime Minister Modi’s leadership, India has descended into dangerous and deadly chaos that has consistently undermined human rights, democracy. This is, particularly, troubling to us as the stated mission of your foundation is to preserve life and fight inequity, they added. The situation in the state of Assam and Indian Occupied Jammu and Kashmir were cause for grave concern as well. The organisation, Genocide Watch, has issued not one, but two alerts for India in these regions.

In Assam, 1.9 million Indians have been stripped of citizenship; in Kashmir, since August, 800,000 Indian armed forces have kept eight million Kashmiris without phone or internet service for the last month, they added. They further said because of these human rights abuses, children in occupied Kashmir from Kindergarten to college were unable to attend school. They also referred to the attacks on minorities, specifically Indian Muslims, Christians, and Dalits.

Since the BJP, Prime Minister Modi’s party, came to power in 2014, the use of organised mobs to respond to alleged sectarian ‘offenses’ with violence has undermined the rule of law, so frequently that the Indian Supreme Court warned that these horrendous acts of mobocracy could not be permitted to inundate the law of the land, they added quoting a report of Human Rights Watch.

The Nobel laureates further maintained that scholars inside and outside of India had never cleared Prime Minister Modi of his involvement in the horrific 2002 massacre of Gujarat. As a result, Modi was banned from entering the United States, the UK, and Canada for 10 years until he acquired diplomatic immunity by becoming India’s prime minister. To be sure, his role in that crisis as the then chief minister of the state of Gujarat cannot be ignored, they stressed. They requested the Foundation to rescind its award to Modi because by doing so, they would send a clear and powerful message that the Bill and Melinda Gates Foundation took its aim of equity, justice, and human rights for all seriously and that it was committed to promoting these values in a consistent fashion.

While, Tony Llyod, a Labour Party’s member of UK Parliament, has said that they want to see a change in the Indian Occupied Jammu and Kashmir (IOJ&K) situation, a change that respects people's basic human rights. “These are the things we would expect in any part of the world. It's what we expect for the people of Jammu and Kashmir, and it's what we expect of the Indian government,” the British parliamentarian said in his twitter message.

Tony Llyod further said that the situation in Kashmir worried many people around the world. There were many people (Kashmiris) who have been desperately worried about the future of their families in the occupied Kashmir. He termed the situation in the occupied valley as very damaging after the Indian government stripped the special status of occupied Kashmir which came after huge military deployment in the valley. The UK parliamentarian said the reports indicated that people have lost their lives and were blinded with pellet guns, women were assaulted and restrictions imposed upon the movement of people, but little news came out of Kashmir. “The world began to take notice and say to Indian government look, these are the basic human rights violations,” he said adding, these human rights violations got to be stopped.

Meanwhile, global human rights watchdog Amnesty International demanding an end to continued lock down in occupied Kashmir has urged India to let the people of the territory speak.

In a video posted on Twitter, Amnesty International has exposed gruesome crimes being committed by Indian forces personnel against the people of the occupied Kashmir. The video was posted with a caption that said ‘The Kashmir blackout is over 40 days old. 8 million people are under lockdown. In the world’s most militarised zone.’ The video provides a glimpse on the crisis in occupied Kashmir that has gripped the Muslim majority territory since August 5 when India repealed special status of the territory. Cell phones and internet remain disconnected. Families unable to speak with their loved ones. The government is in near total control of information, the video says.

It adds, “All this amidst reports of disrupted emergency services, mid-night raids, torture, tear gas, rubber bullets, pellet guns, detention of thousands of Kashmiris including doctors, journalists and political leaders’ activists. The human cost of this blackout cannot be ignored. Lift the blackout. Let Kashmir speak, the Amnesty International urges India in the video.

https://www.thenews.com.pk/print/526810-alarming-hr-violations-in-iok-eu-mps-call-for-trade-travel-sanctions-on-india

NEWS COVERAGE PERIOD FROM SEP 16th TO 22nd 2019

TERMINAL TO MAKE ROUND-THE-CLOCK AFGHAN TRADE POSSIBLE

Jamal Shahid Updated September 16, 2019

ISLAMABAD: The National Logis¬tics Cell (NLC), in coordination with Khyber Pakhtunkhwa, has completed arrangements for round-the-clock trans-border trade with Afghanistan through Torkham border terminal which is expected to open next week.

The terminal has been operating 24/7 on a trial basis and will be formally opened at a ceremony to be held at Torkham.

The work to upgrade the terminal began after Afghan President Ashraf Ghani, on his last visit in June, requested Prime Minister Imran Khan to ease trade between the two countries through the border crossing.

On Sunday, the NLC said in a statement that the development entails significant benefits for landlocked Afghanistan as it would drastically reduce its dependency on other countries. The move will facilitate export and import business, reduce congestion and ease pedestrian movement between the two countries and will particularly enhance the Afghan-Pakistan Transit Trade. Bilateral trade between Pakistan and Afghanistan stands at around $2.6 billion a year.

The NLC has made additional arrangements for office accommodation of Customs, Nadra, Federal Investiga¬tion Agency (FIA), Anti-Narcotics Force (ANF) and other departments such as the Frontier Corps (FC) to discharge their duties pertaining to regulation of cargo and passenger movement. More container and baggage scanners, CCTV monitoring, lighting and other amenities have been put in place for smooth functioning of the terminal.

The NLC said that the Torkham border terminal had brought about a paradigm shift in regulating two-way movement of passengers and cargo and had helped curbing the cross-border movement of miscreants, illegal trade, narcotics trafficking as well as backward flow of transit trade goods to Pakistan.

The NLC, which operates the terminal, claimed that it has not only become an important instrument of overall border management system but also arrested the fallout from smuggling of imported goods on the local industry. The border terminal is bringing about a major cultural change as Torkham is no longer free for all border crossing points as everything is being documented and accounted for, the statement said.

According to an official, the border terminal, which will run in two shifts day and night, will particularly ease movement of Afghans who travel across the border in large numbers for treatment in hospitals in Peshawar.

He said that the number of scanners to scan 40-foot-long containers has been increased to two. “Similarly, two additional baggage scanners have also been added when previously only one was in place,” the official said, adding that the new border terminal will now provide a single platform for all government departments, for example the FIA and FC, to mention some. These measures were also taken to plug loopholes that allow smuggling.

The official said that ease in trade would facilitate businessmen who deal in perishable items.

According to the NLC, the border terminal has generated significant economic activities in the area which is largely benefiting the local KhugaKhel Shinwari tribe.

The tribe is being paid a handsome share from the revenue generated on monthly in addition to millions of rupees annual payment in lieu of land provided for the border terminal under a lease agreement.

“The work on improvement of facilities at the border terminal has already started under the Integrated Transit Trade Management System regime. The border terminal will meet all international standards after completion of the up-grade project,” an NLC official said.

The official said that, trade is being carried out between Pakistan and Afghanistan through Kharlachi in Kurram district, through Ghulam Khan in North Waziristan and Chaman.

https://www.dawn.com/news/1505465

FREE TRADE - ARE MNCS DRIVING LOCAL FIRMS OUT OF BUSINESS?

By Ali Salman Published: September 16, 2019

ISLAMABAD: Last night, I was asked a question about free trade. The question was why free trade remains one-way street in the sense that it opens the door to multinationals to enter into the country but does not allow smaller, local companies to sell and export.

There are obviously no legal restrictions on the local companies to sell but, according to the questioner, the sheer size of MNCs makes it impossible for the smaller companies to stay afloat and compete. Big companies can afford to absorb losses which they accrue while operating in smaller markets for a long time until they drive out local businesses.

This is, accordingly, happening now in the case of digital platforms where Alibabas and Amazons of the world are not only killing smaller, locally developed platforms but are also driving traditional brick and mortar businesses out.

In a nutshell, what lies behind this question is that the size does matter. Big companies are "free" to sell at the cost of small companies and can afford to stay in losses and capture market share.

In the brick and mortar world, one can give the example of giant retail operations such as Tesco, Carrefour, and Walmart. Once they enter a local market, say Pakistan or Malaysia, they are most likely to disrupt local retail shops. Many owners of these small retail shops will be forced to close down. If they are smart, they will become suppliers to the new giants. I recall receiving a very angry email from a furnishing company when I published an article praising IKEA some time ago. IKEA, accordingly, would bring small companies to their knees. In the digital world, one can give examples of Alibaba. It acquired Pakistan-born platform Daraz and Singapore-born Lazada in 2016. In the process, there must have been many online start-ups, which had been launched and then never heard of again. Daraz and Lazada thrive today but they are no longer owned by their founders.

The question which I was asked last night about free trade was a question which is often asked by small companies and local entrepreneurs. Should free trade be allowed to destroy local companies? This is not a new question and has been asked at each phase of the industrial revolution in the past 200 years. Now that we are entering the fourth industrial revolution, the severity of this question has intensified.

Before we could answer this rhetorical question, at a deeper level, we need to ask ourselves other questions. How do the multinationals of today grow in the first place as certainly, they start small? Do we have a level playing field between multinationals and local companies? Is there evidence of abuse of market dominance by big companies? What is the impact of shifts in consumer demand? What is the impact on job creation?

In other words, while discussing the potential impact of large companies on the small companies as a result of free trade, we should not be looking just at the ownership structure but also the larger economic equation.

Let's consider two examples by the same firm – global ride-hailing platform Uber. Uber bought the leading ride-hailing platform in the Middle East, Careem, earlier this year. However, in Southeast Asia, Uber was bought by local platform Grab.

Grab was originally created in Malaysia but then moved to Singapore in search for the capital where it became a huge success.

Take the example of IKEA. In China, the entry of IKEA did not lead to the closure of local furniture companies. It led to the creation of several local companies, which copied the IKEA model, changed their business models, thrived at lower prices and created their own market share while competing with IKEA.

In Malaysia, which is one of the prominent manufacturing and assembly hubs in Southeast Asia, free trade works both ways. It allows relatively free imports of electrical and electronic items, provides reasonable incentives to both local and international firms, adds some value and exports final goods back to the world.

Its value addition is only 7%, but the volume of exports it generates is substantial. Malaysia's exports have exceeded $200 billion, at least 10 times higher than exports from Pakistan.

It is true that one needs to ensure a level playing field for both domestic and international firms. However, in the absence of special incentives, China would not have seen the growth of Special Economic Zones, which became the engine of the Chinese miracle. Pakistan also would not have been successful in luring China through CPEC investments.

Free trade not only brings goods and services, but it also brings new knowledge. Protectionism can help some domestic firms but it often leads to overall economic loss. Pakistan is one of the most protected economies of the world and we need a very strong constituency of free trade to rise from a deep slumber.

The writer is the founder of PRIME Institute, an independent think tank based in Islamabad

https://tribune.com.pk/story/2057190/2-free-trade-mncs-driving-local-firms-business/

MEASUREMENT UNITS FOR IMPORT, EXPORTS UPDATED

RECORDER REPORT SEP 18TH, 2019 KARACHI

In order to ensure proper valuation of goods, Pakistan Customs has updated the units of measurements for import and exports. According to details, the customs department under the direction of Chairman Federal Board of Revenue (FBR), Syed Muhammed Shabbar Zaidi has updated and issued the units of measurements used in import and export documents to ensure proper valuation of goods.

The department was of the view that this action would further improve consistency, transparency and uniformity in data capturing as per international standards and all field operations collectors have been guided to ensure implementation.

The department said that the World Customs Organisation (WCO) has recommended use of standard units of quantity to facilitate the collection, comparison and analysis of international statistics, based on the harmonized system of commodity description.

The standardization and harmonization of units of quantity also constitute effective measures for standardizing and facilitating the transmission of data by means of electronic data interchange.

The standard units of measurement were previously notified by the Federal Board of Revenue in the year 2012. The WCO had issued updated recommendations subsequently, but the same were not updated by the FBR in last seven years. The updated units of measurement issued vide CG015/2019 dated 13.09.2019 will facilitate legitimate trade, while eliminating discretions and data distortions in application of units of measurement.

The updated units of measurement have been notified and will become binding for all field formations of customs as well as importers/exporters. No document including Goods Declaration (GD) shall be accepted after September 30, 2019, if the information regarding units of quantity declared/shown is not in accordance with aforementioned customs general order. The valuation system has also been aligned with the updated units of measure by customs operations in the field to ensure trade facilitation and smooth cargo clearances accordingly.

https://fp.brecorder.com/2019/09/20190918518547/

UN EXTENDS AFGHAN MISSION AFTER CHINA 'SILK ROAD' VETO THREAT

RECORDER REPORT SEP 18TH, 2019 UNITED NATIONS

The UN Security Council on Tuesday unanimously extended its mission in Afghanistan after China withdrew its threat of a veto if the text did not mention Beijing's "Belt and Road" trade initiative.

For 15 days China had wielded its threat, calling for the resolution to include a reference to President Xi Jinping's effort to reinvent the ancient Silk Road connecting Asia with Europe and Africa through massive investments in maritime, road and rail projects.

Chinese banks would provide hundreds of billions of dollars in financing for the initiative, which the United States views with suspicion as a means of expanding Chinese hegemony. Beijing's partners often found incomprehensible the Chinese position when the Council's aim was to renew support for Afghanistan, where Taliban suicide bombers on Tuesday killed at least 48 people and warned of more violence before a presidential election on September 28.

Among its duties, the UN's Assistance Mission in Afghanistan (UNAMA), established in 2002, supports the government as well as the peace and reconciliation process, promotion of human rights, and encourages regional cooperation.

The Council extended the mission for one year with a compromise text, negotiated by Germany and Indonesia, that did not mention the Belt and Road Initiative (BRI) but refers to promotion of "regional cooperation and connectivity," a term Beijing clung to, according to a diplomat.

In the middle of a trade war with China, Washington had refused any mention of BRI in the resolution, and a majority of Council members supported the US stance.

The adopted resolution asks UNAMA to support "in close consultation and coordination with the Government of Afghanistan, the organization of future timely, credible, transparent, and inclusive Afghan elections, including the presidential elections scheduled for 28 September 2019."

https://fp.brecorder.com/2019/09/20190918518602/

TRADE BETWEEN PAKISTAN, UZBEKISTAN DOUBLES

By Imran Rana Published: September 18, 2019

FAISALABAD: The Pak-Uzbek Business Council has helped double bilateral trade between the two countries in the past two years and the trade volume will cross $300 million very soon, announced Namangan City Mayor Shavkat Abdurazakov.

Heading a 14-member delegation of businessmen from Uzbekistan at the Faisalabad Chamber of Commerce and Industry (FCCI), he discussed various avenues to explore and strengthen bilateral relations with the private sector of Faisalabad.

He pointed out that Uzbekistan was among the best cotton-producing countries while Faisalabad had excelled in the manufacturing of best quality textile products of international standards.

“Uzbek President Shavkat Mirziyoyev has introduced liberal economic policies coupled with institutional reforms,” he said. “These efforts have yielded results and the Uzbek economy is now gaining momentum at a steady pace.”

A memorandum of understanding (MoU) has been signed between the National Textile University (NTU) Faisalabad and Namangan Institute of Engineering and Technology (NIET) Uzbekistan.

“This will result in a quantum jump in textile sectors of both countries,” he added. “This MoU will also open new avenues of cooperation between the industrial and business communities.”

Regarding Namangan city, he said it was globally known for its exotic flowers. “We organise an international event for our flowers every year,” he said referring to the 60th Annual Flower Exhibition due to be organised next year.

He asked Pakistani businessmen to participate in the exhibition and explore new opportunities for investment.

He apprised Faisalabad businessmen of the 1st International Uzbek Investment Forum, saying due to liberal policies of the government 15 new projects with an estimated investment of $150 billion would be inaugurated soon.

He pointed out that electricity in Uzbekistan was available at less than $0.01 per unit, hence, its small and medium-sized enterprises (SMEs), which had a share of 66.1% in the Uzbek economy, was making progress by leaps and bounds.

“A large number of small industrial zones are also being established where foreign investors can start joint ventures or establish independent production units,” he added.

Speaking on the occasion, Uzbekistan Ambassador Furqat Sidiqov explained the efforts being made to promote bilateral trade between the two countries. “We are now shifting focus to the private sector of both countries after exploiting the public sector,” Sidiqov said.

Underlining the importance of Punjab province, the envoy emphasised that he was focusing on promoting bilateral relations between Punjab and Namangan on a priority basis. “The forging of linkages will encourage joint ventures between the two countries,” he stated.

Regarding the Pak-Uzbek Business Council, he said its offices had been established in Islamabad and Karachi and this year trade centres would be opened in Karachi and Peshawar.

He also coined a proposal for declaring Faisalabad and Namangan twin cities and voiced hope that it would help exploit social and cultural similarities for economic benefit of the two countries.

Acting FCCI President Mian Tanveer Ahmed expressed satisfaction over the bilateral trade, saying both countries should concentrate on launching joint ventures in Pakistan as well as in Uzbekistan.

https://tribune.com.pk/story/2058798/2-trade-pakistan-uzbekistan-doubles/

TRADE DEFICIT CONTRACTS 36% TO $3.9B IN JUL-AUG FY20

By Our Correspondent Published: September 21, 2019

ISLAMABAD: Pakistan’s trade deficit shrank 36% to $3.9 billion in first two months of the current fiscal year on the back of a one-fifth reduction in imports but exports marginally grew by 2.8% despite a steep currency depreciation that added a heavy cost to the economy.

The trade figures released finally by the Pakistan Bureau of Statistics (PBS) on Friday after a delay of 10 days showed that exports contracted both on a month-on-month and year-on-year basis in August despite over one-third devaluation of the rupee against the US dollar.

Cumulatively, the exports grew 2.8% or just $102 million to $3.75 billion in the July-August period of the current fiscal year, which suggested a serious review of the monetary policy.

Overall, the trade deficit, which stood at $6.1 billion in the same period of last fiscal year, shrank to $3.9 billion in first two months of this fiscal year, the PBS reported.
In absolute terms, there was a decrease of $2.2 billion in the trade deficit and almost the entire reduction came from the import side.
Imports dropped 21.4% to $7.7 billion during the period under review but the improvement was mainly because of reduction in imports of the petroleum group, transport group, textile and food groups.
In absolute terms, imports contracted $2.1 billion in the first two months, which provided some relief to the government.
Petroleum group imports decreased $707 million to $1.9 billion while transport group imports dropped $180 million. Food group's imports fell $255 million to $697 million in the first two months.
However, the real challenge was the exports that registered a marginal growth of 2.8% and stood at a mere $3.75 billion – remaining shy of even $4 billion during the first two months. In absolute terms, the exports increased $102 million, which was nothing compared to the cost that the currency depreciation inflicted on the economy and businesses.
Out of the four major groups, two groups – food and textile – recorded some increase in export receipts while there was a reduction in receipts on account of petroleum and other manufacturing groups, according to the PBS data.
Textile sector exports increased just $52 million to $2.3 billion in July-August FY20.
Exporters have long been getting subsidised loans, electricity and gas, and are exempted from the normal income tax regime. The central bank let the currency depreciate by over 34% to give a boost to exports and curb imports.
The PBS released the trade data of two months with a lag of 10 days. Earlier, it had released July trade data with a lag of one month. The national data collecting agency's affairs have gone haywire under the current government.
Against posts of five regular members at the PBS, currently only two members are serving on a permanent basis.
Tenure of one of them, who is responsible for national population census and economic statistics, is ending next week.
The acting charge of chief statistician – the most critical post in the PBS – has been given to Planning Secretary Zafar Hasan. A deputy director general-level officer has been given the acting charge of member national accounts.
PBS officials said the delay in release of statistics was caused by a lack of reconciliation of figures with the Federal Board of Revenue. The planning secretary had to write a letter to the FBR chairman to get the issue resolved.
In August 2019, the imports in dollar terms fell to $3.7 billion compared to $4.96 billion in the same month of last year, which reflected a contraction of over 26.3%, reported the PBS. Exports, however, recorded a decrease of 7.65% to just $1.85 billion in August, a net reduction of $154 million.
On a month-on-month basis, exports fell 1.85% in August over the preceding month. There was a loss of $35 million in export receipts as compared to the preceding month.
Imports also posted a negative growth of 9% to $3.7 billion last month. Resultantly, the trade deficit contracted $15.3 million to $1.8 billion in August over July.
https://tribune.com.pk/story/2061424/2-trade-deficit-contracts-36-3-9b-jul-aug-fy20/

GROWTH OF LSM INDUSTRIES SHRINKS 3.3% IN JULY

By Shahbaz Rana Published: September 21, 2019
ISLAMABAD: The growth in large-scale manufacturing (LSM) industries contracted 3.3% in July as the central bank remained inflexible in its tight monetary policy stance despite intervention by Prime Minister Imran Khan.
In first month of the current fiscal year, out of 15 major industries, seven recorded negative growth while two saw less than 1% growth in their output including textile, according to figures released by the Pakistan Bureau of Statistics (PBS) on Friday.
Overall LSM output decreased 3.28% in July as compared to the same month of previous year, according to the PBS.
The continued slump in large industries, which heavily contribute to the revenue collection, has now made it difficult to maintain even existing jobs, what to talk about creating new jobs.
PM Imran won the July 2018 elections on the promise of creating 10 million new jobs and constructing five million homes at affordable prices – a dream shattered at the end of first year of the Pakistan Tehreek-e-Insaf (PTI) government.

