

Our Correspondent

'UK agrees in principle to continue EU trade facilities for Pakistan'

KARACHI: The United Kingdom has agreed in principle to keep the European Union's tax incentives intact for Pakistan even after leaving the 27-member block next year, a government official said on Saturday.

Kamal Shahryar, adviser of Trade Development Authority of Pakistan generalised scheme of preferences plus said the negotiation between Pakistan and UK is continuing for getting the similar facility, which Pakistan is enjoying under EU GSP plus.

"UK has not shared conditions of new trade agreement but in principle agreed for similar level of facilities," Shahryar said addressing a webinar.

"After Brexit the border trade with EU will not take place for moving goods in EU member countries. UK has started revision of its MFN (most favoured nation) tariff for all countries which will also benefit Pakistan."

Pakistan has been benefiting from the standard GSP regime of the EU and exports to the EU have been subjected to 20 percent less duty than the normal MFN duties charged by the EU since 2014.

Currently, trade between Pakistan and UK is going on under EU GSP plus scheme, which will end for UK from January 1, 2021.

Aaisha Makhdum, joint secretary of ministry of commerce said UK's

conventions are same which Pakistan has already ratified under EU GSP plus.

Sultan Rehman, vice president of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) said UK played a key role in economic and social development of Pakistan. At present, the balance of trade between Pakistan and UK is in favour of Pakistan.

Pakistan's exports to UK stood at \$1.7 billion and Pakistan is mainly exporting textiles cotton fabrics, knitwear, readymade garments, bed wear and rice to UK.

Zakaria Usman, former president of FPCCI said Pakistani exporters have made huge investment in textile sector in accordance with EU GSP plus requirements, "which should not be affected with Brexit".

Asim Yousuf, vice president of Pakistan-UK Chamber of Commerce and Industry said there are huge opportunities for exports in agriculture, textile and food items to UK.

There is a need of early formulation of a trade delegation to UK for getting new orders from there.

Sheikh Muhammad Tariq, chairman of Pakistan UK Business Council of FPCCI said more than 250 million

new custom declarations will be filed and processed after completion of Brexit.

“Pakistan should comply with standards and sanitary and phytosanitary measures as UK is importing 1.2 million ton of meat,” said Tariq.

He also underlined the need of developing Pakistani business center in UK as UK is establishing business hub wherein all the countries are establishing their offices.

The participants said the State Bank of Pakistan should sign agreement with the central bank of England for trading in property of UK on collateral basis like India has signed.

This agreement will also facilitate transfer of remittances from UK to Pakistan.

UK should also follow registered exporter system – certification of origin of goods based on a principle of self-certification – after Brexit, which is convenient to Pakistani exporters, they said.