

## **Amendments to EPO, IPO: Commerce Division decides to submit fresh summary**

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Commerce Division has decided to submit fresh summary for amendments in Export Policy Order (EPO) and Import Policy Order (IPO), 2016, after the Ministry of Law and Ministry of National Food Security and Research opposed the decision taken by the Abbasi-led government two days before end of its term.

"The decision taken by the Economic Coordination Committee (ECC) of the Cabinet and endorsed by the former cabinet on our summary has not been implemented due to opposition by other line Ministries despite the fact that the proposed amendments in the EPO and IPO were discussed and agreed in the inter-ministerial meetings organised by the Commerce Division and attended by representatives from the Ministries of Industries and Production, Finance, National Food Security and Research, Climate Change, National Health Services & Research, Federal Board of Revenue and State Bank of Pakistan," official sources told *Business Recorder*.

The purpose of amendments in EPO and the IPO 2016 was allowing duty and tax free re-exportable materials, lifting of ban on export of sugar and import of five year used electric vehicles on the analogy of three-year used cars. On May 30, 2018, Commerce Division informed the ECC that the regulatory provisions of the Strategic Trade Policy Framework (STPF) 2015-18 were notified through the Import Policy Order (IPO) 2016 and Export Policy Order (EPO) 2016. As a process of periodic review of the import and export regulations and procedures, the private and public sector stakeholders pointed out certain anomalies and improvements in the regulatory provisions. Besides, the Prime Minister's office, on submission of summaries for waiver of certain provisions of IPO and EPO on case- to-case basis, directed/suggested to incorporate amendments in the policy order.

The sources said re-export of imported goods in their original and unprocessed form is allowed in the Export Policy Order (EPO) subject to certain conditions. Pakistani exporters/ entrepreneurs are engaged in the following types of trading activities which complement exports and earn profits in foreign exchange: (i) supply part of shipment from domestic production and the remaining part by sourcing from other countries; (ii) sourcing the entire shipment from a third country and re-shipping from the Pakistani ports to the foreign buyers without getting it cleared for domestic consumption; and (iii) sourcing from third countries and supplying directly to the foreign buyer without bringing it to Pakistani ports.

Commerce Ministry had proposed that in order to encourage usage of renewable energy and to reduce carbon emission, the import of used Electric Vehicles (EV) up to 5 year old may be allowed under the Personal Baggage, Transfer of Residence and Gift Schemes.

Commerce Division had also sought removal of following regulatory anomalies in the Export Policy Order: (i) Export of tobacco and tobacco products. Under the Pakistan Tobacco Board (BTB) Ordinance 1968, the export of tobacco and its products is subject to licence issued by the PTB but is not mentioned in the Export Policy Order. The same may be added to the Schedule II of the Export Policy Order; and (ii) export of sugar. The export of sugar is currently mentioned in Schedule 1 of the EPO which deals with items completely banned for export. However, the export of sugar is made from time to time with the approval of the ECC of the Cabinet. Currently the export production capacity is significantly in surplus to the domestic consumption and the restriction on its export limits the options for the sugar industry to take advantage of the global market prices.

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