

Export-led industrialization, Razak says tariff rationalisation vital

ISLAMABAD: Advisor to the Prime Minister on Commerce and Investment, Abdul Razak Dawood, said that tariff rationalisation is vital for export-led industrialization in Pakistan and discussions would start with the relevant stakeholders from next month to develop a three year roadmap in this regard.

He was chairing a meeting at Ministry of Commerce Monday, which was attended by Secretary Commerce and Chairperson, National Tariff Commission (NTC).

During the meeting, the Advisor appreciated the efforts of Tariff Policy Board (TPB) and Tariff Policy Centre (TPC), National Tariff Commission for successful implementation of National Tariff Policy in Federal Budget 2020-21 through reduction of duties on around 2000 tariff lines, comprising basic raw materials/intermediates goods.

The Advisor further emphasised the importance of tariff rationalization for improvement of competitiveness of domestic industry including the exports sector through duty free access to imported raw materials and intermediate goods, which will eventually increase employment opportunity in the country by attracting investment in manufacturing sector. He underlined that the stakeholder consultation process should lead to a constructive roadmap to develop export-led 'Make in Pakistan' programme.

For increase in consumer welfare, the Advisor directed to lessen the distortion in domestic price structure by reducing the burden of excessive protection. He asked to remove tariff anomalies in tariff structure through analysis of value chains. He further directed Tariff Policy Centre, National Tariff Commission to conduct detailed studies and suggest three years tariff rationalization roadmap initially for Iron & Steel, Plastics, Engineering, Pharmaceuticals, Chemicals and Textile sectors.

On the direction of Advisor to the Prime Minister on Commerce and Investment, National Tariff Commission is planning to conduct studies on above mentioned sectors to provide three years tariff plan. In order to formulate three years tariff plan, National Tariff Commission will first identify the complete value chains. It will then identify potential stakeholders, collect data from the primary and secondary sources, visit relevant industries, chambers and associations for collection and verification of data, conduct public hearings and prepare a three years tariff plan. And finally, the proposed three-year tariff plan will be submitted to Tariff Policy Board for approval and inclusion in annual budget.