

Importance of compliance with WTO rules highlighted

KARACHI: Sheikh Sultan Rehman, vice president of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI), has said, "We should watch the ongoing advisory and other guiding role of the WTO" which should be under our observation in the COVID-19 situation to remain compliant with the obligations of the world trade rules.

During an interactive webinar on "COVID-19: Trade and Trade-Related Measures" via Zoom video link organized by the FPCCI, he said, "We should also take benefit of the relaxations ... agreed to under an arrangement of special and emergency clauses allowed by the world trading system under the WTO."

He further said that trade and trade-facilitated allowances should also be capitalized for bringing appropriate pressure on the public sector to structure temporary policies for the benefit of trade and economy in the current economic crisis triggered by declining world trade due to COVID-19. He said that successful temporary policies may eventually be converted into permanent policies. Engr. M. A. Jabbar, convener of the FPCCI Standing Committee on WTO Affairs, said that Pakistan functioned in accordance with the requirements of the WTO in the past, and the same spirit needed to be continued.

Once the situation became normal, the rules of world trade application would generate complaints at the WTO against those countries which had not been following the rules.

He said that Ministry of Commerce, Ministry of Industries & Production, Ministry of Agriculture, Ministry of IT & Telecom and bodies like the PSQCA and the IPO had been extending knowledge-based contributions for policy formulation by our WTO mission in Geneva.

Due to weak interest and deactivation of the United States in WTO affairs, the WTO system became less relevant, but "we should always prepare ourselves for facing the normal working system of the WTO for conducting trade". He further said that the WTO was presently guiding member countries to help their economies through trade-related supporting measures which included alignments of fiscal, monetary, trade policy reviews as well as other regulatory functions in such a way that the concessions extended should suit domestic trade.

The participants also included those from the Ministry of Finance, the Ministry of Commerce, the Trade Development Authority of Pakistan (TDAP), the Applied Economic Research Centre (AERC) and from trade bodies.

Sohail Hanif, joint economic adviser at the Ministry of Finance, said, "We are continuously endeavoring to make fiscal adjustments through FBR as well as providing budget lines for tax refunds and have been fully engaged in convincing the SBP to take appropriate measures for reducing the cost of exports and domestic commerce beside providing other refinance facilities to offload the pressure from the manufacturing and trade units to reduce the cost push generated by the CoVID-19 situation."

Shahid Sattar, secretary-general of the All Pakistan Textile Mills Association (APTMA), said, "Our main concern is the fiscal-related ease which is to have in-time settlement of refunds of taxes, which also appears to be in alignment with the guidance of WTO for member countries to make all the fiscal adjustments to mitigate the effects of CoVID-19."

Representative from the Faisalabad CCI said that the promised automation system on refunds on time had still not been put in place and asked for the same to be installed on an urgent basis to help the manufacturers manage their cash flows.

Zaka-ur-Rehman, chairman of the Pakistan Pharmaceutical Manufacturers Association (PPMA), said that they looked forward for ease in regulatory framework in respect of imports of raw materials from the traditional destinations so that the present exports of \$300-million pharma products can be enhanced to \$2 billion in the near future.

He also requested a new round of meetings at the MoC to help reduce the regulatory burden in the way of access to raw materials in manufacturing of pharmaceutical products.

Dr. Amir Hussain Siddiqui from the academia said, "We have opportunities and threats in the present situation."

He also suggested studying of Vietnam's free trade agreement with the EU and China as it would replace our share for various reasons, which he deliberated upon exhaustively.

Jamil A. Naz, a prominent member of the FPCCI, said that he had always been looking forward towards a better and well thought out, research-based outcome for trade benefits to Pakistan during signing of the MoUs and FTAs as well as PTAs.