

FPCCI seeks private sector's representation on Board of TIC

KARACHI: President of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI), Mian Anjum Nisar has urged the Ministry of Commerce to take private sector particularly FPCCI on the Board of Treaty Implementation Cell (TIC) for formulating mechanism and building consensus with the stakeholders in compliance of core international conventions pertaining to social compliance, including human rights, labor rights, environment and good governance.

Appreciating the setting up of "Treaty Implementation Cell" at Ministry of Commerce; to ensure the effective implementation of the 27 UN conventions, he said that commercial counselors of Pakistan designated to EU should also help the stakeholders in full utilization of Generalized System of Preferences (GSP Plus) status and marketing Pakistani products. Mian Anjum Nisar underlined the need of enhancement of foreign investment in Pakistan from EU as Pakistan has improved its ease of doing business and has brought several reforms in business environment. He said that our exports could not be able to avail the full benefits of tax incentives of GSP Plus unless Pakistan addresses the key reservations.

He further stated that the exports of Pakistan are not increasing to achieve desirable level. Therefore, sustainable and continuation of GSP Plus is dire need of Pakistan. Mian Anjum Nisar said that currently EU GSP Plus raised the five key reservations regarding human and labor rights issues which are pre requisite for the continuation of GSP Plus status to Pakistan. The Government is taking steps to address the reservations.

While highlighting the importance of GSP Plus, President FPCCI stated that Pakistan is the major beneficiary of GSP Plus from EU which is the second largest trading partner of Pakistan after USA and Pakistan has positive trade balance with this bloc. He added that GSP Plus allows 20 percent of Pakistani exports to enter EU market at zero tariff and 70 percent at preferential rates and it is expected that Pakistan's exports to the EU would increase by 20 percent or more during the next few years. He further stated that the EU GSP Plus granted from 2014 and since then our export has increased to US\$ 7.9 billion from US\$ 6.2 billion but this increase is only in textile and clothing while the exports of many others products like carpet, pharmaceutical, iron & steel, edible fruit, oil seed, copper, plastic, sugar etc. has declined as compared to pre GSP Plus period.

Pakistan's export to EU is mainly dominated by textiles and clothing which accounts 82 percent of total exports which is facing strict competition with Bangladesh, Vietnam, Turkey, India, China and Sri Lanka.