A meeting between the premier and SBP Governor Dr Reza Baqir last month had triggered hopes that the central bank would review its monetary stance. But this week, the central bank kept the policy rate unchanged at 13.25%, which was more than double the rate set one and a half year ago.
“A one-percentage-point increase in interest rate reduces investment by 0.7%,” remarked Dr Ayesha Ghaus Pasha, Pakistan Muslim League-Nawaz’s (PML-N) member of National Assembly and former Punjab finance minister.
At present, the real interest rate is positive by 5.05%, which is far above the core inflation of 8.2%.
For the first time in the past 10 years the LSM sector had recorded negative growth in the last fiscal year 2018-19. Owing to the poor output, the share of LSM in the total national output plunged to a 19-year low at 10.1%.
Of the 15 major sectors, eight registered some growth and seven saw a contraction in July, according to data released by the national statistics agency.
The steep reduction in LSM output will heighten the risk of a prolonged economic slowdown besides increasing unemployment in the country. Higher inflation due to currency depreciation and the imposition of indirect taxes has also adversely affected the purchasing power of people.
The International Monetary Fund (IMF) has projected only 2.4% economic growth for Pakistan in the current fiscal year due to fiscal consolidation and a tight monetary policy adopted by the government to overcome economic challenges.
The data collected by the Oil Companies Advisory Committee (OCAC) showed that 11 types of industries registered average 1.7% negative growth in July. The Ministry of Industries, which monitors 15 industries, reported 3.1% decline in growth. Similarly, the provincial bureaus reported over 1.5% contraction in 11 industries.
On a month-on-month basis, the LSM sector grew less than 1% in July over June.
The sectors that posted growth on an annual basis included textile that grew just 0.12% and non-metallic mineral products that grew only 0.55% in July. The fertiliser sector showed 16.34% growth whereas electronic goods recorded 67.23% growth in first month of the current fiscal year.
The manufacturing of leather products expanded by only 1.4%, engineering products 8.1%, rubber products 2.92% and wood products 8.4%.
Industries that were producing seven major products recorded a dip in their manufacturing in the first month of the current fiscal year. The production of food, beverages and tobacco went down 7.9%, coke and petroleum recorded a steep reduction of 25.1%, pharmaceuticals 12.1% and chemicals 5.94%.
The automobile sector registered a reduction of nearly 27.4% due to almost 50% increase in prices by local assemblers that kept their relatively low-quality vehicles compared with imported cars out of the reach of consumers.
Indus Motor has temporarily shut down its production plant due to the piling up of inventories. The production of iron and steel products dropped 15.4% and paper and board 3.32%.
SBP Deputy Governor Jameel Ahmad said on Friday that the central bank had protected export and small and medium enterprise sectors from the interest rate hike by continuing low interest financing facilities. However, he admitted that there was no credit offtake by the SME sector.
https://tribune.com.pk/story/2061423/2-growth-lsm-industries-shrinks-3-3-july/

TALKS WITH FBR FAIL: TRADERS ANNOUNCE PROTEST MARCH ON ISLAMABAD

Hanif Khalid September 22, 2019
ISLAMABAD: The All Pakistan Anjuman-e-Tajiran (APAT) has decided to start a protest march towards Islamabad as talks with Federal Board of Revenue (FBR) have failed.
The process has also been initiated to send notices to tens of thousands of traders for Sales Tax registration.
Ajmal Baloch, president of the APAT, said while talking to this correspondent that traders from the whole country are worried as trade activities have come to a standstill. He said legal imports are being halted, while the same goods are visible in Pakistani markets which are brought through smuggling. He said all the traders of the country will hold strike on October 9.
The APAT central General Secretary Naeem Mir said that traders talks with the FBR on the issues of CNIC condition sales tax registration and fixed tax scheme could not be fruitful and the traders body has called their representatives

from all provinces of the country to reach Islamabad on October 9 to finalise strategy regarding another shutdown for redressal of their demands.
He said the deadlock persisted and no new date for next round of talks was decided during the last meeting.
Naeem Mir said that trade body's representatives from every district and tehsil will come to Islamabad to make a historic gathering against the government illegitimate taxation measures. He said that traders of AJK will march towards Islamabad led by Shaukat Mir while traders delegations from Gilgit Baltistan will reach the capital led by Masudur Rehman.
He said that Malik Shahid Ghafoor, Rauf Mughal, Aslam Bhalli, Javed Butt and Mumtaz Babar will lead the trade delegations from various districts and Tehsils of Punjab. The participants of traders protest will move to Islamabad from districts and Goths of Sindh in the leadership of Qayyum Qureshi, Amin Memon, Haroon Memon, Rahmatullah, Haji Majeed and Javed Qureshi.
Jamil Paracha, Abdul Rehman, Ismail Lalapuria and Salim Memon will bring the traders to Islamabad for the protest while Abdul Rahim Kakar and Allah Dad Tarin will lead the trade delegation of Balochistan. From the KP traders will march towards the capital in the lead of Malik Mehr Ali and Ehsan Baacha.
Naeem Mir said that traders of Islamabad will host the traders from across the country in the leadership of Ajmal Baloch on 9th October to finalise the date of protest and shutter down all over the country.
He said that traders and tax collection body are at loggerheads over imposition of condition of CNIC and it remains key reason of the stalemate. Traders major demand is to lift the condition of CNIC. They also raised issues of sales tax registration. Both FBR and traders also failed to finalise the draft for fixed tax regime.
https://www.thenews.com.pk/print/530070-talks-with-fbr-fail-traders-announce-protest-march-on-islamabad

NEWS COVERAGE PERIOD FROM SEP 23rd TO 29th 2019

K-P TRADERS, AGENTS WANT GAPS AT TORKHAM'S 24/7 TERMINAL PLUGGED

By Abuzar Afridi Published: September 23, 2019
LANDI KOTAL: While many celebrated the inauguration of the first-ever around-the-clock terminal at the Torkham border, local custom agents at the border have complained that the government must look to address some gaps in the overall gamut of services required for the efficient operation of the terminal, including some of which is not directly in the terminal.
Speaking to The Express Tribune, local Customs Clearance Agent Ablan Ali Shinwari complained that while the modern terminal and the 24 hour operation timings are great for traders, they are facing a bottleneck in the form of limited timings for banks and other financial institutions in the area, some of which are necessary for completing certain procedures. "All the banks and financial institutions [in the area] close down after 3pm," Shinwari lamented.
He went on to add that while the appreciate the promises made by Prime Minister Imran Khand and how he had kept them by completing the terminal at the border. However, he said that unless all allied facilities are provided, these promises will never fully mature into concrete measures for boosting trade at the border post.
The customs agent went on to say that the terminal, its offices and its allied facilities — especially for officers, traders and customs agents — require the supply of uninterrupted power to ensure that the clearing process is quick and efficient. He further complained that scanners installed at the checking points frequently breakdown, often several times a day. Moreover, he said that containers sometimes take days to be cleared by the authorities.
"Their poor optical fibre internet, unannounced load-shedding, insufficient scanners at the clearance point, extra measures from Afghan and lethargy of officials on both sides of the border make the process quite complicated and slow," Shinwari lamented, adding that such measures, will not yield the required results.
"We demand that there should be multiple lines for entry and exit at the border while a special line should be created for the sick and old and those who have relatives living on the other side of the border," said another custom clearances agent Shahjehan Shinwari.
"Financial institution such as banks shut down around noon and officials charge extra for additional tokens issued by the bank at the border, "he complained. An official at the clearance office, who did not wish to be named because he was not allowed to speak to the media, demanded that the State Bank of Pakistan and Prime Minister Imran Khan take action against the corrupt mafia.

A local traders association also demanded that trade should be neutralized if the government wants to further enhance trading activities. They further demanded that trade at the border should be separated from the political tensions which flare up between Islamabad and Kabul.
"We demand that all facilities should be provided at the border so that trade ties between Islamabad and Kabul are strengthened for the economic revival of the erstwhile federally administered tribal areas (Fata)," the traders association demanded. Last week, after multiple delays, PM Imran finally inaugurated the new, 24/7 facility at Torkham. Talking about the facility at the inauguration ceremony, Imran said that the decision to keep the border open for 24 hours a day would greatly benefit the region. "The opening of the border will bring prosperity to the region. It will provide access to Pakistani goods to the Central Asian markets," he said.
"We will increase bilateral trade with Afghanistan by 50% to $3.5 billion annually," Imran Khan said. "Khyber Pakhtunkhwa will also reap benefits of this trade route, as Peshawar will become an economic hub in the region," the prime minister added.
The terminal, though, has been started on a trial basis. The National Logistics Cell (NLC), in coordination with the Khyber-Pakhtunkhwa (K-P) government, completed arrangements for the terminal.
Published in The Express Tribune, September 23rd, 2019.
https://tribune.com.pk/story/2062797/1-k-p-traders-agents-want-gaps-torkhams-247-terminal-plugged/

'INDONESIA PROVIDES PAKISTAN ACCESS TO $2TR MARKET'

By Our Correspondent Published: September 24, 2019
RAWALPINDI: Indonesia, along with Association of Southeast Asian Nations (Asean) member states, is a huge market with great potential for Pakistani products and businessmen should focus on these countries in order to promote trade and exports, said Indonesian High Commissioner Iwan Suyudhie Amri.
Talking to business community at the Rawalpindi Chamber of Commerce and Industry (RCCI) on Monday, he said relations between Indonesia and Pakistan were touching new highs, adding that bilateral ties had seen a marked improvement in all fields over the past couple of years.The envoy said Indonesia, with a population of over 250 million, was the largest Muslim country and provided easy access for Pakistan to a $2-trillion Asean market.
"The bilateral trade volume has crossed the $3.1-billion mark and an increase in the scope of preferential trade agreement (PTA) will further ramp up trade volumes," he added.
He praised efforts of the RCCI to strengthen bilateral relations through business opportunity conferences and exhibitions. He assured the chamber of the embassy's full cooperation and assistance for the upcoming International Rawal Expo 2020.
He also pointed out that the embassy would share trade inquiries and business-related information with the RCCI so that its members could take advantage of the available opportunities for promoting trade and exports to Indonesia.
"Relations between the two countries are heading in the right direction and we hope that these relations will get a further boost in the coming days," Amri added.
Speaking on the occasion, Rawalpindi Chamber of Commerce and Industry President Malik Shahid Saleem said Pakistan and Indonesia had enjoyed cordial relations and there was a need to transform the good relations into thriving bilateral trade, investment and joint ventures between the two countries.
Both countries should provide better market access to each other's private sector, grant more tariff concessions and remove all non-tariff barriers, he stated. "This will help in promotion of bilateral trade up to its actual potential," he added.
Published in The Express Tribune, September 24th, 2019.
https://tribune.com.pk/story/2063407/2-indonesia-provides-pakistan-access-2tr-market/

SARHAD CHAMBER, RAILWAYS AGREE TO BOOST PAK-AFGHAN TRADE

By APP Published: September 25, 2019
PESHAWAR: The Sarhad Chamber of Commerce and Industry (SCCI) and Pakistan Railways officials have agreed to finalise modalities of the proposed transit trade operation through railways to further strengthen Pak-Afghan transit trade and mutual trade between the two countries.

In a meeting on transit trade, chaired by Director Transit Trade Faiz Ali at the Directorate of Transit Trade Customs House Peshawar on Tuesday, officials held discussions on the proposed transit trade operation through Pakistan Railways from Karachi to Peshawar and onward dispatch to Torkham.
Pakistan Railways officers assured the meeting that modalities of the proposed transit trade operation would be finalised by October 15, 2019 after discussions with SCCI representatives and other relevant stakeholders in a meeting to be held at Divisional Headquarters Pakistan Railways Peshawar on October 7, 2019.
Earlier, SCCI President Faiz Muhammad Faizi and SCCI Standing Committee on Pakistan Railways and Dry Ports Chairman Ziaul Haq Sarhadi stressed the need for enhancing Pak-Afghan transit trade.
They urged the government to take such measures, which will provide cheap, secure and trustful goods transportation facility. Faizi demanded that the Afghan Transit Trade Agreement (ATTA) be reviewed and amended to make it further business-friendly and beneficial for the business community of both Pakistan and Afghanistan.
SCCI representatives also urged the government and the Federal Board of Revenue (FBR) to amend SRO 121(1) and allow open transportation of goods along with containers that will abolish detention charges and exporters/importers will get facilities.
Also speaking on the occasion, Sarhadi suggested the re-launch of cargo train from Karachi to Peshawar and Goods in Transit to Afghanistan (GITTA) in order to revive transit route that was shifted to Bandar Abbas and Chabahar ports.
Published in The Express Tribune, September 25th, 2019.
https://tribune.com.pk/story/2064397/2-sarhad-chamber-railways-agree-boost-pak-afghan-trade/

INDIA FAILS TO CLINCH TRADE DEAL WITH US

Monitoring Desk | 9/26/2019 12:00:00 AM
AFTER a day of `Howdy, Modi` rally in Houston, the United States and Indian financial teams have failed to clinch a trade deal as both sides didn`t show any flexibility to bridge the gap in their positions on certain areas.
The Hindu, a leading English daily, on Wednesday reported that despite Commerce Minister Piyush Goyal`s presence in New York to conclude a trade package with US Trade Representative (USTR) Robert Lighthizer, the two sides failed to reach an agreement on Information and communications technology (ICT) products.
The announcement of an agreement was expected to coincide with Tuesday`s bilateral between Prime Minister Narendra Modi and President Donald Trump. `We will have a trade deal soon. We will have a bigger trade deal down the road,` Trump said before the talks held on the sidelines of the UN General Assembly meeting.
While Foreign Secretary Vijay Gokhale did not share details on why a trade package could not be concluded, three sources familiar with the negotiations told The Hindu that the prospects of an agreement unravelled as the US wants India to eliminate tariffs (20 per cent) on ICT products, but New Delhi is concerned that this could open up the market to flooding by Chinese technology. The US wanted greater access to Indian markets for medical devices, such as stents and knee implants, ICT and dairy products and sought the removal of price caps.
The US had sought the removal of price caps (Trade Margin Rationalisation) on medical devices and greater access for dairy products and some other categories of agricultural goods.
On its part, India wanted the reinstatement of preferential market access to US markets under the Generalised System of Preferences (GSP) programme, which was revoke d in early June. It had also wanted facilitation of processes in agricultural product markets where it already had access (such as easier certification of food product irradiation facilities) and greater access in some agricultural markets (table grapes, pomegranates for instance), sources told The Hindu.
https://epaper.dawn.com/DetailImage.php?StoryImage=26_09_2019_010_005

INNOVATIVE IDEAS SOUGHT TO END WATER SHORTAGE IN BALOCHISTAN

By Muhammad Akbar Notezai | 9/26/2019 12:00:00 AM
QUETTA: Balochistan Minister for Irrigation Nawabzada Tariq Magsi has asked engineers, researchers and scientists to come up with smart and innovative ideas and suggest new technologies to improve irrigation efficiency and enhance water productivity, particularly in agriculture and livestock sectors.

Many countries have developed plans and adopted smart technologies to tackle depleting and scarce water resources, the minister said at the `Fourth Invention to Innovative Summit`,whichconcludedhereonWednesday.
The theme of the summit, which was organised by the University of Balochistan, was `Buy and Sell Technology`.
According to Mr Magsi, who was the guest of honour at the inaugural ceremony, Pakistan`s economy is propelled mainly by the agriculture and agro-based industry. But, he said, `With every passing day the need to build water reservoirs is being felt more than ever.
Water availability for agriculture, industry and even for household purposes was depleting and it was apprehended that Pakistan might become a water-stressed country if urgent remedial measures were not taken, he added.
Saying that the government besides building large dams was striving for water conserva-tion and efficient management, the minister urged young researchers and engineers to suggest smart technology and modern ideas to enhance water productivity. He added that Balochistan had a huge potential for development of agriculture, especially fruit and vegetables, fisheries and livestock.
He reminded the participants of the summit that Balochistan in terms of area was the largest province of Pakistan. `It is rich in natural resources, having large deposits of hydrocarbons and metallic minerals,` he said, adding that its coastal areas, particularly Gwadar port, offered great opportunities for socioeconomic development of the province as well as for the whole country.
By hosting this event, the government had showed its commitment to engage the industry, the people and all stakeholders to take the country, especially Balochistan, towards economic sustainability.
He said this summit and its thematic sessions would be informative for the participants and would play an important role towards creating awareness about `innovative Balochistan`. He said: `The summit will provide a useful platform for entrepreneurs, scientists and academia of Balochistan for sharing strategy,innovative ideas, policies and plans with development partners and other participants for constructive discussions and fruitful outcomes`.
https://epaper.dawn.com/DetailImage.php?StoryImage=26_09_2019_005_001

SINDH GOVT ANNOUNCES ‘GRAND OPERATION’ AGAINST WATER THEFT

By Our Correspondent Published: September 27, 2019
KARACHI: Sindh Chief Secretary Mumtaz Ali Shah has said that the provincial government has launched a ‘grand operation’ against water theft in the city. The operation is aimed at curbing water theft through illegally operated hydrants and pipelines.
The move was announced in a meeting, headed by CS Mumtaz Ali Shah, and attended by Local Government Secretary Roshan Ali Shaikh, Karachi Commissioner Iftikhar Ahmed Shallwani, Karachi Water and Sewerage Board (KWSB) Asadullah Khan and representatives of Pakistan Army and Rangers.
The Karachi commissioner and KWSB chief presented an overview of the previous and ongoing efforts against illegal water hydrants in the meeting.
20,306 tonnes of garbage lifted in two days of ‘Clean My Karachi’ drive
Since 2015, said Khan, the water board has demolished 194 illegally operated hydrants and 300 illegal pipelines across Karachi. He added that cases have been registered against over 300 people for the involvement in water theft.
Khan also briefed the meeting about the 25 existing hydrants that are operating in District West. At this, the chief secretary assured administrative support to the KWSB, police and Rangers for the demolition of the hydrants in a week. He also summoned a compliance report from the KWSB at the end of the said operation.
In response to the MD’s report of illegal water pipelines detected near Gujo, CS Shah advised Khan to remove the illegal pipeline in Gujo and surrounding villages and replace them with a KWSB-mandated water supply system to supply only drinking water to the local population.
Agricultural development hinges on new dams: CM Balochistan
He also suggested that the KWSB officials install patrols at bulk transmission systems, canals, syphons, conduits, filter plants and pumping stations in Dhabeji, Gharo, Pipri and Gulshan-e-Maymar.
Shah also directed the KWSB chief to conduct a survey in tandem with the districts’ administration and Rangers to ascertain the estimated volume of water being lost at pumping stations from all Karachi districts. Khan was also urged

to take action against all persons involved in the tampering of Karachi's water resources and supplies followed by a compliance report submitted to the Secretariat.
Published in The Express Tribune, September 27th, 2019.
https://tribune.com.pk/story/2066182/1-sindh-govt-announces-grand-operation-water-theft/

NEED STRESSED FOR SENSITISING POLICE TO DEAL WITH ANTI-WOMEN CRIMES

By Shazia Hasan | 9/26/2019 12:00:00 AM
KARACHI: A consultative meeting on the Sindh Comprehensive Acid and Burn Crime Bill 2019 has brought up severalissues standing in the way of the law`s coming into action.
`There have been so many great pro-women laws that were passed by the Sindh Assembly but they couldn`t be implemented due to things such as lack of trained human resource or lack of a redressal system. The component of funding in legislation also goes against these laws and acts,` said Sindh Commission on the Statusof Women (SCSW) chairperson Nuzhat Shirin.
The event was organised by the Acid Survivors Foundation Pakistan (ASFP) in partnership with Group Development Pakistan and the SCSW at a local hotel on Wednesday.
She said that the real implementation bodies in the instance of crimes against women were police stations. `The police need training and sensitising in order to deal with the complaints of people. There are NGOs trying to educate them but then they also keep getting transferred and the NGOs have to start all over again,` she pointed out.
Pakistan Tehreek-i-Insaf MPA Adeeba Hasan said that they definitely needed NGOs to help guide and support not just police personnel but also those in the government and in the provincial assembly.`NGOs are always needed to tell us where we are going wrong and what is needed. And it is true that the process of releasing funds from these sources is so long that by the time the money to be released gets okayed the patient dies,` she said.
Rana Ansar, a Muttahida Qaumi MovementPakistan MPA, was of the view that there was a need to check budget allocations.
`A clause should be mentioned on how to utilise the funds,` she said. `We need to move a resolution for establishment of more burn centres.
She also said that often a seriously injured person might die before the police reached the spot. `Therefore, it is extremely important that the person`s statement should be taken by a guardian under the supervision ofa medical officer.
Police surgeon Dr Qarrar Abbasi said that the Jinnah Postgraduate Medical Centre had space where they could male a burn and plastic surgery centre.
Lawyer and human rights activist Ali Palh said there should be a special fund for disabled persons too, as there were disabled acid victims as well.
ASFP chairperson Valerie Khan Yusufzai, meanwhile, observed that effort against acid and burn violence was a success story in Pakistan as it happened to be the only form of gender-based violence that had decreased by 50 per cent in 10 years. `Still, resource management is important,` she said.
Transgender activist Bindiya Rana said that funds needed to cover all expenses such asfood, shelter, travelling expenses, legal aid for the victims. She also pointed out that police stations needed to have photocopiers and power generators.
She also noticed that funds for women in distress mentioned that they would be used for female acid crime survivors and not for males, transgenders and children. `But where [should] they go for their rehabilitation and medical treatment if they are the victims?` she asked.
Later, a letter of cooperation was signed for the purpose of strengthening the collaboration between the SCSW and ASFP to contribute towards reducing acid crimes and acid violence in the province, to monitor the implementation of the relevant law and to achieve the enactment of the Sindh Comprehensive Acid and Burn Crime Bill.
https://epaper.dawn.com/DetailImage.php?StoryImage=26_09_2019_115_005

AFGHAN TRANSIT TRADE GROWS 44PC

By Mubarak Zeb Khan | 9/29/2019 12:00:00 AM

ISLAMABAD: Pakistan is regaining its share in the Afghan transit trade as flow of cargoes rose 43.95 per cent to 93,732 containers in 2018-19 from 60,516 containers in the preceding year, of ficial data showed.
The assessed import value of the transit cargoes also grew a robust 54.88pc to $5.715 billion in 2018-19 from $3.97bn a year earlier.
The flow of containers, which were 75,288 in 2009-10, fell significantly after the implementation of the new transit treaty in June 13, 2011. Many experts believe that Afghanistan diverted transit trade to Iran and India as both countries have developed infrastructure in and around the Iranian ports of Chabahar and Bandar Abbas.
The sudden rise in the overall transit cargo shows a mixed trend.
The shipments include commercial, non-commercial and US/ ISAF cargoes. The growth trend in these cargo flows also saw deep fluctuations at the exit border stations of Torkham and Chaman.
The data show that the flow of transit containers at Torkham grew a paltry 9.7pc to 39,175 in 2018-19 from 35,699 in the previous year. The assessed import value of cargo at Torkham reached to $2.63bn during the year under review as against $2.23bn over the previous year,showing an increase of 17.9pc.
Traditionally, Torkham in Khyber Pakhtunkhwa was one of leading border point for cargo movement. However, a slowdown was noticed in the commercial cargoes during the outgoing fiscal year.
The flow of commercial containers grew by 4.6pc to 37,202 in 2018-19 from 35,564 a year ago. In value terms, the growth was recorded at $2.44bn as against $2.22bn over the last year, reflecting a growth of 10pc.
The drop in commercial containers at Torkham border is believed to have been one of the outcomes of the fencing of border with Afghanistan as it has becomedifficult for smugglers to re-enter transit goods in KP areas.
However, there is no of ficial confirmation for this.
The only justification in support of this argument is the substantial increase in the commercial containers which grew by over 90pc in just one year at the Chaman border. This diversion shows that transit importers have chosen Chaman as a new destination until the fencing is complete in the Balochistan province.
Talking to Dawn, a customs officer said that those who dealin transit trade have complained about the strict implementation of axle load condition implemented by the National HighwayAuthority (NHA). The traders believe that NHA implementation of the measures is stricter in KP and not in Balochistan which leads to diversion.
The flow of US/ISAF containers reached 1,178 at Torkham in 2018-19 from 93 in the previous year, showing a massive increase of 1,166pc.
Similar growth was seen in containers of non-commercial containers which are mostly used by the Afghan government, non-government organisations andembassies stationed in Afghanistan.
Contrary to this, the flow of total transit cargoes at Chaman reached to 51,641 containers in 2018-19 as against 24,817 contain-ers in the previous year, showing an increase of 108pc. This growth is mainly the outcome of the increase in commercial cargoes at Chaman station which rose by 90.5pc to 45,463 in 2018-19 from 23,864 in the previous year.
In value terms, the assessed import value of these containers reached to $2.397bn as against $893m in the previous year, showing an increase of 168.4pc.
The US/ISAF containers at Chaman station fell to 591 in 201819 from 953 in the previous year, showing a decline of 37.9pc.
Similar trend was seen in non-commercial cargoes at Chaman station. All these figures show that Chaman has emerged a favourite destination for commercialimporters in the outgoing fiscal year.
On the basis of this data, the of ficial believes that another serious area for the government to control smuggling of goods would be the coastal belt in Balochistan.
Pakistan has allowed 75pc of Afghan transit consignments through green channel immediately upon filing of goods declaration. Of the remainder, 20pc cargo requiring scanning will be cleared in two days and 5pc in three days.
Meanwhile, Federation of Pakistan Chambers of Commerce and Industries (FPCCI) President Daroo Khan Achakzai told Dawn that the facilitation measures adopted by Pakistan government will further increase transit trade.
He also stressed on the need to implement Afghanistan Pakistan Transit Trade Agreement (APTTA) in true letter and spirit.
The FPCCI president further pointed out that Pakistan can play an instrumental in ensuring Afghanistan`s food security.
https://epaper.dawn.com/DetailImage.php?StoryImage=29_09_2019_010_004

