

GSP Plus arrangements in post-Brexit scenario: UK assures continuation of special incentives

The United Kingdom (UK), Pakistan, has assured Pakistan of continuation of special incentives under the GSP Plus arrangements in post-Brexit deal scenario. This was revealed by senior officials of the Commerce and Textile Ministry while briefing a Senate standing committee here on Friday. The officials said that GSP plus was a political programme given to Pakistan. However after the Brexit deal, Pakistan will continue to enjoy the same incentives from the UK after getting assurance from the top level.

Pakistan's trade with the European Union (EU) reached \$14.16 billion by 2018-19 compared to \$11.96 billion in 2013-14 when GSP plus status was granted to the country. Pakistan's exports to the EU reached \$7.99 billion and imports \$6.17 billion by 2018-19 compared to \$6.93 billion exports and \$5.03 billion imports in 2013-14. However trade balance narrowed down to \$1.81 billion by 2018-19 compared to \$1.91 billion in 2013-14.

These figures were shared with the committee which observed that the country could not utilise the facility fully as it could generate maximum benefits. The ministry officials admitted that there is a perception as well that due benefits were not taken from the free market access. The committee which met with Mirza Mohammad Afridi in the chair recommended that steps are required to be taken prior to the post-Brexit deal as well as to make the country independent and competitive in the international market.

The additional secretary and secretary of Treaty Implementation Cell (TIC) said that Pakistan has ratified all the 27 UN conventions related to human rights, labour rights, narcotics control, protection of the environment and good governance, which are mandatory for continuation of GSP plus status.

The government of Pakistan has so far submitted two biennial reports under the requirement of GSP + scheme to the European Commission in 2016 and 2018 and they have expressed satisfaction. The third implementation review will take place in January 2020 and the government of Pakistan would try to satisfy the commission, they added.

The Ministry of Commerce and Textile admitted that challenges are increasing with the passage of time as the world is looking at everything with human rights angle, but the government is also changing its approach to meet the requirement and continue with the GSP+ facility. The secretary commerce said that the government has adopted a multi-pronged approach to ensure the continuation of GSP+ status.

Leader of the House in Senate Shibli Faraz said that export policy should not be restricted to GSP plus status and should go far beyond GSP plus by searching new venues, products diversification and new markets to enhance the country's exports. The committee was further informed that the government is reviewing policy with respect to posting of the commercial counsellors. The committee expressed concerns that several positions of commercial counsellors have been vacant for the last one year. The ministry informed the committee that with the approval of the Prime

Minister, the policy for such positing will be revised and post assessment of officers would be carried out to ensure performance.

Senator Talha Mehmood said that five commercial counsellors were called back without issuance of prior show-cause notices to them. The ministry said that those officers were called back due to their poor performance. A further 20 percent quota has been allocated for overseas Pakistanis and a test at four stations in this regard would be conducted on July 27 (today). The committee recommended video conferences with commercial counsellors to improve exports.

The Board of Investment (BoI) officials while briefing the committee said that its primary mandate is to facilitate and promote domestic and foreign investment in the country. The main goal of the Investment Policy 2013, currently in vogue, is to address and adjust economic priorities focusing on growth of exports. The policy has been designed to provide a comprehensive framework for creating a conducive business environment for the attraction of FDI in the sectors promoting value-addition and exports. However, the newly-appointed BoI chairman said the institution is facing severe challenges. He urged for providing an enabling environment to exporters.

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