

‘Modalities of new economic reforms being considered’

FAISALABAD: New economic reforms are being hammered out in order to synchronize national trade, industry and exports with international standards with a focus on enhanced global market access for Pakistani exportable surplus, said Sardar Ahmed Nawaz Sukhera Secretary Ministry of Commerce (MOC). He was addressing a seminar on China Pakistan Free Trade Agreement (CPFTA-II) in Faisalabad Chamber of Commerce & Industry (FCCI) here today.

He told that modalities of new economic reforms are being considered which include ease of doing business, regulatory reforms and enhanced competitiveness of our exports etc. “Prime Minister Imran Khan is expected to himself announce these reforms very soon”, he added. He told that data of 20 important and competitive cities of Pakistan is being compiled. “It will reflect ease of doing business, global competitive index and reduction or clubbing existing taxes, duties and levies”, he told and added that MOC is also contemplating to separate the tasks of inspection revenue collection by different departments.

About CPFTA-II, he told that it will ensure enhanced markets access to Pakistani products up to 90 percent whereas in return we will provide only 67 percent markets access to Chinese importers. He told that proper safeguard have also been provided in this FTA for domestic and indigenous industries. He told that first FTA with china was for 2007-12. “For its second phase, eleven rounds of negotiation were held during 2012-19”, he told and added that as there were no proper safeguards for domestic industry in it, hence, MOC concentrated to provide maximum protection to local industry in second FTA. He further told that with the onset of first FTA, Pakistani exports to china were only 500 million dollars which jumped to 2.5 billion dollars. However, during the uncovered period, it again reduced to 1.5 Billion dollars due in the absence of proper safeguards. He told that Chinese importers in these specific lines are around 1.75 trillion dollars on which Pakistan has successfully negotiated zero duty whereas earlier china was changing duties on these tariff lines. “However, now Pakistan will export these products to china duty free”, he added. He urged upon the Pakistani manufacturers and exporters to avail this facility to strengthen Pakistani economy and help in bridging the import-export gap. He claimed that our export could jump manifold to china only if we could avail 10 percent of this total Chinese imports. He told that 105 lines are directly related with textile or apparel. “Earlier 14 to 16 percent duty was imposed on these lines but now Pakistan could make these exports duty free to china”, he told.

Ahmed Nawaz Sukhera told that the real issue is the non understanding of FTA’s. “We could not fully exploit the benefits from FTA-I”, he told and added that however, now MOC has decided to contact directly to the exporters in order to convince them to avail their relevant fields and increase Pakistani export to china under this landmark facility. He further disclosed that turkey and India were also enjoying GSP status from America. Both these countries were making export to USA to the tune of 10 billion dollars each. However, USA has now withdrawn this facility from turkey and India and hence, we must avail from this gap as the GSP status is still enjoyed by Pakistan.

Regarding FTA with Indonesia, he told that maximum concessions for Pakistani exports have been successfully negotiated. “We have inked an MOU to export Keno and rice to Indonesia”, he told and added that in 2014-15 our export to Indonesia was only 100 million which has now jumped to 300

million dollars. Similarly Pakistan has negotiated duty free export of 20 special tariff lines which were earlier taxed with up to 25 percent duty.

About signing ceremony of CPFTA-ii, he told that during this historic event 80 Pakistani exporters also visited Shanghai. During this visit 500 Chinese companies had expressed their willingness to work with Pakistani counterparts. He said that direct relations between Pakistani and Chinese businessmen are imperative to fully harvest the benefits of CPFTA-ii and in this connection we are considering to arrange regular meetings between Chinese and Pakistani businessmen on bi-monthly basis. He told that all details regarding FTA-ii have already been uploaded on the website of MOC while interested exporters could also directly contact this ministry.

Underlining the importance of enhanced global accessibility, Sukhera said that in July he and Razzaq Dawood Advisor to Prime Minister on Trade, Industry and Investment will visit Japan and South Korea. He hoped that negotiation will be made to ensure maximum penetration of Pakistani exports into these markets. Later we are also planning to organize 'look Africa' to explore this huge virgin market.

RECORDER REPORT