OCTOBER, 2019

NEWS COVERAGE PERIOD FROM SEP 30 TO OCT 6th 2019

WTO SLASHES FORECAST FOR GLOBAL TRADE GROWTH AS CONFLICTS MOUNT

Published: Oct 02, 2019
BRUSSELS/BERLIN: The World Trade Organisation cut its forecast for growth in global trade this year by more than half on Tuesday and said further rounds of tariffs and retaliation, a slowing economy and a disorderly Brexit could squeeze it even more.
The WTO said that it now expected global merchandise trade to increase by 1.2 per cent this year, compared with its April estimate of 2.6 per cent. That growth was 3.0 per cent in 2018. For 2020, growth 2.7 per cent is forecast, down from a previous estimate of 3.0 per cent.
'The darkening outlook for trade is discouraging, but not unexpected,' WTO director-general Roberto Azevedo said in a statement, urging WTO members to resolve trade disagreements and cooperate to reform the WTO.
The Geneva-based body said that its reduced forecasts reflected estimates for slower expansion of the global economy, partly due to trade tensions, but also because of cyclical and structural factors and, in Europe, Brexit-related uncertainty.
The WTO gave a forecast range for trade growth this year of 0.5 per cent to 1.6 per cent and for 2020 of 1.7 per cent to 3.7 per cent, with the upper end of the ranges reachable if trade tensions eased.
'Risks to the forecast are heavily weighted to the downside and dominated by trade policy,' the WTO said.
The United States and China have been locked in a trade war for over a year. They have levied punitive duties on hundreds of billions of dollars of each other's goods, roiling financial markets and threatening global growth.
US president Donald Trump has also imposed tariffs on products from other countries, notably on steel and aluminum, in a bid to cut the trade deficit of the world's largest economy. The WTO figures implied he had had limited success.
The WTO said on Tuesday that North America showed the fastest growth of exports of any region in the first half of the year, at 1.4 per cent, although the rise of imports into North America were also greater than elsewhere, at 1.8 per cent.
http://www.newagebd.net/article/86317/wto-slashes-forecast-for-global-trade-growth-as-conflicts-mount

PAKISTAN'S FIRST EXPORT, IMPORT BANK MAY START OPERATIONS IN 2020

By Muhammad Ilyas Published: October 4, 2019
LAHORE: The Ministry of Finance, together with the Ministry of Commerce and the State Bank of Pakistan (SBP), is working to establish Export and Import (Exim) Bank in the country, which is set to start operations in 2020.
The bank will assist export and import of unconventional goods to many countries of the world with which Pakistan does not have regular trade relations. For the purpose, the Ministry of Finance has constituted a high-level committee, which is currently drawing up a legal and regulatory model. The State Bank will regulate the new bank.
Lahore Chamber of Commerce and Industry (LCCI) former president Mian Anjum Iftikhar told The Express Tribune that the establishment of Exim Bank would greatly benefit export sector of the country. "The government should launch this project as soon as possible and a regional study should also be undertaken by the SBP to focus more on promoting exports," he said.
The idea of setting up the bank was floated in 2015, and in 2017, the central bank conducted a survey to study the legal frameworks under which similar banks were running across the globe and see how the operations were conducted. These included banks in Canada, Germany, Malaysia, Turkey, Denmark, India and the United States.
Last year, a consultant of the Asian Development Bank (ADB) and a local consultant were taken on board tasked with making recommendations for the services to be provided by the bank.
Vacancies for the chief executive officer of the bank, the federal bank officer and a permanent bank president have already been advertised by the central bank's Lahore office. However, no suitable candidate has been appointed yet.

The ADB has provided $500,000 for preparing the bank's legal framework under which the business plan, overall setup and the bank's working process will be decided.
Initially, the bank will facilitate small and medium enterprises (SMEs) before extending its operations to other business areas.
According to sources in the Ministry of Finance, besides providing trade financing and insurance facility to the exporters, Exim Bank will also offer re-financing facility while following the central bank's model.
The head office of Exim Bank will be established in the SBP Lahore building while the bank's regional offices will be set up in eight cities, including Sialkot, Karachi, Faisalabad and Multan.
The Ministry of Finance has allocated Rs10 billion for the project and since the bank has not started its operations yet, investment is being made through treasury bills – an investment instrument issued by the government of Pakistan and sold through the State Bank via fortnightly auctions.
According to the Ministry of Finance, soon after the bank starts its operations, the regulatory authority will monitor its working and will also help enhance its assets so that the bank becomes financially stable and plays a better role in increasing the country's exports. The government has voiced hope that the bank will provide critical support for Pakistani exporters, who will enjoy better facilities and will also be able to conduct business in a risk-free environment.
Citing example of the United States, the former LCCI official added that Washington had imposed tariffs on $300 billion worth of Chinese export goods, therefore, Pakistani exporters could immensely benefit from the situation.
"[Even though the situation is ripe for Pakistani exporters], in order to achieve the goal, the Ministry of Finance needs to do more homework."
When contacted, the SBP spokesperson said work on Exim Bank was under progress. However, the Ministry of Finance did not respond to questions about the bank.
https://tribune.com.pk/story/2071804/2-pakistans-first-export-import-bank-may-start-operations-2020/

RABBANI REJECTS GOVT'S STRATEGY TO DEAL WITH BUSINESS CASES

Staff Reporter Updated October 05, 2019
ISLAMABAD: Senator Mian Raza Rabbani on Friday rejected the government's decision that a committee comprising business tycoons will vet cases of the National Accountability Bureau (NAB) that are related to the business community.
In a statement, he said: "The reported decision of the federal government to establish a committee of industrialists to vet cases that will be taken up by NAB is discriminatory."
He also proposed formation of a Federal Account-ability Commission for across-the-board accountability.
Mr Rabbani said accountability in Pakistan had become a process of trial by one's own peers. "The civil military bureaucracy, if and when subjected to accountability, are tried by their own peers," he added.
"Similarly, the judges of the superior courts are subject to Article 209 of the Constitution that grants an inquiry by their own fellow judges. Now big business will have their cases vetted by the committee of their own peers who would then allow NAB to proceed or otherwise," he added.
He said that politicians were the only class of citizens who were being discriminated against and subjected to arrest, investigation and trial by special NAB courts under the stringent law.
"This discrimination is in total violation of the fundamental rights provided under the Constitution," he added.
He said taht if all stakeholders were to be subjected to peer trial then members of parliament and the provincial assemblies should also have their cases scrutinised up by the committee of parliament before NAB took up them.
Mr Rabbani said the process of accountability could only be transparent and result-oriented if there was across-the-board accountability under one law and one procedure.
"I had earlier suggested that there should be a Federal Accountability Commission with representation of all stakeholders to carry out across-the-board accountability," he said.
On the other hand, Pakistan Peoples Party leader and Senate Deputy Chairman Saleem Mand-viwala hailed the government's decision.

He said that the assurance given by Prime Minister Imran Khan and Chief of the Army Staff Gen Qamar Javed Bajwa to the businessmen would improve shattered confidence of the business community in the country.
“I hope that the government will provide conducive atmosphere to the businessmen,” he added.
https://www.dawn.com/news/1509070/rabbani-rejects-govts-strategy-to-deal-with-business-cases

DELAY IN REFUNDS PAYMENT: TEXTILE EXPORTERS UNABLE TO HONOUR EXPORT COMMITMENTS

RECORDER REPORT OCT 6TH, 2019
KARACHI: Delay in payment of billions of rupees refunds has restrained the exporters to run their industries due to liquidity and cash flow problems thus they are also unable to fulfill export commitments, exporters said. They also claimed that approximately some Rs 90 billion of textile exporters are held up in sales tax in July-Sep 2019.
In a joint statement issued by Muhammad Jawed Bilwani, Chairman Pakistan Apparel Forum, Aslam Karsaz Chairman (SZ) Pakistan Hosiery Manufacturers & Exporters Association, Shaikh Safiq Chief Coordinator Pakistan Readymade Garment Manufacturers & Exporter Association, Kamran Chandna Chairman Pakistan Knitwear and Sweater Exporters Association, Khawaja M Usman Chairman Pakistan Cotton Fashion Apparels Manufacturers & Exporters Association has said that government is completely failed to meet it commitment on refund payments.
It was agreed that sales tax refund claims payments will be made immediately after submission of GD like Bangladesh Model and in case the government fails to make swift payment to exporters and unsuccessful in the implementation of new refund system in three months, the government will restore the zero rating of sales tax and no payment no refund regime for the five export sectors, they said.
"The government's basic purpose to abolish zero rating is to collect sales tax on local sales of textile. We don't know how much amount they collected from the local sales of textiles but approximately Rs90 billion of rupees of textile exporters are held up in sales tax in July-Sep 2019", they mentioned.
They said that FBR also gave assurances to exporters the new refund system will be user-friendly and refund will be processed without human involvement. In this regard, government introduced FASTER refund system for five export sectors by which sales tax refunds for exporters to be paid within 72 hours. However, this system is very cumbersome and complicated process, which even the chartered accountant cannot submit in a first sight and in one go, exporters said.
They said that FASTER system is still under-process and not completed yet. Further, it is also an irony after introduction of new refund system, FBR has not hold awareness session to facilitate the exporters that how to submit Annexure H.
"We have learnt after filing sales tax refund only 110 exporters out of 25,640 total exporters were able to file Annexure H, out of which only 44 claims approved for refund amount to Rs 236 million", Javed Bilwani chairman PAF said.
He informed that from July to Sep 2019 exports were worth Rs892 billion approximately which includes sales tax amount of 17 percent deducted on raw material, packing material and utilities while 17 percent of sales tax on imported besides including 3 percent additional sales tax.
"As per our rough estimation on basis of export figures of Jul-Sep 2019, an amount of Rs151 billion of 17 percent sales tax claims is lying pending with the FBR. But, FBR has approved refunds of only Rs236 million out of Rs151 billion which is only 0.15 percent", Bilwani said.
Exporter have urged the government failed to fulfill its commitment to pay refund within 72 hours after completion of three months, to save the export industry from complete ruin and disaster.
In addition in the larger interest of exports, the government should consult the genuine stakeholders for improvement and initially the Sales Tax at a humble percentage should be imposed, they said and added that sales tax percentage may be increased gradually for the five export sectors, if government will be able to pay refund within specified time successfully.
https://fp.brecorder.com/2019/10/20191006524908/

SCCI CHIEF FOR REMOVING HURDLES TO BOOST PAK-AFGHAN TRADE

RECORDER REPORT OCT 6TH, 2019

PESHAWAR: President of Sarhad Chamber of Commerce and Industry, Engr Maqsood Anwar Pervaiz has stressed the need for removal of impediments to give boost to mutual trade between Pakistan and Afghanistan.

In a press statement issued here on Saturday, SCCI chief said that both governments of Pakistan and Afghanistan should take measures to facilitate business community on both sides of the border in order to enhance mutual trade volume between the two countries, particularly to make the Government of Pakistan step to keep open operations 24/7 at Torkham border beneficial for business community and to the increase export.

Engr Maqsood called for pragmatic measures to accelerate the checking and clearing process of export trucks loaded with goods and other items at Torkham border and to ease difficulties of the business community and exporters immediately. He also emphasized the Torkham border management should be strengthened to amicable resolve the issues of exporters and importers.

Government of Pakistan had opened the Torkham border for 24/7, which is a welcoming step but the checking and clearing process is very slow at Torkham station due to lack of proper facilities that had created long queues of trucks and containers loaded with goods items near the border, which is not only affecting export, but also hampering bilateral trade between Pakistan and Afghanistan, SCCI chief said.

Maqsood Pervaiz said that mutual trade volume between Pakistan-Afghanistan is already very low. So, he said the both Islamabad and Kabul should take effective measures to facilitate business community of their countries to meet the mutual trade target between the two neighbouring countries.

Therefore, he demanded of the government to take steps for provision of facilities at Torkham station to give boost to mutual trade volume between Pakistan and Afghanistan under vision of Prime Minister Imran Khan.

https://fp.brecorder.com/2019/10/20191006524921/

NEWS COVERAGE PERIOD FROM OCTOBER 7th TO 13th 2019

US-CHINA TALKS GET UNDERWAY IN TENSE ATMOSPHERE

Reuters Updated October 08, 2019

WASHINGTON: US and Chinese deputy trade negotiators launched a new round of talks on Monday aimed at resolving the two nations' 15-month trade war, with neither side showing any signs of giving ground.

About 30 Chinese officials, led by Vice Finance Minister Liao Min, entered the US Trade Representative's office for two days of negotiations, to be followed by the first minister-level trade talks in more than two months.

The White House officially confirmed that the high-level talks, involving Chinese Vice Premier Liu He, US Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin would begin on Thursday.

"The two sides will look to build on the deputy-level talks of the past weeks. Topics of discussion will include forced technology transfer, intellectual property rights, services, non-tariff barriers, agriculture, and enforcement," White House spokeswoman Stephanie Grisham said in a statement.

The talks are getting underway about a week before a scheduled increase in US tariffs on $250 billion worth of Chinese goods, to 30 per cent from 25pc. US President Donald Trump has said the tariff increase will take effect if no progress is made in the negotiations.

The two sides have been at loggerheads over US demands that China improve protections of American intellectual property, end cybertheft and the forced transfer of technology to Chinese firms, curb industrial subsidies and increase US companies' access to largely closed Chinese markets.

Trump launched a new round of tariffs after the last high-level talks in late July failed to result in agricultural purchases or yield progress on substantive issues.

As Monday's talks got underway, the US Agriculture Department reported more soybean exports to China, the latest in a recent flurry of buying by Beijing. China has booked deals for about 3.5 million tonnes of US soybeans since early September, around 10pc of its annual purchases prior to the trade war.

"Recently some of the statements coming out of Beijing have been a little more positive," White House Economic adviser Larry Kudlow told Fox News Channel, adding that the Chinese have also recently bought US pork and wheat.

"It is possible that some additional progress will be made with China toward the end of the week," he said.
Reuters and other media outlets reported late last month that the Trump administration was considering ways to restrict US portfolio investment flows into China, including the possible de-listing of Chinese firms from US stock exchanges - a move that would mark a major escalation in the dispute between the world's two largest economies. But Kudlow said on Monday that delisting Chinese firms "is not on the table," though the White House had formed a "study group" to examine investment issues.
"What we're looking at, actually, is investor protection, US investor protections... transparency and compliance with a number of laws," he told reporters at the White House, citing complaints from exchanges.
In recent weeks, the U.S-China trade situation has become more complicated by the impeachment inquiry by US Democrats on Trump's request that Ukraine investigate business dealings by the son of Democratic presidential candidate Joe Biden.
Trump also publicly asked China last week to investigate Biden.
White House trade adviser Peter Navarro said on Monday that neither the impeachment inquiry nor Trump's request that Beijing investigate his political rival would weaken the US negotiating position. Navarro told National Public Radio that Trump wants a big deal with China or no deal at all.
Another complicating factor is US support for pro-democracy protests in Hong Kong. Trump has explicitly linked the trade talks to Beijing's handling of the Hong Kong protests and preservation of the territory's rights, a stance that China views as interfering with its sovereignty.
A new US-China flashpoint ignited on Monday over a tweet in support of Hong Kong protesters by an official of the National Basketball Association's Houston Rockets. China's state broadcaster dropped the team's games and two Chinese corporate sponsors suspended ties after Rockets general manager Daryl Morey tweeted, "Fight for Freedom, Stand With Hong Kong." He swiftly deleted the tweet and apologised to fans in China, where the Rockets have a large following from the years that Chinese basketball star Yao Ming played on the team.
https://www.dawn.com/news/1509637

'PAKISTAN, RUSSIA TRADE LOWER THAN POTENTIAL'

By Our Correspondent Published: October 10, 2019
LAHORE: The bilateral trade volume between Pakistan and Russia is far less than its potential, said Russian Trade Representative Yury Kozlov.
Speaking at the Lahore Chamber of Commerce and Industry (LCCI), he said that there was a need to enhance bilateral cooperation in order to increase the two-way trade.
"There is a traditional trade culture between the two countries as trade of the same products is ongoing. There is a need to explore more sectors for trade," he added.
"We are having regular meetings with the Pakistani business community to develop more interaction between the two countries," he stated, adding that Russian businessmen were keen to develop cooperation in trade and investment with their Pakistani counterparts.
He invited the LCCI office-bearers to attend the sixth session of the Pak-Russia IGC (Inter Governmental Commission) to be held this December in Islamabad.
Also speaking on the occasion, LCCI President Irfan Iqbal suggested that a Russian trade representative head office be set up in Lahore, similar to those in Karachi and Islamabad.
"Punjab is a major province of Pakistan and has a lot more trade potential in many sectors," he added.
Iqbal suggested that a joint venture be set up to invest in the fruit pulp processing sector as Punjab has huge scope of investment in the sector.
He said that according to the International Trade Centre World Trade Map, the volume of bilateral trade between Russia and Pakistan stood at $532 million in 2018 compared to $442 million in 2017.
"There is huge potential to boost the existing trade volume between the two countries, but progress has been slow due to a lack of direct banking channels."
He said that in the current scenario when the agriculture imports of Russia from European Union have come to a halt, Pakistan food exporters can capitalise on this opportunity.
LCCI Senior Vice President Ali Hussam Asghar said that Pakistani products have become much economical as compared to the past.

"The export of livestock, meat, rice, fresh fruits and seafood can be enhanced to suit the needs of the Russian markets," he added.
LCCI Vice President Mian Zahid Jawaid Ahmad said, "The embassies of Pakistan and Russia should give preferential treatment for visa processing of business people on reciprocal basis."
https://tribune.com.pk/story/2076114/2-boosting-ties-pakistan-russia-trade-lower-potential/

TRADE DEFICIT NARROWS 35% TO 5.7 BILLION IN Q1

By Shahbaz Rana Published: October 12, 2019
ISLAMABAD: Pakistan's trade deficit has narrowed nearly 35% to $5.7 billion in the first quarter due to compression of imports but the government must now start worrying about exports that are not picking up despite an Rs80-billion hit on revenues and inflicting a huge cost to the economy.
Trade figures that the Pakistan Bureau of Statistics (PBS) released on Friday showed that exports fell in September over the preceding month but marginally increased on an annual basis despite over one-third depreciation of the rupee against the US dollar.
If first-quarter results are taken as a base for the entire year, the year-end prospects remain bleak. The Pakistan Tehreek-e-Insaf (PTI) government may again miss the annual export target until corrective measures are taken to increase monthly shipments far above $2 billion.
Cumulatively, the exports grew 2.8% or just $148 million to $5.5 billion in the July-September quarter of the current fiscal year, reported the PBS. On average, Pakistan exported $1.84 billion worth of goods per month, which did not correspond with the hype created by the China-Pakistan Free Trade Agreement-II concessions and positive impact of currency depreciation.
Overall, the trade deficit, which stood at $8.8 billion in the first quarter of last fiscal year, shrank to $5.7 billion in first three months of the current fiscal year. In absolute terms, there was a reduction of $3.1 billion in the trade deficit and almost the entire reduction came from the import side.
Imports during the period under review dropped 20.5% to $11.2 billion, according to the PBS. In absolute terms, imports contracted $2.9 billion, which provided some relief to the government that was unable to enhance exports.
The International Monetary Fund (IMF) has projected that the trade deficit in the current fiscal year would narrow down to $24.8 billion. The projection is based on 8.2% increase in exports and 4.7% contraction in imports. However, exports have so far grown at a pace of only 2.8% and imports have shrunk over 20%.
Should deficit contraction be celebrated?
When the PTI came to power, it faced the mammoth task of containing the current account deficit, which was at the historically high level of $19 billion due to high imports and lower exports. It took measures to contain the import bill and enhance exports.
Import compression measures have worked effectively, although these have negatively impacted the real economy and caused a reduction in tax revenues. The country's external debt servicing cost has grown phenomenally besides the addition of Rs3 trillion to the public debt due to currency depreciation in the fiscal year 2018-19.
"Reduction in dutiable imports has adversely affected the Federal Board of Revenue's (FBR) tax collections at the import stage," FBR Chairman Shabbar Zaidi told The Express Tribune early this month.
He said as, against Rs422-billion collection at the import stage in the first quarter of last year, the FBR provisionally collected Rs441 billion in taxes in the first quarter of FY20, which was higher by only Rs25 billion or 6%.
Overall, the import compression policies have affected the FBR's revenues by Rs80 billion, which has resulted in a shortfall of Rs114 billion in tax revenues despite taking huge advances and blocking taxpayers' refunds.
The currency devaluation, as part of the import compression policies and also to increase exports, stoked inflation and increased the cost of doing business.
Despite doing all this, the country's exports could not touch even the $6-billion mark in the first quarter. This requires a serious review of monetary, fiscal and administrative policies.
The government should withdraw the fiscal benefits extended to the influential All Pakistan Textile Mills Association and divert these resources to small and medium enterprises, which can also create jobs and help increase exports.
In the first two months (July-August) of FY20, textile-sector exports increased just $52 million to $2.3 billion, which did not commensurate with the concessions that textile tycoons were enjoying in the shape of cheap financing and subsidised electricity and gas.

