

Consensus evolved on CPFTA-II

Pakistan and China have evolved a consensus on the second phase of Free Trade Agreement (FTA-II) after two-day deliberations in Beijing, well-informed sources told Business Recorder. The Pakistani side was represented by Secretary Commerce Division, Sardar Ahmad Nawaz Sukhera, Secretary Finance, Younus Dagha (former Secretary Commerce, who negotiated three or four rounds with the Chinese team) and other officials from Commerce Division, Federal Board of Revenue (FBR), Ministry of Industries and Production and other relevant ministries.

The sources said the CPFTA-II will be signed during the forthcoming visit of Prime Minister Imran Khan to China primarily to attend 2nd Belt and Road Forum as a guest of honour. Prime Minister's close aide, Abdul Razak Dawood, will not be part of the entourage as he would travel to London to meet his daughter, who is unwell. According to sources, in addition to the CPFTA-II, China has agreed to extend unilateral market access to hundreds of Pakistani products which were on the table for the last one year.

The sources said, China has also agreed to give another special quota of one billion dollars to Pakistan for export of potato, wheat, onion and cherry, in addition to existing one billion dollars. "Both sides have concluded the FTA-II successfully," said an official on condition of anonymity. However, it is unclear if China has agreed to the clawback request of Pakistan as the latter was insisting on clawback on five tariff lines - bus, truck, tyres, glass, steel bars and rods, mobiles and LED lights.

The sources said, as the Pakistan team returns, Abdul Razak Dawood will announce the pact to be signed with China after formal approval of the federal cabinet. The Pakistani industry has shown halfhearted support for the FTA-II hoping that it would not be at the cost of shutting down local industry which is already in trouble. The current trade deficit with China has increased to \$ 17 billion.

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