

Indonesia allows 20 tariff lines under PTA

Indonesia has allowed Pakistan 20 tariff lines under the preferential trade agreement (PTA) that would help increase trade by around \$150 million, said Adviser to Prime Minister on Commerce, Textile, Industry and Investment Abdul Razak Dawood.

While briefing the media persons on the latest development with regard to PTA with Indonesia, the advisor maintained, "Pakistan will have free market access on 20 items with immediate effect."

The advisor further added that a meeting of federal cabinet scheduled today (Thursday) will approve National Tariff Policy to fix taxes/duties for a period of 3-4 years.

The advisor admitted that the process for market access under the PTA was initiated by the previous government and this government has completed the unfinished agenda. The Indonesian government agreed to give market access to Pakistan, but the matter was pending in their parliament. "We have just received message from Indonesia that Parliament has passed and approved market access on 20 tariff lines under PTA and it would be notified in the next one to two days."

The advisor said that Pakistan would be able to get a lot of exports of 20 items including mangoes (HS code 08045020); broken rice - used for animal feed (HS code 10064010), broken rice for other uses (HS code 10064090), un-denatured ethyl alcohol of alcoholic strength by volume of 80% or more (ltr) (HS code 22071000), denatured ethyl alcohol and other spirits of any strength (HS code 22072090), tobacco, not stemmed/stripped - Virginia type (HS code 24011010), tobacco partly wholly stemmed/stripped - Virginia type (HS code 24012010), articles of apparel and clothing accessories of leather or of composition leather (HS code 42031000), single yarn of uncombed fibre combed fibres - 192.31 measuring 232 (HS code 52051200), single yarn of combed fibres -192.31 measuring 232 (HS code 52052300), woven fabric of cotton containing more than 85% by weight of cotton-Denim (HS code 52094200), woven fabric of cotton containing than 85% by weight cotton-Denim (HS code 52114200), T-shirts women, singlets & other vests, knitted (HS code 61091020), T-shirts men/boys, singlets & others vests knitted/croc (HS code 61099020), t-shirt, singlet & other vest, knitted/crochet, of other (HS code 61099030), jerseys, pullovers, cardigans, waistcoat of cotton (HS code 61102000), men/boys trousers of cotton (HS code 62034290), women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton (excluding ...) (HS code 62046200), bed linen, printed of cotton (HS code 63022100) and toilet, kitchen linen, of terry towelling (HS code 63026000).

Dawood said that he is taking a 28-53 members delegation of businessmen to Japan on December 10 and would ask for up-gradation of engineering industry and auto sector. Global Chairman Suzuki Motors visited and expressed interest in investing \$450 million in new plant to expand car production. "We have been asking Suzuki for putting Pakistani vendors in global network," he added.

The advisor further said that Japan is ready to support Pakistan and good round of discussions are expected at Pakistan-Japan Business Forum during the upcoming visit which would help increase the bilateral trade.

About China, Dawood said that the matters are still under discussion and expected a positive outcome on market in next 1-2 months.

Regarding the EU, he said that GSP plus status is underway and wanted to make exports competitive.

The government has decided to provide gas @ \$6.5 per mmbtu to five zero-rated exports industry including captive power plants and matters have been resolved in this regard. Industry which received bills at higher prices would be adjusted next month, he added.

The advisor further said that electricity prices would be rationalised anytime next month @7.5 cents to give the industry competitive prices and reduce their cost of production which would help in boosting exports.

About the sugar industry, the advisor said that earlier conditions for exports were little harsh, which would be modified in next 2-3 days. However, he said that current stock is 1.8 million tonnes and the government has allowed export of only one million tonnes of sugar which would not be increased.

He further said that world's biggest energy company ExxonMobil wants to invest in LNG and oil exploration. Further a Chinese company wants to invest up to \$150 million. Renault, Hyundai and Kia want to invest in Pakistan. He claimed that around one billion dollars investment is expected soon.

He said that trade gap has narrowed by 3 percent but the government wants to further contract it.

Regarding the GSP plus status, the Advisor said that an inspection team visited Pakistan last month and expressed satisfaction over the implementation of 27 conventions. However, he said that 10 points have been given stressed on which the government agreed, which included labour laws, women empowerment, human rights etc.

Regarding the cotton import, he said that the government has approved import through Afghanistan as the country is facing 4 million cotton bales shortfall. The cotton from Central Asian countries is good, however Pakistan stopped it at border to first fumigate it.

Regarding the refund claims, the advisor said that refunds are being paid but with slow pace and it is one of the major complaints of exporters against the incumbent government; however the process would be expedited.

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