In September 2019, imports in dollar terms fell to $3.8 billion compared to $4.4 billion in the same month of last year, which reflected the contraction of over 13.9%, reported the PBS.
Exports marginally increased 2.7% to $1.8 billion in September, a net increase of a mere $46 million. The trade deficit in September contracted 24.5% to $2 billion.
https://tribune.com.pk/story/2077652/2-trade-deficit-narrows-35-5-7-billion-q1/

POLITICIANS, TRADERS THREATEN TO GO ON STRIKE

Staff Correspondent October 13, 2019
GWADAR: Several political parties and traders of Turbat have threatened to go on strike in the entire Kech district if the government does not take measures to control the law and order situation.
Speaking at a press conference on Saturday, All Parties and Activists Alliance District Kech's convener Moh-ammad Jan Dashti, chairman Haleem Baloch and Ishaq Roshan Das-hti expressed concern over inc-r-easing incidents of thefts, robberies and other crimes in the Kech district.
Local leaders of the Pakistan Muslim League-Nawaz, Balochistan National Party-Mengal, BNP-Awami and Jamiat Ulema-i-Islam-Fazl were also present during the press conference.
They said that cases of theft, robberies and murders had increased at alarming levels and had even organised protests and also held meetings with the authorities concerned, but the situation did not improve.
"We also held meetings with the provincial home minister and IG Police and apprised them of the whole situation but no practical steps have been taken so far," they claimed and added that they extended cooperation to the administration and gave it appropriate time but no positive step had been taken in this regard.
Leaders of the Traders Associ-at-ion also said that all political parties, civil society and traders had unanimously decided to record their protest in a democratic manner, because they were left with no other choice.
"If the accused are not apprehended we will observe a shutter down strike on Oct 14 and later we will spread our protest across the province," they said.
They regretted that despite installation of CCTV cameras on all streets and setting up of security check-posts anti-social elements were carrying out their criminal activities.
"The Kech Bar Association has also supported our strike call," they said.
https://www.dawn.com/news/1510563/politicians-traders-threaten-to-go-on-strike

TRANSIT TRADE AT TORKHAM BORDER INCREASES MANIFOLD

By RECORDER REPORT on October 13, 2019
Pak-Afghan bilateral and transit trade at Torkham border has registered manifold increase after the opening of the round-the-clock clearance of goods carrying trucks at the border. However, traders on both sides of the border seek more facilities to promote bilateral and transit trade through this traditional trade route.
Talking to this scribe, Zia-ul-Haq Sarhadi, president, Frontier Customs Agents Group (FCAG), Khyber Pakhtunkhwa said that before the new arrangements, the border authorities were used to clear 600 to 700 trucks daily while now the number of the crossing over trucks is ranging from 1,000 to 1,200 trucks.
Traders on both side of the border are happy over the development and appreciating the step of the government for taking the initiative. However, they are also complaining of certain kind of hurdles for the vehicles carrying Afghanistan bound goods in trade and those coming under Afghan Transit Trade.
They said that after the merger of the erstwhile FATA into KP, the office of then Political Agent had now replaced with the Deputy Commissioner (DC), but instead of the later, police is playing shots that had created a number of check posts at various points on Peshawar-Torkham highway wherein long queues of trucks could be witnessed around the clock.
Engineer Irshad Shinwari, a local border agent at Torkham said that robust business was witnessed during the period of first three days. But due to check posts, established by police, the transportation of goods both under bilateral and transit trade has halted. They are demanding to the Inspector General of Police (IGP) to take notice of the matter and abolish these check posts to promote trade with Afghanistan.
Similarly, Najeebullah Safi, Executive Director, Pak-Afghan Joint Chamber of Commerce and Industry (PAJCCI) at Kabul Office hailed the opening of Torkham border for 24-hour operation a positive step for the promotion of trade.
He said that both Afghan authorities and traders were jubilant over the step and added the participation of Governor

Nangarhar and other Afghan authorities in the opening ceremony of the border last month was the ample proof of the support of Afghanistan to the initiative.
Furthermore, Ahmad Shah, another Afghan trader had also hailed the 24-hour opening of the Torkham border for trade activities. He rejected a media report that Afghanistan was not ready for cooperating in keeping Afghan border opened for the round-the-clock operation. He said the customs authorities of Afghan had dispelled the impression, saying they were ready for conducting 24-hour clearance operation at Torkham border.
However, Zia-ul-Haq Sarhadi highlighted some reasons behind the diversion of bilateral and transit trade trucks to Chaman border. The first reason, he said was less transport fare and the return of the empty container within a short period of four days that save the exporters from detention charges. While on the other hand, he said fare from Karachi to Torkham is manifold higher and the return of the empty container used to take one month. He said Afghan authorities used to impound returning containers and released them after payment of money.
Similarly, he said that as per the ruling of Islamabad High Court (IHC), axel load limit for 20 feet container on Karachi-Torkham route is weighted 16 tons, but on the other the same length container through Chaman border is allowed to carry 24 tons weight while 40 feet container through Torkham border is allowed to 32 tons weight while the same is permitted to carry 55 tons through Chaman border.
This decision of the court, which is applicable for the whole country, is strictly implemented through Torkham border, but the case of Chaman border is totally different. The situation, Sarhadi said, has rendered 270 clearing agents of the province unemployed while the business of transit trade is also being shifted to Chaman border.
https://www.brecorder.com/2019/10/13/530370/transit-trade-at-torkham-border-increases-manifold/

NEWS COVERAGE PERIOD FROM OCTOBER 14th TO 20ty 2019

TRAINING SESSION FOR EXPORTERS

From the News paper October 17, 2019
LAHORE: The Trade Development Authority, under its National Exporters Training Programme (NETP), organised an event here on Tuesday in collaboration with the LCCI & IBA-Karachi.
The objective of this initiative is to “share trade knowledge in terms of available resources, international trends, TDAP’s facilitation initiatives for exporters, role and importance of export planning and execution, so as to equip our potential and new traders/manufacturers who are eager to export,” says a TDAP press release.
Assistant professors Dr Adil Nakhuda and Dr Najam Akbar presented four distinct modules that would help exporters in converting an export inquiry into actual exports. More than 50 manufacturers, traders, women entrepreneurs, new exporters and executive members of LCCI attended the session.
https://www.dawn.com/news/1511192/training-session-for-exporters

PAKISTAN, EGYPT AGREE TO PROMOTE TRADE

Mubarak Zeb Khan Updated October 17, 2019
ISLAMABAD: Pakistan and Egypt on Wednesday agreed to work out measures for capturing untapped economic potential and promoting bilateral trade.
The decision took place at the first meeting of the Pakistan-Egypt Joint Working Group (JWG) on Trade held in the capital. The JWG was established at the sidelines of Pakistan-Egypt trade conference held in Islamabad on Wednesday. On the occasion, the Ministry of Commerce and Egyptian Commercial Service signed a Memorandum of Understanding (MoU) for the establishment of the JWG on trade.
The Pakistan delegation was led by Secretary Commerce Ahmed Sukhera while Egypt was represented by First Undersecretary of Egyptian Commercial Service Ahmed Anter.
The two sides emphasised on the relative importance of Pakistani-Egyptian trade and economic relations as well as enhancing the current trade volume.
According to the minutes of the JWG meeting, it was agreed to enhance trade in key sectors including agricultural products, engineering industries (electrical apparatuses and power appliances), construction and building materials, fertilisers and chemicals, textiles and leather products, medical and surgical instruments and pharmaceuticals was reached.

Both sides agreed to enhance trade promotion efforts by signing an MoU between Trade Development of Pakistan (TDAP) and Egyptian Commercial Service, organisation of Single Country Exhibition in Cairo and Karachi and frequent exchange of delegations and participation in each other's International trade fairs.
At the sidelines, business to business meetings were arranged between Egyptian and Pakistani businessmen.
Meanwhile, the Ministry of Commerce and Textile organised a Pakistan-Egypt Trade Conference in Islamabad. It was the first of a series of such conferences planned with African countries under the 'Look Africa Policy Initiative' of the ministry.
Addressing to the Egyptian delegation, the Adviser to the Prime Minister on Commerce, Razak Dawood expressed the desire to make the trade relations commensurate with the political relations.
The adviser emphasised export potential of Pakistan in sectors including engineering goods, rice, agro-processed products, surgical, pharmaceutical and sports goods. He also highlighted the investment opportunities available in Pakistan especially in engineering sector.
During the conference, Sukhera announced details of the 'Look Africa Policy Initiative' of the government and relocation of six commercial sections to Africa in Egypt, Algeria, Senegal, Ethiopia, Tanzania and Sudan.
https://www.dawn.com/news/1511300/pakistan-egypt-agree-to-promote-trade

FOREIGN PRIVATE INVESTMENT JUMPS 51PC

Shahid Iqbal Updated October 18, 2019
KARACHI: Foreign private investment increased by 51 per cent to $564.8 million in the first quarter of this fiscal year, up from $374m in same period of 2018.
Meanwhile, foreign direct investment (FDI) edged lower by 3.1pc to $542.1m during July-Sept, as compared to $559.4m in same quarter last year.
However, FDI in September clocked in at $385.3m, surging by 111.6pc over $182.1m in corresponding month last year.
If the September trend persists for the remaining fiscal year, the country could receive record high investment it received during the last five years but it depends upon the business environment and low cost of doing business.
Data reveals that the most significant chunk came from Norway, even beating China which has been the largest investor in the country for the last three years.
FDI from Norway stood at $263.7m, soaring by a whopping 1,600pc, over just $15.5m in the same quarter of FY19. Of this, $253.2m were invested in September.
On the other hand, inflows from China plunged 70.4pc to $103m during July-September versus $348m in corresponding months last year.
Prime Minister Imran Khan recently visited China to speed up the working on projects under the China-Pakistan Economic Corridor.
Sector-wise investment indicates that telecommunications attracted highest amount of $246.4 million during the quarter. This represented a massive growth of 389.6pc over $54m recorded in July-September FY19.
Inflows in the oil and gas exploration, on the flip side, dipped by 54pc to $34.1m during the first quarter, compared to $74.1m in same period last fiscal year.
The sector is at the top of government's priority list for attracting investments but the response during the latest quarter is disappointing.
The attraction for hydel power also declined as the investment fell to $27.3m, from $36m. Inflows in cars didn't show much difference as they came in at $25.8m, down from $29.5m.
However, a big jump was noted in electrical machinery as it received $64.8m during the quarter, rising from 1QFY19 level of just $5.2m.
A major change was noted in portfolio investment which had been showing outflows for most of the time but in the latest quarter posted a net inflow at $22.7m, as opposed to a net outflow of $185.3m in corresponding months last year.
https://www.dawn.com/news/1511499

STATES MUST ABIDE BY GLOBAL TRADE RULES: IMF CHIEF

Reuters October 20, 2019

WASHINGTON: International Monetary Fund Managing Director Kristalina Georgieva said on Saturday that IMF members discussed ways to increase "peer pressure" on countries to follow and improve global trade rules to reduce growth-sapping uncertainty.
Georgieva told a news conference at the IMF and World Bank annual meetings that US-China trade tensions were a major topic of discussion at the gathering of financial leaders.
"We need to look into reasons on why we are not making more progress on trade. It's not just about US-China," she said. "The understanding was (the need for) building more peer pressure for everybody to play by the trade rule-book, and be willing to expand and improve this rule-book."
In a statement issued after her meeting in Washington with Somali Prime Minister Hassan Ali Khaire, Georgieva said she also supports Somalia's efforts to achieve debt relief through the global lender's Highly Indebted Poor Country programme.
She said Somalia was committed to making further reforms despite challenging circumstances, which were aimed at paving the way for debt relief.
https://www.dawn.com/news/1511874/states-must-abide-by-global-trade-rules-imf-chief

NEWS COVERAGE PERIOD FROM OCTOBER 21st TO 27th 2019

TRADERS CALL FOR SHUTTER-DOWN STRIKE ACROSS PAKISTAN AGAINST PTI'S GOVT ECONOMIC POLICIES

By Our Correspondent Published: October 21, 2019
HYDERABAD: The All Pakistan Anjuman-e-Tajran will observe a shutter down strike across Pakistan on October 29 and October 30. The association's central general-secretary, Naeem Mir, while addressing traders in Mirpurkhas on Sunday said that their agenda is not to seek the removal of Prime Minister Imran Khan but only to redress harmful economic policies.
"The traders have been disillusioned by the government's policies and the regressive taxes," he said. Mir added that he believed in a negotiated settlement of disputes and with such an intention he remained part of the team that negotiated with the government of Pakistan Tehreek-e-Insaf (PTI).
He said that if the state provided facilities to traders, they will be willing to pay all the due taxes. He added that the business community that turned up against the government can extend cooperation and help the government reduce internal and external loans only if they are considered stakeholders and consulted accordingly in policy making.
"Unfortunately, the government is not implementing a trade-friendly policy. Rather, its policies have been directly hurting trade and the economy." Mir maintained that providing a copy of the national identity card for a transaction is not a problem for traders. "We are ready to give the NIC cards if we are assured that they won't ask about our financial records of the last six years."
He asserted that the traders will not act as withholding tax agents for the Federal Board of Revenue. The association's central general-secretary opposed the levying of 1.5 per cent tax on the profits of traders, arguing that their actual profit after deducting the cost was hardly around 1 per cent. He said the traders will be willing to pay between 0.25 per cent to 0.5 per cent tax.
Mir offered the government to accept their demands so that they may withdraw the call for a countrywide strike. He reiterated that the traders are not a tool of some political agenda and their protests are only aimed to reverse the government's adverse economic policies.
The association's Sindh President, Abdul Qayum Qureshi, and General-Secretary Muhammad Ameen Memon also spoke.
https://tribune.com.pk/story/2083844/1-traders-call-shutter-strike-across-pakistan-ptis-govt-economic-policies/

'TAJIR BACHAO MARCH': APAT THREATENS PROTESTS OUTSIDE FPCCI OFFICES

By ABDULLAH MUGHAL on October 26, 2019

The All Pakistan Anjuman-e-Tajran (APAT) has warned the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) that if it failed to become a part of its ‘Tajir Bachao March' scheduled for October 29-30, the next protest demonstration will be held outside the FPCCI's office.
“If the office-bearers of the FPCCI failed to become a part of our scheduled protest in Islamabad by shutting down their offices, the next protest demonstrations will be held outside all the FPCCI's offices across the country," declared APAT Central General Secretary Naeem Mir while addressing a hurriedly-called press conference at Lahore Press Club here on Friday.
Senior leaders of all leading trade bodies of Lahore were also present on the occasion which expressed unanimous confidence in the APAT leadership.
Mir said the FPCCI should extend its unconditional support to the trade bodies instead of giving them suggestions for having a table talk with the government once again. “When we protested in November last year against ‘unjustified taxation' measures, the government had started negotiation with us," he added.
“At that time, the government before going to the International Monetary Fund (IMF) had agreed in principle to resolve our all issues like removal of CNIC-based invoicing, turnover tax, exemption of sales tax registration for small and medium traders, introduction of simplified fixed tax scheme and exemption from the business transaction of the last six years besides others," the general secretary claimed.
So much so, he added, the government had assured the traders of taking their reservations to the parliament and formulating or amending relevant laws for the smooth functioning of business activities in the country. However, when the government signed a “controversial deal" with the IMF, it backtracked from its promises leaving the business community in an uncertain atmosphere, Mir further said.
Dispelling the impression that the business community are eying to join hands with the JUI-F ‘Azadi March' to further pressurise the government, the secretary general said: “We neither announced our support to Maulana nor announced our participation in the JUI-F's expected sit-in in Islamabad."
He said the protest of the traders would be finished a day before the JUI-F's Azadi March which is scheduled for October 31st. However, if our demands were not met during our two days protest, all the trade bodies would chalk out “another strategy", he added.
Lahore Businessmen Front Chairman Amjad Chaudhry regretted that the National Accountability Bureau (NAB) has included those businessmen in the committee for resolving their issues who are already facing investigations before the anti-graft watchdog. He announced that the Lahore Chamber of Commerce and Industry (LCCI) will shut on October 29-30. Besides this, all the markets falling under the domain of the Lahore Businessmen Front will also remain closed on the aforementioned date, he added.
Vice President of the Progressive Group in the LCCI Arshad Chaudhry said the uncertainty in the market is the result of bad policies of the PTI government. Recently, he added, the ranking of Pakistan has significantly decreased in ease of doing business whereas India is showing improvement in it. Similarly, other leaders of different trade bodies also spoke on the occasion and vowed that they would not fall apart this time.
https://www.brecorder.com/2019/10/26/538087/tajir-bachao-march-apat-threatens-protests-outside-fpcci-offices/

FBR FEAR OF TRADERS

Editorial October 27, 2019
THE Federal Board of Revenue appears somewhat indecisive over the implementation of an array of measures introduced in the current budget to document domestic commerce by effectively taxing the flourishing wholesale and retail sector.
It is, for example, delaying the enforcement of the key CNIC condition on purchases exceeding Rs50,000.
Now a report indicates the board’s willingness to introduce a turnover-based fixed tax regime for small to medium traders, instead of taxing them on the basis of the size of a shop, and the nature and location of a business.
The report quotes the FBR chairman as saying that the government could accede to the traders’ demand provided it gets the IMF’s prior approval during the first quarterly review of Pakistan’s performance against the benchmarks set for its $6bn loan, which will get under way on Monday.
The tax authorities’ reluctance to implement the measures to bring wholesalers and retailers into the tax net is quite understandable.

They are afraid of the shutter-down power of the country's large trading community, which has consistently refused to become part of the formal economy since the introduction of consumption tax in the late 1980s.
The traders brought the powerful military dictator, Gen Pervez Musharraf, to his knees in 2000 and forced him to withdraw a decision to register them under the general sales tax law.
Political governments have never found enough will or courage to tax wholesalers and retailers who contribute around 18pc to the nation's economy but pay less than 1pc of total FBR taxes.
The traders do not want to pay income tax, sales tax or any other tax and have always resisted any effort that would help the government track their undeclared incomes and help document the economy. This is perhaps the only issue that unites the otherwise politically fragmented community. Each time a government makes a move to tax them, they pull down their shutters and take to the streets to get a free pass. Several rounds of talks between the FBR and traders since the announcement of the budget have ended in a deadlock and the delayed enforcement of taxation proposals because of threats of a countrywide strike.
If the government thinks it can still persuade traders through negotiations to become part of the documented economy, or buy time to divide them, it is mistaken. And the rollback of the documentation effort is definitely not an option because it will jeopardise the government's plan to achieve the targeted tax revenues and document the economy, especially at a time when the country faces a real threat of a downgrade from FATF's 'grey' to 'black' list in February. It will have to enforce the measures to bring traders into the tax net sooner or later. The sooner it does the better it will be for the flagging economy.
https://www.dawn.com/news/1513176/fbr-fear-of-traders

NEWS COVERAGE PERIOD FROM OCT 28th TO NOV 03rd, 2019

TALKS BETWEEN TRADERS, FBR FAIL TO MAKE HEADWAY

By Our Correspondent Published: October 28, 2019
ISLAMABAD: The dialogue between the All Pakistan Anjuman-e-Tajran (APAT) and the Federal Board of Revenue on Sunday over the Computerised National Identity Cards (CNIC) condition failed to make headway as the former decided to continue with its shutter-down strike scheduled for October 29 and 30.
"The CNIC condition is very complex and impossible; therefore, the FBR should have thought before making an agreement with the International Monetary Fund," said APAT President Ajmal Baloch.
He said the shutter down would be held in the country, including Islamabad, Gilgit-Baltistan and Azad Kashmir, under any circumstances on October 29 and 30.
"We are not saying no to negotiations, but the FBR chairman first said that they are introducing fixed tax and then after two hours, changes his statement," said Baloch.
He said the IMF should also negotiate with the representatives of trader associations in Pakistan. "The IMF should consider the literacy rate of Pakistan before making an agreement with the government," said Baloch, adding that while making a deal with the IMF, the FBR should also consider that the trader of Pakistan does not understand complex documentation.
"The strict conditions of the IMF have destroyed the country's business," said Baloch.
Since July 1, the wheel of business had stopped churning due to which the traders were concerned, he said, urging the government to understand the fact that if businesses do not run, they would not be able to collect tax.
https://tribune.com.pk/story/2088323/2-talks-traders-fbr-fail-make-headway/

AFTER TALKS FAILURE, TRADERS DOWN SHUTTERS ACROSS COUNTRY

Aamir Yasin | Kalbe Ali Updated October 30, 2019
ISLAMABAD: The trader community observed a shutterdown strike throughout the country on Tuesday to protest measures in the budget designed to document their transactions, with wide swathes of urban markets heeding the strike call.
During the day talks between the government and the trader community broke down, ending hopes of an early end to the strike.

