

Pakistan, Turkey FTA talks in April, says Razak Dawood

ISLAMABAD: The ice between Pakistan and Turkey on Free Trade Agreement has thawed and to this effect the commerce ministry will highlight the potential sectors on FTA in March and begin negotiating on the FTA in Ankara in April. Pakistan, in the meanwhile, has asked Turkey to take advantage of the Pak-China FTA by either outsourcing its industrial units or diverting its investment in export-oriented units in Pakistan.

Speaking exclusively with The News here on Tuesday, Adviser to Prime Minister on Commerce, Textile, Industries & Production and Investment Abdul Razak Dawood said that there was substantial progress towards initiating an FTA between the two countries. "Pakistan will finish its study on FTA by March and start parleys on FTA in Ankara."

Dawood also said that Pakistan has asked Turkey to persuade its entrepreneurs to either outsource its industrial units and invest in export-oriented sectors in Pakistan and take advantage of the FTA with China.

Under the FTA, both Pakistan and China will liberalize 75 percent of total tariff lines for each other in a period of 10 years and Turkish entrepreneurs can take advantage of it by investing in export-oriented sectors in Pakistan. About the recent visit of Turkish President Recep Tayyip Erdogan to Pakistan along with a huge delegation of business leaders who held B2B in Islamabad, the adviser on commerce said the meetings were meant for foreign direct investment in highlighting the industrial plan in joint ventures and training facilities in joint ventures with NUST.

They also showed interest in investments in IT, a joint venture in tourism with local operators. The Turkish businessmen also evinced interest in investing in construction, agriculture, dairy, and services sectors and several other sectors except textile and leather.

However, Pakistan encouraged Turkish entrepreneurs to help Pakistan in the textile and garment sectors. "There are many areas in the textile sector where Pakistan is found lacking and we want the Turkish entrepreneurs to come and either to invest in Pakistan or help Pakistan's textile business leaders in joint ventures. And to this effect, a delegation from Pakistan textile industry would visit Turkey."

The existing trade volume between the two countries has dropped drastically from \$1.08 billion to \$792 million after the imposition of a protective textile duty by Turkey. Previously, the textile exports to Turkey were based on normal tariffs, but later Turkey imposed a very high 18pc protective duty, leading to a decline in the textile exports. However, President Erdogan pledged to increase the bilateral trade by up to \$5 billion in the next five years.