

CPFTA talks likely to be rescheduled

Pakistan and China are likely to reschedule 11th round on second phase of Free Trade Agreement (FTA) due to sudden transfer of Secretary Commerce Younis Dagha.

"We were scheduled to hold 11th round on April 2-3, 2019 but Secretary's transfer will delay the process. We will seek new dates from China for this purpose," said an official. Both countries held technical talks on March 12-13 in Beijing under the leadership of Joint Secretary Commerce, Shafiq Shahzad Baloch whereas China's team was led by Deputy Director General of Department of International Trade and Economic Affairs, Ms Liang Hong.

Commerce Ministry's officials are expecting Sardar Ahmad Nawaz Sukhera incumbent Secretary BoI, Rabiya Javeri Agha, incumbent Secretary Ministry of Human Rights or Mian Asad Haya ud-Din, Additional Secretary Incharge as new Secretary Commerce. The decision is expected on Tuesday (today).

Informed sources told Business Recorder that Pakistan has also sought market access in wheat, potato, onion and cherry, in addition to \$ 1 billion export of sugar, rice and yarn.

On overall liberalization level, China has offered exemption on 75 per cent tariff lines, 67 percent in trade value in addition to Margin of Preference (MoP) at 5 per cent. Current offer in Tariff Exemption stands at 74.2 per cent in tariff lines, 67.8 percent in Trade Value (TV) and Preference of 5.2 per cent in tariff lines.

The sources said the market access of trade in goods as final offer by Pakistan has been divided into three categories. Category 1- Entry Into Force (EIF) will be on 45 percent tariff lines. The EIF in Category 2 will be on 15 per cent tariff lines to be implemented in 7 years. Category 3 which will comprise 15 percent in tariff lines will be implemented in 15 years. Pakistan's current offer-(C1) Entry Into Force is 44.5 percent in tariff lines, C2- 14.9 per cent in tariff lines and C3 is 14.7 percent in tariff lines in 15 years.

Starting year of tariff concession for C2 and C3, China's offer for EIF(year-1) and C3, year 3. However, Pakistan wants C2 EIF in year 2 and C3- year 3.

China's final offer on overall liberalization level was as follows; (i) Trade Exemption- 75 percent in tariff line and 90 per cent in trade value and preference of 5 percent in tariff lines. Current offer-Trade Exemption 75 percent in tariff lines, 90.3 percent in trade value and preference of 5 per cent in tariff lines.

According to sources, replacement of certain tariff lines from the current offer if new tariff lines to be included in the final offer. The tariff lines to be removed from the current offer shall not be from Pakistan's 1059 tariff lines list and 651 tariff lines list.

The sources further stated that 57 tariff lines from Pakistan's 313 tariff lines prioritized request list. Entry Into Force on 8 agriculture tariff lines is excluded.

The sources said, 256 tariff lines from Pakistan's 313 tariff lines prioritized request list on Entry Into Force (EIF), China will make best efforts to accommodate the tariff lines on which China has offered zero duty to the ASEAN. However, the remaining tariff lines (not included in the 313 list) from Pakistan's 1059 tariff lines request list, China will maintain its current offer on the remaining tariff lines.

On Clawback, Pakistan is still insisting but China is not agreed. Pakistan has sought on five tariff lines i.e. bus truck tyres, glass , steel bars and rods, mobiles and led Lights.

On Electronic Data Exchange between the Customs, both sides have agreed to implement MOU in true spirit. Both sides will ensure implementation of the existing MoU on electronic data exchange which was signed on November 3, 2018 and endeavor to take further steps including a suitable mechanism to address the concern on export price information.

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