The markets are expected to largely remain closed on Wednesday (today) too, as a cluster of five traders' associations has called for a two-day protest against the recently introduced measures aimed at widening the tax net and ensuring that retailers pay their taxes.
The strike coincided with the launch of the anti-government 'Azadi march' by the Jamiat Ulema-i-Islam-Fazl.
The strike call was given after the failure of a round of negotiations between the traders' leaders and the authorities, led by the Prime Minister's Adviser on Finance Dr Abdul Hafeez Shaikh and Federal Board of Revenue chairman Shabbar Zaidi.
PM's financial adviser asks businessmen to stop avoiding paying taxes as latter warn of more strikes
After the inconclusive talks, Dr Shaikh criticised traders for not paying their taxes, pointing out that out of 3.5 million traders, only 392,000 were in the tax net.
Islamabad saw patchy observance of the strike, but traders in Rawalpindi were able to give a powerful message of unity as all main commercial hubs there kept their shutters down throughout the day.
By and large Punjab responded well to the strike call as traders kept their businesses closed in most of the markets and shopping centres on the call of All Pakistan Anjuman-i-Tajiran (APAT).
"We straightaway reject the 'IMF's agenda in the country'. Since the government is playing 'meeting-meeting' with us, we warn it to either accept our demands or face more shutterdown strikes in the near future," said Ashraf Bhatti, APAT's president, at a protest camp in Lahore. Businessmen kept their shops closed in a majority of the markets.
In Multan, most of the markets remained closed and in Faisalabad traders observed strike in the cloth, jewellery, hosiery and yarn markets. However, there was a partial strike in all eight bazaars of Clock Tower.
Traders' representatives reported that the strike was observed in most markets in Vehari, Dera Ghazi Khan, Sargodha, Muzaffargarh, Okara, Sialkot, Toba Tek Singh and Gujranwala.
In Sindh, trade centres, main markets and bazaars, shopping malls and business establishments remained closed in all big and small cities, except Karachi where various trade associations' representatives, who on Monday had claimed to have come on the same page over closure of the markets, suffered a setback as some major markets remained open throughout the day.
In Karachi, the majority of markets observed the strike as the hub of wholesale and retail trade all along M.A. Jinnah road remained shut.
But markets in Korangi, Landhi and Malir only partially answered the strike call.
Anis Majeed, patron-in-chief of the Karachi Wholesale Grocers Association, said traders had never wanted to close their businesses, but were now forced to shut them down due to the cumbersome method of tax collection through a documentation process which cannot be done overnight.
Neighborhood markets, such as the Hyderi Market in North Nazimabad, and two main markets of F.B. Area, (Water Pump and Karimabad), and most of Liaquatabad markets were doing normal business.
A large portion of Saddar around Empress Market as well as Clifton and Defence areas were also open.
In Khyber Pakhtunkhwa, businessmen observed the strike in the provincial capital Peshawar and other districts of the province.
All shopping centres in Peshawar remained closed as the traders' leaders frequently visited different areas to ensure success of the protest.
A partial strike was observed in other cities of the province where some shops and markets were closed while others remained open.
Meanwhile, a complete shutterdown strike was observed across Balochistan, including Quetta, where all bazaars, shops, business centres, plazas, markets and business establishments remained closed throughout the day.
The shopping areas of the provincial capital presented a deserted look as most vehicles remained off the roads.
The strike was also observed in Dera Murad Jamali, Sibi, Hub, Dera Allahyar, Khuzdar, Kalat, Zhob, Loralai, Chaman, Pishin, Turbat, Gwadar, Panjgur, Dalbandin, Noshki and other cities of the province. However, on the outskirts of Quetta city some shops opened in the afternoon.
Published in Dawn, October 30th, 2019
https://www.dawn.com/news/1513740

UNDER-FIRE GOVT CLINCHES DEAL WITH TRADERS

Kalbe Ali October 31, 2019

ISLAMABAD: The nationwide strike by traders protesting against certain tax measures ended on Wednesday as their representatives decided to call off the protest after reaching an agreement with the government's economic team, winning three more months for meeting the condition related to Computerised National Identity Card (CNIC).
The 11-point agreement was finalised after yet another round of talks between the representatives of traders community and Adviser to the Prime Minister on Finance Hafeez Shaikh and Federal Board of Revenue chairman Shabbar Zaidi. Jehangir Tareen also participated in the negotiations.
The economic managers showed flexibility by relaxing certain tax measures to reach an agreement with the traders, who observed the second day of their two-day nationwide strike on Wednesday.
Both sides, addressing a joint press conference after the successful talks, expressed the confidence to help the state broaden the tax net.
Mentioning that out of more than four million traders only 393,000 paid taxes, the adviser said the tax registration system was being simplified for traders. "The government is willing to win the confidence of the business community to increase tax net," he said, adding that Prime Minister Imran Khan believed in policies that benefited the entire nation.
According to an 11-point agreement, enforcement of CNIC condition delayed for three months
The adviser expressed the hope that the agreed points would have a positive impact on the economy. He announced that a form would be prepared in Urdu for the registration and filing of income tax returns.
The FBR chairman claimed that the law regarding the condition of maintaining a CNIC copy for sales and purchase of goods worth up to Rs50,000 had not been changed. "We, as per the agreement, will not take action against those violating the CNIC condition by the end of January 2020. [But] action may be taken after three months," Mr Zaidi said in response to a question.
All-Pakistan Anjuman Tajiran president Ajmal Baloch and other representatives of the traders said the agreement offered a win-win situation to both sides.
Mr Baloch denied that there was any link between the shutterdown strike and the anti-government Azadi march of Maulana Fazlur Rehman.
He contended that the key issues had been resolved, explaining that the impediment to the success of talks was lack of cooperation from some elements in the FBR.
"We have always stated that traders cannot and will not be part of the sales tax regime, as this matter is related to manufacturers and an FBR inspector is posted there," he said.
"We told them that your people are either corrupt or incompetent. This has nothing to do with us."
The 11-point agreement between the traders and the government shows that traders will help tax authorities in expanding the registration of unregistered income tax filers, while the government will simplify the procedure of income tax filing and registration for traders.
According to the agreement, the government will not launch any action against traders who are not buying and selling goods on the basis of their CNIC till Jan 31, 2020.
Another point stated that traders making a turnover of Rs100m would give 0.5 per cent turnover tax rather than the 1.5pc tax set by the government. Any trader making a profit of Rs100 million would not pay withholding tax. Sales tax registration would be done if a trader's yearly electricity bill is more than Rs1.2m per annum, up from the current benchmark of Rs600,000.
Turnover tax for low profit-making sectors will be determined in consultation with a committee of traders, and FBR will address the problems faced by the traders after consulting the committees that will be formed at the regional and central levels, according to the agreement.
The deal segregated jewellers from other traders as the point number six stated: "Problems of the jewellers will be resolved on a priority basis with the help of the Jewellers Association."
Besides, it added, the withholding tax imposed on brokers' licence renewal fees would be reviewed.
The traders and the government agreed that a special desk, led by a grade 20 or 21 officer, would be set up in FBR's headquarters in Islamabad to solve problems being faced by the traders, while monthly meetings would be held with representatives of the traders.
The two sides also agreed that shops smaller than 1,000 square feet would be exempted from sales tax and any decision regarding the issue would be taken in consultation with the committee of traders. Dr Shaikh, however,

clarified that this point was mainly related to “traders in small cities and towns where size of shops are large but business volume is low”.
The 11th point of the agreement stated that any decision regarding the registration of sales tax for the retailers who were also involved in wholesale business would be done in consultation with the traders’ committee.
Published in Dawn, October 31st, 2019
https://www.dawn.com/news/1513948

TRADE DEFICIT NARROWS OVER 33PC IN JULY-OCTOBER

Staff Reporter November 03, KARACHI: The country’s trade deficit fell by massive 33.5 per cent on account of substantial declines in imports during the first four months of this fiscal year.
According to the Ministry of Commerce data released on Saturday, the trade deficit dipped to $7.8 billion during July-October from $11.7bn in the corresponding last year.
In October it fell by 32pc to $1.97bn compared to $2.9bn in the same month last year.
The continuous shrinkage in imports is likely to bring the overall trade deficit to $19bn by end of the current fiscal year from $32bn in 2018-19.
The government has managed to reduce the current account deficit (CAD) by 64pc in the first quarter of 2019-20 thanks to sharp reduction in trade deficit and improved inflow of remittances.
Imports recorded contraction of 19.3pc to $15.3bn during the July-October period from $19bn in the same period last year. The PTI government has to introduce several policy measures to bring down the record-high trade deficit of $37.643bn booked by the PML-N government in last year of its tenure.
Year-on-year, imports during October plunged by 17pc to $3.9bn compared to $4.8bn during the same month last year.
Imports remained well above the $3bn mark since October 2016 and have risen consistently over the period peaking at $5.8bn in May 2018. The PTI government has taken several measures to curtail rising import bill since coming into power in August 2018.
On the other hand, the country’s merchandise exports during the period grew by a meager 3.6pc to $7.5bn from $7.3bn during the four months under review. In October, year-on-year exports increased by 6pc to $2bn from $1.9bnd.
The tepid growth in exports comes amid declining overall manufacturing output. The Large-Scale Manufacturing Index (LSMI) has seen persistent declines for the last six months led by a fall of 14pc in the production of petroleum products, 12.82pc in automobile sector, 12.58pc in non-metallic minerals, 9.96pc in fertilisers, 9.81pc in pharmaceuticals, 5.63pc in chemicals, 5.43pc in engineering, 5.10pc in iron and steel and 0.08pc in textile sector.
Published in Dawn, November 3rd, 2019
https://www.dawn.com/news/1514617/trade-deficit-narrows-over-33pc-in-july-october

ASEAN LEADERS HANKER FOR TRADE DEAL

November 03, 2019
BANGKOK: Southeast Asian leaders met Saturday in Thailand eyeing a breakthrough in talks over the world’s largest trade deal to help throw off the torpor which has gripped the global economy since the start of the US-China tariff war.
The 10-member Association of Southeast Asian Nations (ASEAN) opened their annual summit in Bangkok hoping to secure a China-backed free trade pact knitting together half of the world’s population and around 40 percent of its commerce.
The Regional Comprehensive Economic Partnership (RCEP) is a deal spanning India to New Zealand that has been wrangled over for several years. It is now seen as an urgent counterpoint to US protectionism, but a trade delegate from the Philippines said a deal was unlikely until 2020.
Washington’s trade rumble with Beijing has weighed on markets, with the IMF warning the spat could cut global growth to the lowest pace in more than a decade.
Meanwhile President Donald Trump’s protectionist rhetoric has spooked some ASEAN nations who fear their economies could fall under his crosshairs.
Trump has repeatedly warned of further intervention to protect American business and several Asian nations are waiting to find out if the US will put them on a watchlist of “currency manipulators”.

Malaysian Prime Minister Mahathir Mohamad warned the regional bloc could hit back against any punitive trade measures, skirting over specifics.
“We will do exactly what Trump does,” he told a business forum ahead of the summit opening, calling the US leader “not a very nice man”.
“If you go alone, you will be bullied. We don’t want to go into trade war but sometimes when they do things that are not nice to us, we have to be unnice to them,” he added.
Earlier his Thai counterpart, Prayut Chan-O-Cha, echoed the theme of regional cooperation on the RCEP deal, while Philippines’ trade secretary Ramon Lopez said he hoped to have a “very positive report (on RCEP) come Monday” when the summit ends.
But the treaty’s signing would happen “within next year”, Lopez added, and members will meet in February to sort out “pending issues on market access”.
India, whose Prime Minister Narendra Modi is also in Thailand, is the greatest obstacle to RCEP in its current form.
New Delhi fears opening key industries such as metals, textiles and dairy to cheaper Chinese importers.
Indian intransigence has cast the deal — looping in the 10 Southeast Asian economies along with Japan, India, China, New Zealand and Australia — into doubt.
“We want them (India) to be in. We want to have them... they are a big economy,” Lopez told reporters.
Chinese premier Li Keqiang will attend the three-day meet, where simmering tensions in the South China Sea will also lead the agenda.
China supports RCEP, a deal seen as a way for Beijing to assert its trade dominance in its Asian backyard after the US pullout of the Trans-Pacific Partnership (TPP) in 2017.
The ASEAN summit follows a push by Washington and Beijing for a partial agreement to squash some of tit-for-tat tariffs on billions of dollars worth of goods that have rattled both economies.
But Washington has pared back its delegation to Bangkok this year.
In what is being read by some as a snub to ASEAN, the US is sending national security advisor Robert O’Brien and commerce chief Wilbur Ross.
US Vice President Mike Pence attended last year’s ASEAN summit in Singapore, and President Donald Trump was at the 2017 meeting in the Philippines.
A senior White House official refuted claims of a snub to the Southeast Asian bloc.
Both Trump and Vice President Mike Pence are unavailable because they will be “very engaged in campaigning” for a string of governors’ races, the official told reporters.
Trump instead trusts O’Brien “to go out and take care of big problems and small problems”, the official added.—AFP
https://epaper.brecorder.com/2019/11/03/1-page/808546-news.html

WTO AUTHORISES CHINESE TARIFFS ON $3.6B IN US GOODS

By AFP Published: November 3, 2019
GENEVA: A World Trade Organisation (WTO) arbitrator on Friday authorised China to slap tariffs on US imports worth up to $3.58 billion annually in a years-long dispute over US anti-dumping practices, a trade official said.
China had asked the WTO for permission to hit the US with more than $7 billion in tariffs in the case.
But the WTO ruling said it had determined that the illegal US anti-dumping practices had caused “nullification or impairment of benefits accruing to China” to the tune of $3,579.128 million and that Beijing could impose tariffs on goods not exceeding that amount per year. The decision marks the first time the WTO has authorised China to impose tariffs in a trade dispute.
Washington voiced disappointment with the decision, with a US trade official stressing the continued commitment “to using anti-dumping duties to address injurious dumping” and arguing that the ruling “has no foundation in economic analysis”.
“Moreover, we do not believe the arbitrator’s decision will have any impact on continuing trade discussions between the United States and China,” the official said, adding that the US government would discuss with stakeholders “on how to move forward”.
Beijing still needs to formally request the right to impose that or a lesser sum in tariffs but it would take opposition from every WTO member to block such a request.

China initially filed its case against the United States back in December 2013, taking issue with the way Washington assesses whether exports have been "dumped" at unfairly low prices onto the US market.
Published in The Express Tribune, November 3rd, 2019.
https://tribune.com.pk/story/2092440/2-wto-authorises-chinese-tariffs-3-6b-us-goods/

TRADE TALKS IN BALANCE AT SOUTHEAST ASIAN SUMMIT

By Reuters Published: November 3, 2019
BANGKOK: Plans to finalise an Asia-wide trade deal at a summit in Bangkok this weekend were uncertain after new demands raised by India in the negotiations to create the world's largest trading bloc.
Southeast Asian leaders meeting in Thailand hope to make progress on the China-backed Regional Comprehensive Economic Partnership (RCEP) – which would comprise 16 countries that account for a third of global gross domestic product and nearly half the world's population.
Talks are expected to continue on the sidelines of the Association of Southeast Asian Nations (ASEAN) summit in Bangkok after a press conference was cancelled on Friday, raising questions whether ministers could reach an agreement in their last formal negotiations ahead of a summit on the regional partnership on Monday.
US pledges nearly $300 million security funding for Southeast Asia
Host Thailand has been pushing for a preliminary deal by the end of the year, keen to push ahead at a time when US-China tensions threaten to slow growth in the region.
A major sticking point has been demands from India, which is worried about a potential flood of Chinese imports.
"It's a fact India has put new demands which are difficult to meet," said a person with knowledge about New Delhi's negotiations.
Any breakthrough on the Regional Comprehensive Economic Partnership would boost confidence in export-reliant Southeast Asia that has been weighed down by the US-China trade war, with growth expected to slow to its lowest in five years.
Published in The Express Tribune, November 3rd, 2019.
https://tribune.com.pk/story/2092427/2-trade-talks-balance-southeast-asian-summit/

PAKISTAN-INDIA TRADE VOLUME FALLS 51PC IN Q1

Our Correspondent November 3, 2019
ISLAMABAD: Trade between Pakistan and India sharply fell 51 percent to $230.6 million in the first quarter of the current fiscal year, the central bank's data revealed, as tariff and non-tariff restrictions continued to take a toll on their bilateral economic relations.
Bilateral trade volume stood at $467.4 million in the corresponding period a year earlier, the State Bank of Pakistan's (SBP) data showed.
In July-September, exports to India sharply dropped to $9.8 million from $102.458 million in the corresponding period a year earlier. Imports from India, during the three months period, also dipped to $220.8 million compared with $364.9 million a year earlier.
Tariff and non-tariff barriers hold back trade potential between the two countries, which account for 88 percent of South Asia's gross domestic product. Removal of trade barriers could trigger flood of new jobs and lead to prosperity across the region, the World Bank said in a report.
In September, Pakistani exporters could fetch only $1.8 million in a sharp contrast to $25.6 million in the corresponding month a year earlier and $2.5 million in August.
Imports from India were also down to $29.5 million in September 2019 as opposed to $101.8 million in September 2018 and $69.1 million in August 2019.
Pakistan Business Council said India has grown to become the sixth largest economy in the world with a total trade of more than $600 billion.
"However, Pakistan's trade with India is very limited, despite having potential, due to political rivalry," the business policy advocacy group said in a report.
The World Bank said the two countries have a potential to lift the annual bilateral trade volume up to as high as $37 billion by "reducing policy barriers, such as eliminating the restrictions on trade at the Wagah-Attari border, or aiming for seamless, electronic data interchange at border crossings," the bank said in the report last year.

Trade balance has been in favour of India despite constant decline in bilateral trade.
Pakistan imported $1.6 billion worth of products during the last fiscal year of 2018/19 compared to $1.8 billion in the fiscal year of 2017/18. Exports to India amounted to $312 million during the last fiscal year as opposed to $419.8 million a year earlier.
The government is struggling to boost exports to support the current account which is limping through the deficit zone on regulatory and administrative measures to trim imports and foreign debt inflows.
Export sector is still struggling to improve the external sector. Exports edged down one percent to $22.9 billion during the last fiscal year. There was a little improvement in exports in the first quarter with around three percent growth in exports.
https://www.thenews.com.pk/print/549890-pakistan-india-trade-volume-falls-51pc-in-q1

NOVEMBER, 2019

NEWS COVERAGE PERIOD FROM NOV 04th TO NVE 10th 2019

WORLD’S BIGGEST TRADE DEAL TO BE DELAYED TO 2020

November 04, 2019
BANGKOK: The signing of the world’s largest trade pact will likely be kicked back to 2020, according to a draft statement by Southeast Asian leaders, delaying a deal craved by China as it seeks to temper the fallout from a painful tariff war with the US.
The 16-nation Regional Comprehensive Economic Partnership (RCEP) spans from India to New Zealand and includes 30 percent of global GDP and half of the world’s people.
Objections by India have dampened hopes of finalising the pact at this weekend’s Association of Southeast Asian Nations (ASEAN) summit in Bangkok, where members of the 10-nation bloc have been joined by the premiers of India and China.
“Most market access negotiations have been completed and the few outstanding bilateral issues will be resolved by Feb 2020,” said a draft agreement obtained by AFP. Negotiations have sputtered for several years, but the statement said the text of all 20 chapters was now complete “pending the resolution of one” member, believed to be India. But it said all members were “committed to sign the RCEP” next year in Vietnam, which will take over the ASEAN chair.
New Delhi is worried its small businesses will be hard hit by any flood of cheap Chinese goods.
Indian Prime Minister Narendra Modi repeated his country’s concerns during talks with ASEAN leaders on Sunday. Modi said India’s unresolved issues include “meaningful market access for all parties”, according to a diplomat who attended the meeting, speaking to AFP on condition of anonymity.
Beijing sees RCEP as a central pillar of its trade strategy for its Asian neighbourhood, and it is backed by the leaders of ASEAN and who represent a 650 million-strong market.
Concluding the deal has been made more pressing by the brutal tit-for-tat trade war with the US, which has chipped back at growth in China, the world’s second-largest economy.
RCEP — which includes the 10-nation ASEAN bloc along with China, India, Japan, South Korea, Australia and New Zealand — accounts for 40 percent of global commerce.
The tariffs lobbed by the US and China on billions of dollars worth of each others’ goods could drag growth to the lowest rate in over a decade, according to the IMF.
That has spooked Asia-Pacific economies and — with the exception of India — sharpened the focus on getting the RCEP deal over the line.
“In just the past two years new protectionism measures have affected nearly $1 trillion of world trade,” New Zealand premier Jacinda Ardern told a business meeting on the sidelines of the ASEAN summit.
“We’ve been a strong proponent for concluding a high quality RCEP as soon as possible.”
US President Donald Trump said he hopes to sign a deal with China’s Xi Jinping in order to roll back some of the tariffs, telling reporters over the weekend an agreement could be signed in the US state of Iowa. Chinese premier Li Keqiang said earlier in the day his country remained “firmly committed to supporting ASEAN centrality” as part of its regional ties.
He is expected to drive the case for RCEP when member states meet on Monday afternoon.

Li also professed Beijing's readiness "to work" with ASEAN states on a code of conduct (CoC) in the contested South China Sea.
China, which says the most of resource-laden sea is its own, is accused of aggression and building military outposts in waters claimed by several rival states.
Li described the first reading of the code as "a very important landmark" and committed to a timeline to settle on the wording of the agreement by 2021. The sea, one of the world's major trade passageways, is considered a flashpoint between China and rival claimants with the US also desperate to keep the waterway open to its vessels.
Philippine president Rodrigo Duterte welcomed the progress of the painstakingly established code but said more needed to be done. "Let us get this job done sooner than later as we are given the assurance of tranquillity of the area," he said.—AFP
https://epaper.brecorder.com/2019/11/04/8-page/808698-news.html

CHINA TO PROMOTE GLOBALISATION OF SHANGHAI'S FINANCIAL MARKETS

By RECORDER REPORT on November 4, 2019
China's President Xi Jinping said on Sunday that the country will promote the globalisation of Shanghai's financial markets through the Belt and Road Initiative, and the city should strive to master the core links of the industry chains.
The financial hub should courageously jump into the ocean of the world's economy and fight the storms to build strong tendons and strengthen the bones, Xi said on a tour in Shanghai ahead of an import fair next week.
The newly expanded free trade zone (FTZ) in the city will serve as a hub to develop the onshore and offshore businesses in a coordinated way and a springboard for corporate overseas ambitions, Xi said.

https://www.brecorder.com/2019/11/04/541130/china-to-promote-globalisation-of-shanghais-financial-markets/

PAKISTAN, THAILAND TO REVIEW PROGRESS OF FTA IN JAN 2020

By APP Published: November 6, 2019
KARACHI: Thailand has submitted a list of around 200 items to be traded between the two countries under the proposed free trade agreement (FTA) and Pakistan's response and progress is now awaited, said Consul General of Thailand in Karachi Thatree Chauvachata.
Talking about the ongoing Pakistan-Thailand FTA negotiations at the Karachi Chamber of Commerce and Industry (KCCI) on Tuesday, he said the issue was pending with Pakistan's Ministry of Commerce and Thailand was waiting for its response.
The Thai diplomat said that political consultations between Thai and Pakistan's Ministry of Foreign Affairs were due to be held in January 2020 in Islamabad to review the progress of the FTA.
"The Karachi chamber can also play a vital role in the consultations by pushing the government to expedite and complete all the work prior to the meeting in January," he added. The consul general pointed out that Pak-Thai Business House was launched at the Thai consulate following the completion of its first year of service in Karachi.
"The consulate intends to strengthen bilateral ties through this platform, which has already received 10 inquiries pertaining to the two-way trade," he said. He revealed that in December, a Pakistani delegation will visit Thailand.
Published in The Express Tribune, November 6th, 2019.
https://tribune.com.pk/story/2094266/2-pakistan-thailand-review-progress-fta-jan-2020/

ASIAN COUNTRIES AGREE ON WORLD'S BIGGEST TRADE PACT, INDIA STAYS AWAY

By Reuters Published: November 4, 2019
BANGKOK: Fifteen Asian countries agreed terms on Monday for what could be the world's biggest trade pact, they said in a statement, but India delayed its decision on joining because of significant differences over tariffs and other issues.

