

FPCCI chief for negotiating investment treaty with US

KARACHI: President of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) Engr Daroo Khan Achakzai has underscored the need of negotiation on bilateral investment treaty between Pakistan and US for promotion of investment which is under consideration since 2004.

Hailing the upcoming visit of Prime Minister Imran Khan to US scheduled from July 20, 2019, he expressed hope that the visit would open new vistas of trade and economic relations between both nations.

He stated, “Pakistan is a front ally of US in war against terrorism which created losses to our economy of \$130 billion (approx) since 2003 in terms of declining in exports, compensation to the affectees including the internally displaced people and others, damage of physical infrastructure, declining of foreign investment etc.”

President FPCCI appreciated the visit of PM Imran Khan and requested him to include the businessmen or representatives of private sector in their entourage to US.

He stated the talk with US counterparts should be on equitable basis for the sovereignty and security of Pakistan.

While quoting the statistics of Pak-US trade, he indicated that US is the largest trading partner of Pakistan with trade volume \$6.7 billion. Pakistan’s major exports to United States are sports goods, surgical goods, leather and finished leather products, textile, cotton yarn, garments, carpets, and rice. Pakistan’s main imports from United States are electrical machinery, equipment, medicines, dry fruits, perfumes, coffee and other food items.

Although the trade is in favor of Pakistan but the share of Pakistan in US trade is very minuscule.

Engr Daroo Khan further stated that Pakistan needed better market access to US instead of aid; because trade is an engine of economic growth and helped in alleviating poverty; which might further lead to economic development and prosperity. “US has extended General GSP facility to Pakistan for another three years which requires compliance of 15 eligibility criteria; provides an opportunity to the exporters of jewelry, carpets and agricultural products including mangoes, chemicals, minerals, and marble sectors to get benefits from this scheme and export their product to US.”

He added that textile that had 85 percent share in Pakistan’s exports to US faced high tariff rate (between 13 to 22 percent) in US. “It is true that Pakistan’s textile export to US has increased after the elimination of quota, but this elimination is not giving significant benefit to Pakistan,” he stated. At present, Pakistan’s textile faces tough competition with Vietnam, Indonesia, and Bangladesh due to duty free access of textile. Moreover, visa is another impediment which Pakistani businessmen are facing in travelling to US in order to explore the US market.

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