The Regional Comprehensive Economic Partnership (RCEP) is backed by China and also brings in the 10-member Association of Southeast Asian Nations (Asean), Japan, South Korea, Australia and New Zealand.
Participating countries met in Bangkok alongside a meeting of Southeast Asian leaders.
“We noted 15 RCEP participating countries have concluded text-based negotiations for all 20 chapters and essentially all their market access issues,” the statement from the leaders said, to allow for signing next year.
“India has significant outstanding issues, which remain unresolved… India’s final decision will depend on satisfactory resolution of these issues,” it said.
The United States-China trade war has given new impetus to years of discussions on the trade bloc.
But India decided not to agree to it as it stands due to differences over tariffs, its trade deficit with other countries and non-tariff related barriers, Indian Prime Minister Narendra Modi was quoted as saying.
“Present form of the RCEP agreement does not fully reflect the basic spirit and agreed guiding principles of RCEP,” Modi was quoted as saying by Indian public broadcaster Prasar Bharati News Services in a tweet. “It does not address satisfactorily India’s outstanding issues and concerns.”
India has been worried that the agreement, which requires the gradual elimination of tariffs, would open its markets to a flood of cheap Chinese goods and agricultural produce from Australia and New Zealand that would harm local producers.
https://tribune.com.pk/story/2093438/2-asian-countries-agree-worlds-biggest-trade-pact-india-stays-away/

ALL INDUSTRIAL AREAS WOULD BE DEALT AS SINGLE ZONE: DG SBCA

By admin -November 8, 201971
Karachi: Director General Sindh Building Control Authority (SBCA) Zafar Ahsan has said that for the facilitation all industrial zones would be dealt as single Zone. He was speaking to meeting held by Korangi Association of Trade & Industry (KATI). President of KATI Sheikh Umer Rehan, Head of KATI’s Standing Committee on SBCA Farahan-ur-Rehman, Chairman & CEO KITE Zubair Chhaya, Masood Naqi and Vice President of KATI Syed Wajid Hussain also addressed the gathering.
DG SBCA said that under the direction of CM Sindh Murad Ali Shah we are committed to provide facilitation to the industry. He said that to facilitate construction of industrial structures and smooth process all industrial areas would be dealt as a single zone, headed by a Director Syed Asif Rizvi. He noted that industrialization is the only solution to the economic woes of the country and we are trying effort to facilitate the sector on our top priority.
Zafar Ahsan said that SBCA is closely working with World Bank for ease of doing business and it had also showed some results as Pakistan’s ranking has improved from 128 to 108 in this regard.
President KATI Sheikh Umer Rehan said that every institution should play its role to facilitate industry. He urged to make the process of construction plan speedy and regulations should be relaxed for industrial constructions. He noted that the prices of land in industrial areas were raising so high and there is need to facilitate the news industrial constructions. He also cited that decades old regulations for the industry should be upgraded as per the need of modern era.
Farhan-ur-Rehman suggested to reactivate an especial desk of SBCA at KATI’s headquarters. He also said that approval of construction in Korangi Industrial Area should be conditioned with a NOC issued by KATI.
Zubair Chhaya said that if SBCA would provide us a proper guideline many ambiguities would resolved easily. He also suggested to establish a facilitation facility to provide awareness regarding rule and regulations of SBCA.Masood Naqi mentioned that Building integrity and safety have become a prerequisite for the international buyers and consumers. “ SBCA should issue completion certificate on priority basis and as soon as possible because it is also related to our export orders” he added.
On this occasion DG SBCA directed to establish a desk at KATI under the supervision of Director Regulation Mushtaq Somroo. He also assured to batter coordination with the industries to resolve issues faced by industries related to construction.
https://pakobserver.net/all-industrial-areas-would-be-dealt-as-single-zone-dg-sbca/

CHINA SETTING UP 19 FACTORIES IN GWADAR: ENVOY

By Mohammad Zafar Published: November 8, 2019

QUETTA: Chinese Ambassador to Pakistan Yao Jing has announced that China is setting up 19 factories in Gwadar, saying that the measure will help create job opportunities for Balochistan's youth.

"China seeks to contribute to the development of Balochistan's mining, agriculture, fisheries and water sectors while the Chinese consulate is easing visa procedure for the provincial business community," said Jing while talking to journalists in Quetta.

The Chinese ambassador was accompanied by MRDL Saindak Company Chairman Ro Ping, Mines and Minerals Secretary Ghulam Ali Baloch and MRDL Senior Vice President Humayun Mehmood.

"Up to 200 Pakistani students are studying in China on scholarships," said the Chinese envoy.

He rebuffed speculations regarding the Chinese government's lack of interest in progress of development projects in Balochistan, saying that the Pakistani government should address the issues of some key departments which were causing hurdles in the implementation of the China-Pakistan Economic Corridor.

"Following the demographic importance of Balochistan, China has many development projects for the province which will be beneficial for both the Chinese and the Pakistani governments," the ambassador added.

"CPEC will provide economic fortune not only to Balochistan but Afghanistan and Central Asian countries as well, though Balochistan doesn't link with China but all our projects will lead through Pakistan," said the envoy, expressing optimism regarding development and prosperity of Balochistan.

He pointed out that the provincial fisheries, agriculture, mineral and livestock sectors had room for development which would help end poverty in the province.

"The Chinese companies have been working on the provincial irrigation sector in order to help Balochistan which is marred by water crisis while 50 vocational centres are being established to polish skills of the provincial youth," said Jing.

To a query regarding scholarships for Balochistan students, Jing stressed upon provincial students to apply through Higher Education Commission.

On the 9th Joint Cooperation Committee (JCC), the ambassador said positive decisions had been taken in the meeting to address the issues of both the sides.

"China will invest in expansion of Zhob-DI Khan highway which is being considered as vital for CPEC," he added.

https://tribune.com.pk/story/2096203/1-china-setting-19-factories-gwadar-envoy/

NEWS COVERAGE PERIOD FROM NOV 11th TO NOV 17th, 2019

PAKISTAN TO EXPORT MORE GOODS TO CHINA

By Meng Lingjuan Published: November 12, 2019

BEIJING: Pakistan is looking for a wide range of cooperation with China in geographical areas and products, said Adviser to Prime Minister on Commerce Abdul Razak Dawood.

In an interview with the China Economic Net, the adviser said Chinese government had provided Pakistan with an opportunity to export more than just textile, leather and agricultural products and now the country would export chemicals and engineering goods as well.

"We see it as the perfect opportunity to enhance collaboration with Chinese companies," he told the China Economic Net. "The second phase of Pakistan-China Free Trade Agreement (FTA) will become operational from the first of December."

Terming it a multi-faceted agreement, he looked forward to its swift implementation.

As per statistics, the 313 product lines, waived from tariffs under the agreement, would cover exports worth nearly $2 billion of Pakistani goods to China each year.

According to data compiled by the State Bank of Pakistan, the revised total exports from Pakistan to China rose $106 million in the previous fiscal year – from July 2018 to June 2019 – with potential to grow about 20 times.

When asked whether Pakistan's exports to China were likely to increase by 10 times till the end of the current fiscal year following implementation of the second phase of FTA, Dawood said, "I hope so, this is the type of thing that we absolutely want to do."

"I look forward to that type of growth. We have tremendous interest in enhancing exports to China," he said.
Dawood's anticipated increase in total exports to China is expected to come from a rise in the export volume of specific trade categories. Pakistani sugar is undoubtedly a defining product in China-Pakistan trade.
In the previous fiscal year, Pakistan exported sugar worth $609.9 million to China, which was over four times compared to sugar exports in fiscal year 2017-18.
When asked whether the sugar export volume would remain the same this year, Dawood gave a positive reply.
Minerals and precious stones were the categories frequently mentioned by Pakistan's Ambassador to China Naghmana Hashmi when she was interviewed by the China Economic Net.
It is reported that among the newly added zero-tariff items, there are 12 products related to minerals and precious stones. The applicable tax rates on some of these products have been dropped from a high of 35% to zero. Some Chinese companies have also begun to focus on copper and gold deposits in areas such as Reko Diq.
"This is a new area on which Pakistan will concentrate. We have massive opportunity. Our trade with China is very low and we certainly will be concentrating on this area," Dawood added.
Regarding the international image of the country's enterprises, Dawood was of the view that Pakistan still had a long way to go to improve its image and market itself better at the global level.
"We are not very good at international marketing and this stems from the fact that in the domestic market, demand has always been greater than supply hence the emphasis on marketing remains low," he pointed out.
The scenario of companies operating internationally was the other way round, the adviser emphasised. "Pakistan has to market and we have not learnt it yet but we will," he said. "I can assure you Pakistanis are fast learners. Once they understand that they have to learn, this is what they will focus on."
When asked about introducing the South Korean-Chinese marketing model in Pakistan and focusing on exchanges among the three countries, Dawood said, "I think this is a very good idea. I will certainly look into how we can get three-way cooperation, get help from the Koreans and then export here in China."
Talking about Chinese President Xi Jinping's keynote speech at the opening ceremony of the China International Import Expo, Dawood said President Xi was a visionary man and a great leader.
"He has come forward to tell the world that China wants to import from the world. It is the very enlightening for all of us and we feel that it is a very good initiative," Dawood said.
This article originally appeared on the China Economic Net
Published in The Express Tribune, November 12th, 2019.
https://tribune.com.pk/story/2097779/2-pakistan-export-goods-china/

STATE BANK EASES RULES TO FACILITATE EXPORTERS

By Salman Siddiqui Published: November 13, 2019
KARACHI: The central bank has relaxed the import and export regimes in an attempt to facilitate exporters and turn Pakistan into an export-led economy in the long run from a heavily import-oriented economy at present.
"The central bank has lifted the ban on advance payment of up to $10,000 per invoice for the import of goods and services," State Bank of Pakistan (SBP) Governor Reza Baqir announced while speaking at a press conference on Tuesday.
He also announced that the financing limit had been enhanced for exporters under the subsidised loan schemes including the Export Finance Scheme (EFS) and Long Term Finance Facility (LTFF). "The State Bank will (alone) increase the financing limit by Rs100 billion for the full year," he said. The government and commercial banks may also increase their financing limits under the subsidised loan schemes in consultation with the central bank.
The improvement in the country's foreign currency reserves has allowed the central bank to facilitate the importers. "The decision will largely facilitate small and medium-sized importers (cum exporters)," he said.
The improvement came after the country implemented institutional reforms under the International Monetary Fund (IMF)'s loan programme worth $6 billion, which started in July 2019. The reforms included a massive change in the rupee-dollar exchange rate made in May 2019, he said.
He said the exporters were provided short-term loans primarily to meet their working capital requirement at a subsidised rate of 3%.
Moreover, they are provided long-term loans for the import of machinery and plants and expanding the installed production capacity. The textile sector is provided such loans at 5% and others at 6%.

The central bank is also considering including more sectors in the LTFF so that they could groom or set up new export-oriented businesses.
“Exporters are playing a vital role in our economy. A core element of our economic policy is that we are to rely on exporters going forward,” Baqir said. He stressed that support for the exporters was a must as they earned foreign exchange for the country.
“More importantly, those countries which achieved sustainable economic development in the past 30-40 years were seen relying on exporters,” he remarked.
“There would be only a few, or perhaps no country at all, which managed to reduce poverty and create jobs without relying on exporters,” he said.
“The core part of our strategy is to promote exports…we have to open up to the world and we have to compete in the world market,” he said.
“Exports have to become the backbone of our economy. We have to change our orientation from inward to outward for sustainable growth and development.”
The SBP governor elaborated that the permission to importers to make an advance payment of up to $10,000 per invoice and the increase in financing limit for the exporters were fully consistent with the IMF programme. “Nothing is inconsistent there.”
The main idea is to share the benefit of improvement in the economy under the IMF programme with its stakeholders including the importers and exporters.
Responding to a question, Baqir said the improvement in the reserves did not come due to payments made by individuals in the country. It came due to improvement in the sentiment and the new market-based rupee-dollar exchange rate played a primary role in boosting the sentiment and the reserves.
“There was a time when the (dollar) outflow was higher than the inflow. Now the situation has changed. Now, the inflow has surpassed the outflow,” he said. “The improvement in the reserves will strengthen our independence.”
He said the central bank’s forecast for gross domestic product growth had remained unchanged at 3.5% for the current fiscal year.
“The economy is still expanding,” he said. “There is deceleration in the economy, there is slowdown but there is no negative growth.”
Some sectors of the economy are performing positively and some negatively. Therefore, he said, export volumes of some of the sectors had increased up to 40% and import-cum-export sectors were also improving but pure import-based sectors were on the decline. The central bank will also consider allowing larger advance payments for imports in a phased manner in light of the experience of allowing advance payment of up to $10,000 per invoice.
The latest decision on advance payment may lead to an uptick in the demand for dollars and cause some depreciation of the rupee against the dollar but it will be good for boosting exports.
Published in The Express Tribune, November 13th, 2019.
https://tribune.com.pk/story/2098441/2-state-bank-eases-rules-facilitate-exporters/

EXPORTS TO CHINA CAN GROW 20 TIMES: DAWOOD

By Our Correspondent Published: November 13, 2019
LAHORE: Adviser to Prime Minister on Commerce, Investment, Industries and Textile Abdul Razak Dawood has said that the second phase of a free trade agreement (FTA) with China is going to be operational from the beginning of December 2019.
“This will help Pakistan to come on a par with Asean states in the Chinese market, providing a huge opportunity in shape of tariff relaxation to the manufacturers, especially the garment sector, to enhance their export volume with the potential to grow 20 times,” he said.
Speaking at the inaugural ceremony of the 35th International Apparel Federation World Fashion Convention, organised by the Pakistan Readymade Garments Manufacturers and Exporters Association (Prgmea) on Tuesday, Dawood pointed out that garment exports were on an upward trajectory because of the additional market access secured by the government.
“I invite all foreign investors to bring investment to Pakistan as this is a golden opportunity for them and should be availed; we are paying special attention to the garment sector in a bid to increase the export base, which we believe

will increase more than 20%," he said. Referring to the decline in exports of yarn and fabrics, the adviser described it as a good sign as it would provide an opportunity for the textile sector to focus more on value addition.
"I welcome IAF President Han Bekke for choosing Pakistan this year for this important event and appreciate the struggle of Prgmea for making the event a success," the adviser added.
He was of the view that after the World Fashion Convention in Pakistan, the economy of the country would be more integrated with the global economy and the linkage would bring foreign investment.
Dawood emphasised that the convention would prove to be an unprecedented positive event in the country's business environment, which would enhance the overall image of the country and help promote investment in the country.
"Government's major economic agenda is to increase exports, which will strengthen the economy by overcoming trade and current account deficits," the adviser remarked, adding that the FTA phase-II was going to facilitate access for 313 top export goods to the Chinese market.
After the agreement, all major exports of the country, especially of the value-added textile products, are getting greater access to the Chinese market.
"Now, China has provided Pakistan with an opportunity to export chemicals and engineering goods as well, as the government wants to take exports to the highest-ever level through business-friendly policies," Dawood said. He stressed that the government was taking different measures for enhancing exports including recapturing the traditional markets besides gaining access to new markets.
Dawood revealed that Chinese companies were exploring business opportunities in the textile sector in Lahore and Faisalabad. "These companies have started locating business centres in different parts of the country."
Speaking at the ceremony, IAF President Han Bekke pointed out that IAF was the only global federation that represented apparel associations from 60 countries and had overall membership of more than 150,000 companies.
"Pakistan is also a member of IAF and its regional office has been set up in Sialkot. Pakistan's apparel sector is globally renowned, especially its denim brand. IAF will facilitate Prgmea in boosting Pakistan's apparel sector," Bekke said.
He said IAF brought together apparel buyers and manufacturers on one platform and that crucial relationship was at the heart of the conference as "we focus on growing together".
He said the convention had gathered apparel industry leaders from across the globe and provided a unique opportunity for the Pakistani apparel industry to learn new techniques. IAF Regional President and Prgmea Chief Coordinator Ijaz Khokhar said the convention was aimed at opening new avenues for the domestic garment industry in order to collaborate with the international buyers and leading global brands.
He pointed out that the event had been attended by world-class speakers, offering networking opportunities during the conference.
"The convention is held every year in one of the member countries; Russia and Bangladesh had also applied for the 35th convention, however, Pakistan won the bid with proper presentation," he said.
Published in The Express Tribune, November 13th, 2019.
https://tribune.com.pk/story/2098427/2-exports-china-can-grow-20-times-dawood/

'PAKISTAN MUST EXPLORE $10.8BN TEXTILE MARKET OF TEXAS'

By RECORDER REPORT on November 15, 2019
Pakistan must exploit its expertise in textile sector to get a lion's share from US$10.8 billion textile market of Texas, said Miss Alicia Dean marketing consultation of Austin. She was addressing a meeting in Faisalabad Chamber of Commerce & Industry (FCCI) here today.
She said that Texas is open for all types of businesses and Austin is being developed as a hub of textile with a focus on state-of-the-art fashion garments industry.
She told that state department of USA has launched a funded programme to attract textile experts as well as young startups to visit and explore the Austin which is swarming on with new opportunities. She told that many Pakistanis are already getting benefits of this state department funded programme by getting best entrepreneurial skills through industrial incubators and accelerators.
She told that this programme will continue till 2020 and hence, more Pakistani youth should avail from this programme by launching textile related products in addition to marketing their own brands. She told that initially they will work in Austin but in later phase they could expand their businesses through the America. She told that Pakistani

youth present its innovative ideas to investors, out of which best ones are chosen and then work is started on their production and marketing.
Miss Alicia Dean told that best possible facilities and incentives are being provided to the persons intending to start their business in Austin. “Its fashion design industry was developing at a much faster pace", she told and proposed collaboration between Texas and National Textile University particularly in the field of Fashion and Designing.
She hoped that students would be equipped with professional and entrepreneurial skills so that they could design innovative fashion garments for the fast changing fashion industry of America. She also appreciated the idea to arrange a delegation of FCCI members to visit Austin and assured best possible facilities to its delegates. She also welcomed a proposal for Brand development by Pakistani Textile exporters.
Earlier in his address of welcome Rana Sikandar Azam President FCCI underlined the importance of Faisalabad in national economy and told that this city alone is contributing 45% share in total textile export of Pakistan. Welcoming Miss Alicia Dean and her colleagues, he told that as result of her previous visit at least 25 Pakistani youth was able to avail from the state department funded entrepreneurship programme.
He told that Faisalabad is preparing renowned international brands while in collaboration with Austin the Pakistani exporters could also get opportunity to introduce their own Brands. He told that Pakistani youth is very talented and they have abilities to design innovative dresses in accordance to the taste and aesthetic sense of different countries. However, they must be given opportunities to visit and analyze the emerging trends in fashion designing industries.
The other delegates also introduced themselves and explained there specific fields.
A question answer session was also held in which Syed Zia Alumdar Hussain, Dr Habib Aslam Gaba, Dr Sajjad Arshad, Muhammad Danish, Sharjeel, Rana Ikram-Ullah, Hafiz Gulzar Ahmed, Shehzad and Abid Masood participated.
Later President FCCI Rana Sikandar along with Senior Vice President Zafar Iqbal Sarwar presented FCCI shield to Miss Alicia Dean while other delegates were also decorated with FCCI pins.

https://www.brecorder.com/2019/11/15/544511/pakistan-must-explore-108bn-textile-market-of-texas/

UNDER IMRAN'S GOVT, PAKISTAN'S TRADE DEFICIT NARROWS 33.5%

By Salman Siddiqui Published: November 15, 2019
KARACHI: Pakistan’s trade deficit narrowed 33.52% to $7.77 billion in first four months (Jul-Oct) of the current fiscal year due to a notable contraction in imports.
Measures taken to address imbalances in the economy over the past two years such as rupee depreciation, hike in the benchmark interest rate and higher regulatory duty on imports helped improve the balance of trade but badly impacted industrial activities and slowed down economic growth.
The Pakistan Bureau of Statistics (PBS) reported that imports dropped 19.21% to $15.32 billion in first four months of fiscal year 2019-20 compared to $18.96 billion in the same period of previous fiscal year. Exports crawled up 3.81% to $7.54 billion in the four-month period against expectations of annualised growth of over 8%. Exports stood at $7.27 billion in the corresponding period of last year, according to the PBS.
“Had the government managed to slash imports considerably, the trade deficit would have also contracted considerably,” remarked JS Global Head of Research Hussain Haider while talking to The Express Tribune.
He argued that still supermarkets were full of imported goods. Anyone could name an imported product and he would find it in markets and malls, he said.
“The trade deficit figure is not surprising. It is largely in line with market expectations,” he pointed out. “The number would have surprised us had it been better than our expectations.”
The corrective measures have so far remained ineffective in helping achieve a meaningful growth in exports in dollar terms. Exports remained sluggish due to the prevailing low product prices in world markets amid a global economic slowdown, said central bank officials recently.
“However, exports of some of the sectors have surged up to 40% in volumetric terms,” State Bank of Pakistan (SBP) Governor Reza Baqir said this week. A drop in worker remittances over the past couple of months against expectations of a notable increase has brought a new challenge for the economic managers striving to restrict the

current account deficit. The balance of trade also remains a key element in narrowing down the current account deficit.
Haider was of the view that the reduction in trade deficit in Jul-Oct 2019 was not an achievement to celebrate. “The economy has remained in a slowdown mode,” he argued.
The central bank has projected gross domestic product (GDP) growth of 3.5% for FY20, which is close to a nine-year low of 3.3% hit in the preceding fiscal year.
“The current account deficit and trade deficit have narrowed significantly but these improvements do not reflect in the country’s foreign currency reserves,” he said.
“They (reserves) are standing at $8.3 billion. This is the same level last seen in August,” he said and added that huge foreign debt repayments were consuming the reserves at a rapid pace.
According to him, the government needs to act and eliminate unwanted imports sooner rather than later.
“Pakistan is scheduled to make a big foreign debt repayment in December…the next tranche of IMF (International Monetary Fund) loan worth $450 million may help rebalance the reserves,” he pointed out.
He added that the data of first three months of FY20 suggested that imports had indeed dropped including those of machinery, petroleum, chemical, agricultural and metals groups due to the government’s corrective policy measures.
He cheered that textile remained the largest export industry of Pakistan, which was trying to perform better after the PTI government and the previous PML-N administration let the rupee depreciate massively. The IMF has projected that the trade deficit in the current fiscal year will narrow down to $24.8 billion. The projection is based on an 8.2% increase in exports and 4.7% contraction in imports.
The return of stability to the rupee-dollar parity and an extended rally at the Pakistan Stock Exchange were hinting at the return of good days soon, Haider said.
Published in The Express Tribune, November 15th, 2019.
https://tribune.com.pk/story/2099824/2-imrans-govt-pakistans-trade-deficit-narrows-33-5/

NEW TARIFF ROLLBACKS KEY TO US TRADE DEAL

By China Economic Net Published: November 16, 2019
BEIJING: China and the United States are busy conducting in-depth discussions on a phase-one trade agreement and additional tariff rollbacks are key to signing a deal, China’s Ministry of Commerce said on Thursday.
If the two sides reach a preliminary agreement, the degree of tariff removals will fully reflect the importance of the agreement, ministry spokesman Gao Feng said at a weekly briefing.
“The importance of the deal should be measured by both parties,” Gao said, adding that the two countries’ negotiating teams are holding in-depth consultations on the topic.
Last week, Gao said at a regular briefing that China and the US have agreed to lift additional tariffs on each other’s goods step by step if a trade deal is struck. The phase-one deal was outlined by both the negotiating teams in early October.
He did not specifically respond to comments from US President Donald Trump on Friday where the president had said that he had not agreed to remove additional tariffs on Chinese products.
Gao said the trade conflict began because of additional tariffs so a truce should be reached through tariff elimination and “this is an important condition for the two sides to reach an agreement”.
The General Administration of Customs said on Thursday it was lifting restrictions on the import of poultry from the US, effective immediately.
The proposal to lift the nearly five-year ban on US poultry imports was announced by the Ministry of Commerce in late October and publication on the customs administration website, which clears imports of all US poultry products, is a formal recognition of the reopening of the trade.
Improving access for US foodstuffs to the Chinese market has been a critical part of the Sino-US trade talks. China had banned all US poultry and eggs since January 2015 due to an avian flu outbreak.
Sang Baichuan, Director of the Institute of International Business at the University of International Business and Economics, said the misuse of tariffs would lead to a wait-and-see attitude towards cooperation between companies from both countries. The cancellation of additional tariffs will benefit China, the US and the rest of the world, Sang said.

Matthew Margulies, Vice-President of China Operations at the US-China Business Council, said that despite recent frictions, US companies take a long-term view of the relationship and they generally have a positive opinion about opportunities in China.
This article originally appeared on the China Economic Net
Published in The Express Tribune, November 16th, 2019.
https://tribune.com.pk/story/2100530/2-new-tariff-rollbacks-key-us-trade-deal/

NEWS COVERAGE PERIOD FROM NOV 18th TO NOV 24th, 2019

FOREIGN INVESTMENT JUMPS 238PC

Staff Reporter Updated November 19, 2019
KARACHI: The foreign direct investment (FDI) in the first four months of current fiscal year jumped by 238 per cent to $650 million from $192m during the same period last fiscal year, reported the State Bank of Pakistan (SBP) on Monday.
The government is struggling to increase foreign investment in the country but the size of inflows continues to remain low.
The foreign private investment, which includes portfolio investments, reached to $665.7m compared to net outflow during the corresponding period last year.
The highest inflows during the period came from Norway reaching $263.7m, followed by $122m from China — the biggest investor in the country particularly due to the ongoing China-Pakistan Economic Corridor.
Telecommunications sector emerged as investors' pick attracting investments worth $267m. The sector has been a prime attraction for foreign investors along with the oil and gas exploration and power sectors.
On the other hand, the electrical machinery sector also attracted $72m in FDI. The oil and gas exploration, during the period under review, attracted investment worth $40m against $120m in the same period of last fiscal.
Moreover, foreign investment in both equity market and government security debts has also seen significant increase during the period under review.
The latest data released by the SBP showed that foreigners invested over $800m in the market treasury bills. For the first time, the market treasury bills attracted such a huge amount and set a new record.
High interest rates have also pulled foreign investors to invest in to government debts. The yield on government backed papers is about 13pc which is very high as the dollar depositors get below 3pc world over.
Analysts and researches wrote in their reports that improvement in ease of doing business has increased the foreign investors' confidence.
Published in Dawn, November 19th, 2019
https://www.dawn.com/news/1517572

PAK-CHINA JOINT VENTURES A GOOD OMEN: RAZAK

APP November 19, 2019
LAHORE: Joint ventures between Pakistani and Chinese tyre manufacturing companies are a good omen, said Prime Minister's Adviser for Commerce and Investment Abdul Razak Dawood on Monday.
Talking to media after the signing ceremony between Pakistan's Service Tyre Industries Limited (STIL) and China's Chaoyang Long March Tyre Company Limited (CLMTCL), Mr Razak said that Phase-I of the $250 million project would begin in Karachi's SITE area with $100m investment. Land has been purchased and design of the plant is also been initiated, he added.
He noted that 70 per cent of tyres manufactured under the STIL-CLMTCL agreement would be exported while the remaining would be supplied to the local market.
Published in Dawn, November 19th, 2019
https://www.dawn.com/news/1517570/pak-china-joint-ventures-a-good-omen-razak

FIRST 4 MONTHS OF FY20 TRADE DEFICIT NARROWS 33.52PC TO $7.77BN

ABDUL RASHEED AZAD November 20, 2019

ISLAMABAD: The country's trade deficit during the first four months of the ongoing fiscal year 2019-20 has recorded a decline of 33.52 percent as compared to the first four months of the past fiscal year 2018-19.

According to the latest data of advance releases on foreign trade statistics released by the Pakistan Bureau of Statistics (PBS) here on Tuesday, the trade deficit during July-October 2019-20 was recorded at $7.776 billion against the deficit of $11.696 billion during July-October 2018-19.

The exports during the period increased from $7.270 billion during last year to $7.547 billion during the current fiscal year, showing a growth of 3.81 percent.

On the other hand, imports witnessed a decline of 19.21 percent by falling from $18.966 billion last year to $15.323 billion during the current fiscal year, the data revealed.

On annual basis, exports from the country increased by 6.75 percent from $1.896 billion during October 2018 to $2.024 billion in October 2019.

On the other hand, imports declined by 15.14 percent from $4.801 billion in October 2018 to $4.074 billion in October 2019.

On monthly basis, exports from the country increased by 14.41 percent in October 2019 when compared to the exports of $1.769 billion in September 2019.

During the first four months of the current fiscal year, textile group's exports of the country increased by 4.10 percent as compared the exports of the corresponding period of the previous year.

Meanwhile, the textile sector exports witnessed about 7.44 percent growth in October against the exports of same month of the last year. During the same period, the textile products worth over $4.586 billion were exported against the exports of $4.406 billion of same period last year, showing an increase of 4.10 percent, the data revealed.

On monthly basis, the textile products of over $1.214 billion were exported in October as compared to the exports of $1.130 billion of same month last year.

During the period under review, exports of readymade garments grew by 12 percent, knitwear 9.49 percent, bed-wear 5.72 percent, towels 0.80 percent, art, silk and synthetic textile increased by 9.46 percent, the PBS said.

Meanwhile, the exports of raw cotton from the country increased by 0.78 percent, cotton carded or combed 100 percent and yarn grew by 21.24 percent, respectively, the data revealed.

However, the exports of textile products witnessed a negative growth in their respective exports included cotton yarn that decreased by 2.14 percent, cotton cloth 4.83 percent, tents, canvas and tarpulin by 1.58 percent, it added.

During the same period, the country exported knitwear valuing $1.054 billion against the exports of $ 962.862 million last year, which was up by 9.49 percent, it said.

Moreover, 172,547 metric tons of bedwear, worth US $817.665 million, were also exported as compared to the exports of 144,574 metric tons valuing US $773.447 million last year.

The exports of abovementioned item witnessed a 5.72 percent growth in the first four months of current financial year.

Meanwhile, 58,030 metric tons of towels worth US $251.647 million were also exported as compared to the exports of 60,041 metric tons valuing US $249.651 million last year.

From July-October, the country fetched $906.663 million by exporting about 19,954 thousand dozens of readymade garments, which were recorded at 15,119 thousand dozens worth US $809.520 million of corresponding period of the previous year.

However, export of raw cotton from the country came down from $392.948 million in first four months of last financial year to US $384.553 million in same period of current financial year.

https://epaper.brecorder.com/2019/11/20/1-page/811061-news.html

'TRADE BETWEEN IRAN, PAKISTAN MUST EXPAND'

By Our Correspondent Published: November 23, 2019

QUETTA: Majid Mohibi, deputy governor of Iran's Sistan Baluchestan province, has said there are historical, religious, cultural, linguistic and trade relations between the people settled on both sides of the Pakistan-Iran border and these ties will not be allowed to be weakened in any case.
"Promotion of bilateral trade lies in excellent relations between the people involved in this sector," he said while speaking to members of the Quetta Chamber of Commerce and Industry during a visit to Balochistan.
He said a separate counter is being established at Taftan border. Authorities of Pakistan's Balochistan province and Sistan-Balochistan will hold 7th joint trade border meeting in Zahedan which will be a major breakthrough for the business community, he said.
Earlier, Chamber of Commerce Senior Vice President Badruddin Kakar and other trade leaders – Juma Khan Badzai, Salahuddin Khalji, Syed Abdul Rahman Shah Agha, Haji Janan Achakzai and others – briefed the Iranian delegation regarding problems and suggested solutions to promote bilateral trade.
On the occasion, Badruddin Kakar said the trade relationship between the two countries should continue year after year, but it is important that time constraints be overcome.
"Increase in the number of items exported from Pakistan to Iran is necessary. There is a need to initiate direct flights and establish a banking system as well as resolution of others issues between the two countries on urgent basis."
He said there should be no ban on export of rice or any other item to Iran.
"Ban on exports is not a good omen for bilateral trade and trade goals set by the two countries," he said, adding that the State Bank officials have agreed to attend 7th Joint Border Summit. He said a banking system between Pakistan and Iran would benefit the people belonging to the two countries.
"The Iranian Consul General is like a member of the Chamber of Commerce and industrialists belonging to Balochistan. Whatever problems the traders face in Iran, they inform the Chamber of Commerce," said Mohibi.
He hoped that the province would be enhanced and developed under the leadership of the present chief minister of Balochistan. Mohibi said the 7th joint trade border meeting would have a good impact on bilateral trade relations and would prove to be an important milestone in this regard.
Export restrictions are in place during the four months when rice is produced in Iran, he said, adding that efforts are being made to create separate counters for the people involved in trade at Tuftan border. The issue will be resolved soon, he said.
Published in The Express Tribune, November 23rd, 2019.
https://tribune.com.pk/story/2104847/1-trade-iran-pakistan-must-expand/

GOVERNMENT PLANS TO ENHANCE EXPORTS: RAZAK

By RECORDER REPORT on November 24, 2019
Advisor to Prime Minister for Commerce Textile & Industrial production and Investment, Abdul Razak Dawood, has stated that government is making policy to increase export and decrease import for the economic stability of the country. He was presiding over a meeting about "Export Strategy" at Karachi today on 23 November 2019.
The Advisor said that government wants to help the Industrialists & Businessmen and support the local Industry. We are working to make short-term and long-term grand Industrial policy.
The advisor was briefed by the eminent economic expert Tariq Ikram in his briefing that "Trade is essential for Pakistan, decreasing import and increasing export is not an easy task but Pakistan can do it with National efforts and continuous commitment.

https://www.brecorder.com/2019/11/24/547195/government-plans-to-enhance-exports-razak/

NEWS COVERAGE PERIOD FROM NOV 25th TO DEC 01st, 2019

PAKISTAN-IRAN BORDER TRADE COMMITTEE MEETS IN ZAHEDAN

A Correspondent November 29, 2019
CHAGAI: The seventh meeting of the Joint Border Trade Committee (JBTC) between Pakistan and Iran commenced at the Iranian city of Zahedan on Thursday.

The Pakistani delegation comprising 24 members from the Federal Investigation Agency, Pakistan Customs, Fisheries Department of Balochistan, Provincial Transport Authority, Trade Development Authority, Home and Tribal Affairs Department of Balochistan, State Bank of Pakistan, Quetta Chamber of Commerce and Industries, Federation of International Transport Company of Pakistan, Pakistan Railways, Livestock and Dairy Development Department of Balochistan are participating in the meeting which would continue on Friday (today) as well.
According to official sources, the annual JBTC meeting will discuss the issues, requirements, opportunities and related affairs of trade between the two neighboring countries. The Pakistani delegation headed by Collector Customs Mr Raza went to Iran through Taftan border in Chagai district on Wednesday.
Published in Dawn, November 29th, 2019
https://www.dawn.com/news/1519455/pakistan-iran-border-trade-committee-meets-in-zahedan

CHINA REITERATES ITS PLEDGE TO LOWER TRADE BARRIERS, WIDEN MARKET ACCESS

Reuters Updated November 29, 2019
BEIJING: China on Thursday reiterated its pledge to further widen market access for foreign capital and lower non-tariff trade barriers, as it aims to boost flagging trade amid a slowing economy and a trade war with the US.
In a lengthy document that laid out areas for improvement, the State Council, the country's cabinet, said trade with neighboring countries would increase, cooperation with countries signed up to its Belt and Road infrastructure initiative would deepen and Chinese firms would further expand into markets in Asia, Africa and Latin America, according to the official Xinhua News Agency.
China is locked in a 16-month long trade war with the United States that has disrupted global supply chains and rattled financial markets. Despite recent signs of progress in trade negotiations, there is growing uncertainty about whether Beijing and Washington can reach a phase one agreement that would put off another round of US tariff hike.
The role of foreign capital as a driver for the country's industrial upgrade and high quality development of trade will be maximised, said the State Council, adding that Beijing would increase policy support to boost trade.
Beijing will also further lower import tariffs and boosts imports of agricultural goods and services, while pledging to step up the protection of intellectual property rights by increasing punishment for infringements.
China's exports contracted for a third straight month in October, while imports shrank for the sixth consecutive month, as US tariffs took a toll.
Beijing will accelerate efforts to build an export control system to manage trade risks, the government said without elaborating, adding it would continue to call for relevant countries to relax export controls on China.
Published in Dawn, November 29th, 2019
https://www.dawn.com/news/1519477

US LIKELY TO APPROVE WTO BUDGET

AFP November 29, 2019
GENEVA: A US threat to block the WTO's 2020 budget and effectively shutter its operations seems to have dissipated after a fresh proposal was tentatively agreed by trade diplomats in Geneva this week.
Washington reportedly threatened earlier this month to halt its financial contributions to the World Trade Organisation — a regular target of attack by President Donald Trump's administration — and to block the consensus needed to adopt its annual budget.
WTO's annual budget is financed by contributions from member states, with the amount calculated according to each country's share of international trade.
The United States has thus traditionally been the largest contributor, coughing up around 22.7 million Swiss francs ($22.7m, 20.6m euros) in 2018, amounting to 11.6 per cent of the WTO budget that year.
But Washington has increasingly expressed frustration with the global trade body, and especially with the appeals wing of its dispute settlement system, which the US accuses of disfunction, overreach and violating its national sovereignty.
Washington has also recently criticised the compensation paid to appellate judges.
Published in Dawn, November 29th, 2019

https://www.dawn.com/news/1519473/us-likely-to-approve-wto-budget

INDIA OFFERS FUNDS TO SRI LANKA IN BID TO OUTDO CHINA

By RECORDER REPORT on November 30, 2019
India, anxious to counter China's influence in the region, on Friday offered hundreds of millions of dollars in aid to Sri Lanka as the island's new president made his maiden overseas trip in New Delhi.
Gotabaya Rajapaksa's visit to India just 12 days after he became president is being intensely watched as New Delhi and Beijing compete to control the Indian Ocean and its strategic sea routes.
Sri Lanka has been traditionally been allied to India but China invested and loaned billions of dollars to the island nation during the decade-long reign of Rajapaksa's elder brother Mahinda Rajapaksa.
After talks with the new leader, India's Prime Minister Narendra Modi said his country would give $400 million in credit to Sri Lanka to improve its economy and infrastructure.
He offered another $50 million to boost Sri Lanka's security and intelligence gathering – notably after the April 21 attacks by Muslim radicals that killed 258 people.
"A strong and prosperous Sri Lanka is not just in India's interest but the entire Indian Ocean region," Modi said as he welcomed Rajapaksa for the three-day visit.
"The security and development of our two countries are interlinked. Therefore it is only natural that we remain mindful of each other's security and sensitivities," he added.
Rajapaksa swept the November 16 election on promises of bolstering the economy and security – but is a controversial figure for his role in Buddhist-majority Sri Lanka's decades-long civil war against Tamil separatists.
The separatists' defeat in 2009 was followed by allegations of widespread human rights abuses towards Tamil minorities by government forces.
International condemnation brought the Colombo government closer to Beijing, which launched huge infrastructure projects on the Island nation, including the Hambantota port.
In his inauguration speech however, the new president said he wanted a "neutral" foreign policy and friendly relations with all countries.
"India's cooperation is multi-faceted. We will continue to work closely with India to ensure that the Indian Ocean remains a zone of peace," he said as he invited Modi to visit Sri Lanka.

https://www.brecorder.com/2019/11/30/549120/india-offers-funds-to-sri-lanka-in-bid-to-outdo-china/

FOUR JOINT BORDER MARKETS WITH IRAN BEING ESTABLISHED

By RECORDER REPORT on December 1, 2019
The seventh meeting of the Joint Border Trade Committee (JBTC) has decided to establish four joint border markets with Iran's cooperation, Pakistani official Reza Baloch said on Saturday.
Reza Baloch made the remarks after signing of the joint Iran-Pakistan Border Trade Agreement held in Zahedan on Saturday.
He said the two-day meeting discussed all issues concerning border trade between the two countries and reached an agreement with 22 clauses.
Baloch said that cases involving Sistan-Baluchestan Province of Iran and Balochistan province of Pakistan between the Parties and those related to governments will be approved by the governments in order to remove some obstacles on operation of border markets.
The agreement also includes discounts for border residents, Reza Baloch, Pakistan's Customs Collector and the head of he Pakistani delegation said.
"The Pakistani government has decided to establish four border markets, which will be launched within the next year," he said.
The seventh meeting of the JBTC between Pakistan and Iran commenced in the Iranian city of Zahedan on Thursday.
According to official sources, the annual JBTC meeting will discuss the issues, requirements, opportunities and related affairs of trade between the two neighbouring countries.

https://www.brecorder.com/2019/12/01/549304/four-joint-border-markets-with-iran-being-established/

DENMARK, PAKISTAN MAINTAIN EXTENSIVE BILATERAL FRIENDLY, ECONOMIC COOPERATION: ENVOY

By RECORDER REPORT on December 1, 2019

Rolf M Hey Holmboe, Ambassador of the Royal Danish Embassy in Pakistan said on Saturday that Denmark and Pakistan maintain extensive bilateral friendly and economic cooperation, reflecting great potential and opportunities for two countries particularly in the filed of education.

The three day-mega event Millennial Model United Nations (MMUN) 2019 was officially declared open at the Flagship Millennium College I/9-3 Campus, Islamabad here on Saturday.

More than 1200 students from across Pakistan participated in this mega event. The MMUN 2019 is the outcome of the aspirant students of Millennium College Campus I-9/3, Islamabad.

The opening ceremony was presided over by H.E. Rolf M Hey Holmboe, Ambassador of the Royal Danish Embassy & Founder Chairman The Millennium Education Chaudhry Faisal Mushtaq TI. Principal Millennium College I-9/3 Campus Muneeze Muzaffar; in her introductory speech expressed the fact that the purpose of this intellectual exercise is to foster teamwork, encourage work force, engage the youth of Pakistan in the most organized scholastic event which is recognized worldwide.

Ambassador Holmboe in his speech to the delegates expressed his pleasure to witness the event and stressed that education is the best investment concerning the future of the country. He further added that Denmark and Pakistan have a lot of opportunities for the two countries to further cement their relations.

The opening ceremony started with the patriotic speech from Chaudhry Faisal Mushtaq, Founder Chairman The Millennium Education, and then some breath-taking performances by the Millennials where they presented medleys and tableaus to highlight the great cause of Jammu & Kashmir and become the Voice of the Kashmiri people. Faisal Mushtaq said the entire youth is against the Indian oppression and pledges that their sacrifices for the freedom struggle will not go waste.

He urged on the need to resolve the conflict through peace and dialogue and committed in influencing the youth to start a petition against the atrocities in the Occupied Jammu and Kashmir and present it to the United Nations.

He said the educated youth can play a significant role in sensitizing the international community about the early resolution of Kashmir dispute.

He further said Kashmir issue is an international dispute and therefore the world community as a whole should play its role to resolve it peacefully.

The event is an amalgamation of different cultures, mind set and delegates who travel nationwide to win a memorable experience. It is a platform on which delegate students from across country have registered as the forum allows them to prove their mettle within the domain of diplomatic debate and policy making.

The culture of the Model United Nations Conferences has spread at a rapid pace throughout the world, and today, MUN is being taught as a course in some parts of the world. Students at Millennium College Campus I-9/3, Islamabad understand that in the near future the focus of intellectuals of the world had shifted from specialized knowledge to a more holistic development of the individual.

The talented students' go through rigorous sessions of debates with their manqué mind set, speak to promote and support international cooperation to achieve development for all.

The MMUN 2019 Committee, expressed that The Millennium Education are all about opportunities, excitement, exhilaration and excellence. Once again Millennials take the lead and initiated an important opportunity to develop the horizon of the students, who in the next proceeding years would harness the reins of the government.

The MMUN 2019, Conference marked the opening for the inspiration for the youth to help shape the world based on justice, solidarity, liberty and peace for all. The conference opened opportunities for the students to be truly engaged in the learning process – delegates will not only be learning about the UN system or global affairs from a textbook, they will be living their learning.

https://www.brecorder.com/2019/12/01/549276/denmark-pakistan-maintain-extensive-bilateral-friendly-economic-cooperation-envoy/

DECEMBER, 2019

NEWS COVERAGE PERIOD FROM DEC 02nd TO DEC 08, 2019

IMPACT OF WTO PROTESTS STILL FELT TWO DECADES LATER

AP December 02, 2019

SEATTLE: Nancy Haque worried about the conditions in sweatshops around the world. For Lynne Dodson, it was the possibility of attacks on public education. The plight of imperilled sea turtles got Lisa Wathne.

An array of issues brought tens of thousands of protesters to Seattle 20 years ago Saturday, with one unifying theme: concern that the World Trade Organisation, a then-little-known body charged with regulating international trade, threatened them all.

With their message amplified not just by their numbers, but by the response of overwhelmed police who fired tear gas and plastic bullets, the protesters delayed the WTOs conference and raised awareness of the international trading system and its implications for the environment, labor standards and human rights.

While many of the problems they identified are unsolved two decades later, some still credit the protest with restoring a sense that mass demonstrations and civil disobedience can effect change.

Demonstrators' criticisms of economic inequality, rapacious capitalism, environmental degradation and worker exploitation are at home in the platforms of progressive Democratic presidential candidates such as Elizabeth Warren and Bernie Sanders.

There was a real feeling among students in the 90s that it doesn't matter, that nothing we do is going to change anything, said Dodson, a long-time teacher and labour organiser. The WTO protests changed that.

Officials from 135 nations gathered in Seattle for a conference intended to launch a new round of talks to reduce trade barriers, but a months-long leadership tussle within the WTO hobbled advance preparations, making it unlikely the meeting would succeed.

Protesters worried reducing trade barriers without requiring labour standards would allow companies to ship their jobs to developing countries

Seattle had lobbied to host the conference because Washington was and still is one of the nations' most trade-dependent states, with Boeing planes, Microsoft software and agricultural products like apples and cherries making up significant exports.

During more than a year of planning, the city failed to heed signs of a massive disruption, neglecting to ensure it had enough police to handle the influx of protesters.

A WTO meeting in Geneva the year before had drawn protests, and protesters surrounded and rocked a bus carrying the WTOs new director general during an October 1999 appearance at the University of Washington.

The day before the conference, Mayor Paul Schell insisted he wanted to honour the right to protest and pleaded with the demonstrators: Be firm in your message but be gentle with my city.

As the conference opened on Nov. 30, 1999, thousands of demonstrators chained themselves together in downtown intersections. They locked arms outside a convention centre, preventing dignitaries, including U.S. Secretary of State Madeleine Albright and UN Secretary General Kofi Annan, from entering.

Tens of thousands of drumming and chanting steelworkers, machinists, teachers and other union members marched. Many of the union members' jobs depended on trade, but they worried reducing trade barriers without requiring labour standards would allow companies to ship their jobs to developing countries.

To the dismay of many activists, a small number of black-clad anarchists rampaged, breaking windows, vandalising stores with graffiti and looting a Starbucks. The start of the conference was delayed, leaving the assembled nations less time to reach agreement on key issues.

Understaffed police stood by at first, but by midmorning began using tear gas to try to disperse the protesters. With then-President Bill Clinton due to arrive, the mayor declared a downtown curfew and no-protest zone restrictions not seen in Seattle since World War II.

The next day, police began making mass arrests. Nearly 600 people were arrested, some of whom had nothing to do with the protests. A federal jury later ruled the city was liable for arresting protesters without probable cause, and the city settled lawsuits.

Dodson first became concerned about the WTO because she feared it might consider public funding of education to be an unfair trade practice. That didn't materialise.
She remembers walking with her 11-year-old daughter after a WTO-related event when police reached out of their vehicle and tried to pepper-spray them. Her daughter grew up to be a labour activist.
It radicalised her, Dodson said. What were they thinking when they leaned out and pepper-sprayed this little girl and her mom as they were walking down the street? For Haque, who worked in Portland, Oregon, as a labor activist, she had become concerned about major corporations relying on sweatshop labor to make apparel and soon had other worries about the WTO.
She laid down in an intersection on a rainy morning, while others dressed as butterflies drew attention to Monsanto Corp., saying its pesticides were killing butterflies.
Haque was overwhelmed by tear gas, but she returned the next morning and blocked a sidewalk. She was arrested and spent five days in jail.
We were anti-exploitation, she said. Twenty years later, I think more people are aware of the effects of the way capitalism is working, the way it's destroying the planet and exploiting people.
Among the most enduring images from the protest were demonstrators in sea-turtle costumes. The WTO had invalidated American restrictions that required shrimp fishermen overseas to use devices that would allow turtles to escape from nets if they wanted to sell their product in the U.S.
The WTO has always insisted that ruling was misunderstood: The U.S. lost the case not because it sought to protect the turtles, but because it helped Caribbean countries comply but didn't do the same for Asian nations. That was discriminatory, the WTO said.
Our number one goal was the sea turtle issue. We helped bring that to the forefront, said Wathne, who lives in the Seattle suburb of Lake Forest Park and works for the Humane Society. But on a personal level, it was heartening to see people who cared about so many different issues coming together.
Such misperceptions about the organisation were common, said WTO spokesman Keith Rockwell, who was in Seattle at the time. Many protesters thought they were helping people in the developing world by insisting on higher labour standards, but those countries opposed them, fearing it would hurt their competitive advantage cheap labour to the detriment of their economies.
Afterward, the WTO took steps to better explain itself, opening its dispute resolution process, releasing documents and launching a regular forum where people could air concerns.
A lot of important things happened as a result of Seattle, in terms of the way the organisation functioned and in terms of transparency, Rockwell said.
James Gregory, a University of Washington history professor who specialises in labour issues, said the most lingering effects of the WTO protests might be the connection of the labour and environmental movements and a reawakening of progressivism.
In Seattle, a vast campus for Amazon a poster child for global capitalism has emerged. But Gregory noted the city retains a strong progressive streak that has made it a national leader on workers' rights, including a $15 minimum wage and paid leave requirements.
The legacy of the WTO protests may be partly to thank, he said.
The electrifying images and stories built excitement among labour people and environmentalists and activists of every kind, he said. Had there not been that kind of clash and publicity, we wouldn't be talking about Seattle.
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NEWS COVERAGE PERIOD FROM DEC 09th TO DEC 15th, 2019

WTO CHIEF DETAILS BID TO SAVE APPEALS PANEL

AFP December 11, 2019
GENEVA: The head of the World Trade Organisation said on Tuesday that he intends to put new issues "on the table" in negotiations to save the body's appeals court, which shuts down at midnight.
The appellate branch of the WTO's Dispute Settlement Body, sometimes called the supreme court of world trade, will stop functioning on Wednesday after years of relentless US opposition.

Washington, which accuses the court of serious overreach, has blocked the appointment of new judges, leaving it without the quorum of three needed to hear cases due to mandatory retirements.
Months of talks to break the deadlock that has pitted the US against the WTO's 163 other members have been led by New Zealand's ambassador David Walker.
WTO Director General Roberto Azevedo reaffirmed Wednesday that the Walker process had failed, saying: "as of tomorrow, the appellate body will no longer be able to review new dispute rulings." Azevedo had on Tuesday announced plans to personally lead negotiations to solve the impasse.
Speaking to reporters on Wednesday, he said his effort would aim to address the "missing pieces of the puzzle" that the Walker process had missed.
"Throughout this process I tried not to interfere," he said.
"I decided that (members) should do their thing. Unfortunately, it was not successful." But, Azevedo added, his discussions with diplomats led him to believe that the Walker-led talks did not tackle all the elements needed to allay US concerns.
The goal is to see whether "there are some things that are not on the table that need to be on the table," Azevedo said.
The US has wide-ranging concerns about the WTO appellate branch, which predate Donald Trump's presidency.
Trump's trade officials have in particular argued that the US Constitution does not permit a foreign court to supersede an American one – and that WTO appellate judges assert such superiority in international trade law.
Until a solution is reached, the appellate branch shut down will place international trade disputes in legal limbo.
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PTI GOVT TO TABLE BILL FOR SINGLE TRADE WINDOW

By Zafar Bhutta Published: December 11, 2019
ISLAMABAD: Pakistan, being a signatory to the World Trade Organisation (WTO), has decided to introduce a bill for creating a single window in order to facilitate cross-border trade.
Pakistan has signed WTO's Agreement on Trade Facilitation and has notified the establishment of Pakistan Single Window (PSW) for cross-border trade by February 2022. This comes as the government increasingly focuses on enhancing exports and substituting imports in an effort to give a boost to domestic production and the overall economy.
NSW allows the parties involved in trade and transport to lodge standardised information and documents with a single-entry point to fulfill all import, export and transit-related regulatory requirements.
"The government has decided to introduce the Pakistan Single Window Bill 2019 to facilitate cross-border trade," an official said, adding that the Economic Coordination Committee (ECC) of the cabinet would be briefed on the issue in a meeting on Wednesday.
Pakistan lags behind other countries in trading across borders. To unlock its potential as the regional hub for transit and trade, Pakistan needs to reduce time, cost and complications associated with meeting the regulatory requirements related to imports, exports and transit trade.
PSW is the solution to all these problems by using automation and aligning related regulatory processes.
In 2017, the premier designated Pakistan Customs as the lead agency to expedite the setting up of the single window. Consequently, the Customs wing of the Federal Board of Revenue (FBR) developed the PSW Roadmap and Implementation Framework in April 2018 with the help of international experts.
PM Imran constituted a high-level steering committee, headed by the minister of finance and revenue, in May 2018 to oversee the early setting up of the single window.
Pakistan Customs undertook various studies related to the establishment of PSW and finalised a detailed project design document, which was approved by the steering committee in August 2019.
The document recommended the promulgation of a new law based on a comprehensive legal gap analysis of the existing laws and regulations related to cross-border trade.
The legal gap analysis also covered the aspects provided in the approved governance, operation, revenue and functional models for PSW as well as in the checklist provided in the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) recommendations for establishing a legal framework for the international trade single window.

The ECC will also consider the provision of a technical supplementary grant in an attempt to cope with the desert locust threat in Pakistan.
The Ministry of National Food Security and Research, in a summary, recalled that it had sought a supplementary grant of Rs530 million from the ECC in August this year. The ECC approved the summary and the cabinet ratified the decision.
After that, the demand was submitted to the Finance Division for the release of funds. However, the Finance Division advised that the additional requirement may be arranged through a technical supplementary grant by surrendering an equivalent amount out of the provision for contingencies.
Keeping that in view, the food security ministry requested the ECC to direct the Finance Division to arrange Rs459.5 million through the technical supplementary grant.
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https://tribune.com.pk/story/2115244/2-govt-table-bill-single-trade-window/

TRADE GAP NARROWS 33PC

Mubarak Zeb Khan Updated December 12, 2019
ISLAMABAD: The country's trade deficit dipped by 33.04 per cent in the first five months of current fiscal year from a year ago, data released by the Pakistan Bureau of Statistics (PBS) showed on Wednesday.
The decline is mainly due to a double-digit fall in imports along with a nominal increase in export proceeds.
Moreover, the government's corrective measures to slow down imports in order to reduce pressures on foreign exchange reserves and slump in overall demand.
In absolute terms, the trade gap narrowed to $9.66 billion in July-November from $14.43bn over the corresponding months last year. On a monthly basis, the deficit fell by 29.65pc to $1.92bn in November from $2.74bn over the corresponding month last year.
Ministry of Commerce estimates the annual trade deficit may decrease by $12bn to $19bn in the ongoing fiscal year from $31bn during the last fiscal year.
Data showed imports in the first five months of current fiscal year clocked in at $19.21bn, down 18.41pc from $23.54bn over the corresponding period last year. The decline in value of imported goods in November was 13.99pc to $3.94bn as against $4.58bn over the corresponding month last year.
Imports fell by 18pc while exports grew by less than 5pc in July-November
Contrary to this, exports grew by 4.79pc to $9.54bn in July-November, against $9.10bn during the same period last year. The numbers are discouraging, as exports, which should have grown over the last few months owing to multiple currency depreciation, have failed to pick up.
Although, in quantitative terms, the exports have increased slightly over the last few months but the overall slowdown in the global markets have led to lacklustre increase in the country's exports.
On a month-on-month basis, exports in November were up 9.35pc to $2.01bn from $1.83bn over the corresponding month last year.
The government projects exports during the ongoing fiscal year to reach $26.187bn, up from $24.656bn in FY19.
In the Budget 2019-20, the government reduced cost of raw materials and semi-finished products used in exportable products by exempting them from all customs duties. Government also promised to provide sales tax refund to exports sectors.
Meanwhile, a delegation of All Pakistan Textile Mills Association met with Adviser to PM on Commerce Razak Dawood. The meeting was informed that government has already released Rs17.6bn in various drawback schemes pertaining to textiles value chain.
Dawood told the delegation that a meeting will be held with the PM early next week on the issue of quarterly charges of electricity for its early resolution.
He said the government is cognisant of the issues faced by the industry and appreciated that the Federal Board of Revenue has is cooperating with exporters to simplify form-H of SRO918. He asked the textile value chain to fully cooperate with the commerce ministry for formulation of Third Textiles Policy to address long standing issues of the textile value chain and urged that the small and medium enterprises should be given the priority.
The adviser also said that out-of-box approach may be considered for various taxes imposed by federal and provincial organisations and also that credit availability and technology upgradation should be the focus of the policy.

Commerce Secretary Ahmed Nawaz Sukhera also said the ministry would soon issue the necessary memorandum to give special status of export-oriented sectors to textile, leather, carpet, sports and surgical goods. This would resolve all important issues of reduced regasified liquefied natural gas and electricity rates for these sectors, he said.
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NEWS COVERAGE PERIOD FROM DEC 16th TO DEC 22nd, 2019

BREXIT'S NEXT BATTLE: THE TRADE DEAL

AFP Updated December 21, 2019
BRUSSELS: Prime Minister Boris Johnson secured initial parliamentary backing for his Brexit withdrawal bill on Friday, putting Britain on course to leave on Jan 31 -- but the saga will not end even with final confirmation from lawmakers.
From as early as Feb 1, European Union and British officials will launch intense negotiations on the future trading relationship between the divorcing partners.
The post-Brexit transition period, in which the UK will continue to follow EU rules, finishes at the end of 2020, and Johnson says he will not seek an extension.
But it will be "extremely challenging" to reach a comprehensive accord in time, the president of the European Commission Ursula von der Leyen warned this week.
EU negotiator Michel Barnier and his "Taskforce UK" are working overtime in Brussels to prepare a negotiating mandate, hoping to control the timetable and sequencing of talks.
Will there be an ambitious free trade agreement — or will the two sides settle for a bare-bones deal to simply keep the cross-Channel goods trade flowing?
Experts widely agree that it will take far longer to achieve a comprehensive trade deal worthy of a country destined to be one of the EU's closest partners.
And, speaking to MEPs this week, Barnier said: "Time is limited and it won't be possible to do everything, but we'll do everything we can. We can't do it all but we will give it our all."
"After the transition period we'll have to continue to work with the British and to negotiate," he said.
Despite Johnson's assurances to British voters, trade deals do not just come off the shelf "oven-ready", especially if Britain is looking for a vastly different relationship.
If Britain wants frictionless access to the EU single market, it will have to follow European rules to maintain a "level playing field", and Johnson has shown no sign of wanting this.
A fast agreement would be "a very big ask" that would limit the ambition of the deal tremendously, Fabian Zuleeg, chief economist at the European Policy Centre, told AFP last week.
The British government will have to decide by July 1 if it wants to postpone the Dec 31, 2020 deadline.
On that date, it could make a one time only request for either one or two years of extra time.
Otherwise, Zuleeg said, "maybe they can achieve something very basic that would give the UK very limited leverage on the tricky subjects like services, fisheries or Gibraltar for Spain".
As a matter of reference, other EU trade talks have dragged on much longer from the launch of talks to implementation: Canada deal: 8.5 years Japan: 6.5 years Singapore: 9 years Vietnam: 7 years so far Mercosur: 20 years so far - What does six months get you?
"Striking a trade deal by the end 2020 is enormously ambitious, but we won't achieve it if we don't try," Irish Prime Minister Leo Varadkar, who will be an influential voice on trade, has warned.
Negotiators will have to show convincing progress by July 1 and leave enough time for translation, legal rewrites -- known as "scrubbing" — and ratification.
Zuleeg says the UK would have to accept major concessions on the key issues to win the fast deal.
Cutting or stopping tariffs on goods will probably be achievable, but that leaves no time for the UK to negotiate on other topics.
Brussels officials now accept that Johnson is unlikely to seek an extension to the Brexit transition period.
But if December comes without an accord, the spectre of a no trade deal Brexit will loom once again, with Britain in danger of an abrupt cut in ties with Europe, rocking its economy.

Von der Leyen has warned against this, but says it will be more of a problem for Britain that for the remaining union, which will still have roughly six times the UK's GDP.
"In case we cannot conclude an agreement by the end of 2020, we will face again a cliff edge," she said.
"This would clearly harm our interests but it will impact more the UK than us." As a third country, Britain would immediately have trade terms set by the World Trade Organisation.
Tariffs on key products would be high, ruining, for example, the business arithmetic for the UK production of cars and other industrial goods that depend on parts from overseas.
Entry points into the UK would be choked up with border guards forced to implement checks and fill out paperwork.
At this month's EU summit, national leaders tasked Barnier to draw up a trade deal mandate as soon as possible.
This is necessary because trade policy in the European Union is unified across the soon-to-be 27 member states — with the deals negotiated by the European Commission.
This will set the EU's vision for the deal as well as delineate red lines for the negotiations — and member states will have differing views.
Several countries — including France and Belgium — will push for generous access to British fishing waters, Spain has concerns over Gibraltar and Ireland over farming.
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PAKISTAN FIRST COUNTRY TO SETTLE SOVIET-ERA TRADE ROW

By Usman Hani fPublished: December 21, 2019
KARACHI: Pakistan has become the first country to settle the Soviet-era trade dispute with Russia – then USSR, announced Federal Commerce Secretary Sardar Ahmed Nawaz Sukhera.
Speaking at a meeting with members of the Pakistan Hosiery Manufacturers and Exporters Association (PHMA), the secretary said a mere $93 million, owed by Pakistan to Russia, was hindering smooth relations between the two countries.
"Earlier, we wondered why the Russians were adamant on receiving such a meagre amount," said the secretary.
"Later, we found that it was a matter of their pride rather than the monetary value and Pakistan became the first country to clear its debt owed to Moscow."
In the 1980s, the USSR and its companies had been engaged in barter trade with Pakistan. When the confederation fell apart following the Afghan war, the trade settlement was deferred not only with Pakistan but also with many other countries.
Talking about the free trade agreement (FTA) with China, Sukhera termed it a huge opportunity and urged exporters to reap maximum benefit from it.
"The FTA contains well-safeguarded measures for the Pakistani market while China has allowed us duty-free export of 313 product lines, which can benefit our exporters and earn foreign exchange for the country," he said. "We can also form joint ventures with the Chinese enterprises."
Turning to the Look Africa Policy Initiative, the commerce secretary said Pakistan would organise a Look Africa exhibition in Nairobi in January 2020 to pave the way for interaction between Pakistani and African businessmen and open new doors of opportunities.
Commenting on the challenges faced by the exporters, the secretary said Pakistan was one of the countries having the highest port tariffs, adding that the Federal Board of Revenue (FBR) considered the industry a revenue-generating tool.
"In recent years, Pakistan has imposed tariffs worth Rs660 billion, which has led to a decrease in exports," he said.
Different countries reduced their imports from Pakistan when their exports to Pakistan decreased in the wake of hefty tariffs.
Talking about Bangladesh, Sukhera revealed that it allowed two kinds of vehicles – ambulances and those carrying export containers – to pass any gate without security checks for the sake of faster movement.
He stressed that Pakistan needed to learn from the countries doing better than it.
He, however, expressed dismay that Pakistan's agricultural production was way below India's produce despite the fact that the two countries had a similar soil quality for farming.

Speaking in the meeting, prominent businessman Zubair Motiwala said the government lacked the right mindset to transform the economy into an export-oriented one.
“It tries to control exporters with the same stick it uses against the businessmen operating domestically,” he remarked.
Motiwala pointed out that the previous commerce minister had promised to freeze gas prices for three years but now the gas would become costlier for the industry as well. “In addition to this, out of the Rs93 billion refund claims of the exporters, we have received only Rs18 billion,” he said.
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https://tribune.com.pk/story/2122113/2-pakistan-first-country-settle-soviet-era-trade-row/

GOVERNMENT URGED TO ‘FORMALISE’ TRADE ACTIVITIES WITH AFGHANISTAN

By RECORDER REPORT on December 22, 2019
Qaumi Watan Party (QWP) Chairman Aftab Ahmad Khan Sherpao on Saturday asked the government to take steps to “formalise" trade activities with Afghanistan in order to facilitate the business community and generate revenue for the country.
He maintained that the trade activities were being carried out through the unfrequented routes, which was damaging Pakistan's economy.
According to a press release, he was talking to a delegation of businessmen and lawyers at the party secretariat Watan Kor in Peshawar.
On the occasion, Syed Hammad Kazmi, President of Kurram Chamber of Commerce and Industry, Syed Ali Faisal Kazmi, Secretary General of Khyber Chamber of Commerce and Industry, Retired judge Safeer Qaiser Malik, provincial Senior Vice-Chairman of All Pakistan Muslim League, Anwarullah Advocate of Pakistan People's Party and others announced joining the QWP.
Reposing confidence in the QWP Chairman, Aftab Ahmad Khan Sherpao, the businessmen informed him about their problems. They sought the help of the QWP leader to use his contacts and good relations with the Afghan government to help resolve their issues.
Aftab Sherpao assured the delegation that he would spare no effort to highlight their problems at all forums in addition to taking up their issues with the Afghan government in a bid to facilitate them.
He said his party would soon convene a conference of the businessmen representing all bodies of the traders to learn about their issues and subsequently iron out a strategy to help resolve their problems.
The QWP leader urged the government to remove the hurdles hampering trade activities between Islamabad and Kabul. He added that the bilateral trade volume was very low and concrete efforts were needed to promote trade between Pakistan and Afghanistan.
Aftab Sherpao said that Pakistan must not ignore Afghanistan as it was a big market for the country so the government should facilitate the business community to do business in the neighbouring country.

https://www.brecorder.com/2019/12/22/555418/government-urged-to-formalise-trade-activities-with-afghanistan/

NEWS COVERAGE PERIOD FROM DEC 23rd TO DEC 29th, 2019

CHINA-PAKISTAN TRADE AT KHUNJERAB PASS TOPS $856M

By Agencies Published: December 29, 2019
Trade volume between China and Pakistan surged by nearly 47% to $856.3 million at the Khunjerab Pass this year, while the New Year cargo pushed up demand for shipment on the route, the Chinese media reported on Saturday.
Cargo import and export reached 66,600 tonnes in the first 11 months at Khunjerab Pass between Pakistan’s Gilgit-Baltistan region and China’s north-western Xinjiang Uygur Autonomous Region, the report added.
The trade volume increased by 1.4 times to 5.99 billion yuan – up 46.8% from the same period last year. Authorities at the Khunjerab Pass said they would continue to increase customs clearance efficiency to facilitate trade in the future.
At 5,000 metres above sea level, Khunjerab Pass is a major trade route between China and Pakistan, and an important gateway to South Asia and Europe. China mainly imports textiles, agricultural products and daily commodities, and exports plants and herbs.

Demand for shipment rises
Last week, the Ningbo Shipping Exchange in the city of Ningbo northeast Zhejiang province said that its containerised freight index in the India and Pakistan routes rose significantly as the New Year cargo pushed up demand for shipment.
It said that the Ningbo Containerised Freight Index (NCFI), a wind vane of China's busiest port's freight rates for the international container shipping market, stood at 882.3 points at close of the previous week, up by 3.4% against the second week of December.
Reported every Friday, the NCFI was first published in September 2013.
According to the Ningbo Shipping Exchange, New Year cargo pushes up demand for shipment that tightens cabin space has raised the booking price.
China is an active promoter of trade liberalisation – a development trend globally.
In order to increase imports from the friendly neighbouring countries, it has adopted many preferential policies to gradually reduce the trade deficit.
Khunjerab Pass lies on the strategic Karakoram Highway (KKH), which is a part of multibillion-dollar China-Pakistan Economic Corridor (CPEC) project. The port is extremely important platform and is considered to be an important link to China's flagship Belt and Road Initiative (BRI).
The trade at Khunjerab Pass is conducted through the newly-introduced Web-based One Customs (WeBOC) system.
The government believed that trade would be much easier after WeBOC as it would align the Sust dry port with all the modern infrastructure in dry ports across the country.
The port has been operationalised for export this month, according to Adviser to Prime Minister on Trade and Industries Abdul Razak Dawood, who said that the operationalisation of the port would reduce the time taken for "trading across borders" and also reduce port congestion at Karachi.
According to the planning ministry, Gwadar smart port city's contribution to Pakistan's gross domestic product would rise $200 billion to $300 billion by 2050. It said that the per capita income of the citizens of Gwadar would be around $2,000 in 2025 and around $4,000 by 2035.
https://tribune.com.pk/story/2126816/2-china-pakistan-trade-khunjerab-pass-tops-856m/