PAKISTAN BUSINESS NEWSLETTER

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Main Contents

INTERNATIONAL THE NEWS

Govt allocates Rs73 billion for Pakistan-China trade corridor

ISLAMABAD: The PML-N led government has envisaged an allocation of over Rs73 billion in the Public Sector Development Programme (PSDP) for the next budget 2014-15, in order to execute development projects under China-Pakistan Economic Corridor (CPEC), the News learnt on Tuesday. According to a list of PSDP projects cleared by the Annual Plan Coordination Committee (APCC) the government is going to utilize over Rs 49 billion on construction of roads and motorway under CPEC in the next fiscal year. The APCC will be presented before the National Economic Council (NEC), which is scheduled to meet on May 29 under chairmanship of Prime Minister Nawaz Sharif.

The government has also envisaged an allocation of Rs 30 billion for land acquisition, relocation of utilities and compensation for 859 kilometer long Lahore-Karachi Motorway in the next budget.According to the sources, the Lahore-Karachi Motorway is going to be accomplished in next three years on cost sharing basis.

The PSDP for 2014-15 envisaged an allocation of Rs 6 billion for Lahore-Abdul Hakeem Khanewal Section (276 km) on BOT basis with GOP share of 30%. The total cost of this project stands at Rs 41.400 billion out of which the government is going to allocate Rs 6 billion. Under CPEC, the government has allocated Rs 5.5 billion for Multan - Sukkur Section (387 km) with credit financing share of 90:10 percent in the next budget. Islamabad will provide financing share of 10 percent out of total estimated cost of this project stood at Rs 245.983 billion.

The government’s allocation for Sukkur - Hyderabad Section (296 km) on BOT basis has been envisaged at Rs 3 billion in the next PSDP for 2014-15 against total cost of Rs 44.400 billion. Also allocated is Rs 4.5 billion for Raikot - Havelian - Islamabad Section (460km) of the Karakorum Highway with credit financing of 90:10 plus land by Chinese bank and GOP respectively. Under the Ports and Shipping Division, the PSDP for 2014-15 will finance eight projects in shape of CPEC initiatives in the next fiscal year.

The government has envisaged an allocation of Rs 691 million for acquisition of land for Gwadar Port Free Zone. In addition expenditures of Rs 50 million for construction of break waters, Rs 400 million for construction of Eastbay Expressway, Rs 50 million for dredging of berthing area and channel for additional terminal, Rs 300 million for Infrastructure Development for EPZA and GIEDA, Gawadar, Rs 400 million for Necessary Facilities of Fresh Water Treatment, Water Supply and Distribution Gawadar, Rs 200 million for Pak-China Technical & Vocational Institute at Gawadar and Rs 100 million for Up-gradation of Existing 50 Bed Hospital to 300 beds at Gwadar have also been earmarked.

For improving Railways under CPEC initiatives, the government has earmarked Rs 100 million for conducting Feasibility Study to connect Gwadar with Karachi, Feasibility Study from Gwadar to Besima and from Besima to Jacobabad via Khuzdar.

The government has allocated Rs 10 million for establishing China Pakistan Economic Corridor (CPEC) Support Project at Ministry of Railways, Rs 250 million for feasibility study for Up-gradation/Rehabilitation of Mainline 1 (MLI) and New Dry Port at Havelian (Balder) in District Haripur under China-Pak Economic Corridor. Another Rs 300 million has been allocated for Feasibility study (PC-II) for Construction of New Rail Link from Havelian to Pak China Border

(682 K.M). In order to meet requirements of power sector under CPEC, the government has allocated Rs 1 billion for jetty plus infrastructure at Gaddani, Rs 10 billion for Power Evacuation from Gaddani to National Grid (Faisalabad) and Rs 10 billion for Power Evacuation from Gaddani to National Grid.

INTERNATIONAL THE NEWS

GSP Plus not only about textiles’

LAHORE: The Generalised System of Preferences Plus scheme is not all about textiles, German Ambassador to Pakistan Dr Cyrill Jean Nunn told members of the Lahore Chamber of Commerce and Industry (LCCI) on Tuesday.

Terming GSP-Plus status a complete book, the ambassador said it would give a great boost to Pakistan’s business with European countries in almost all sectors of the economy including leather and sports goods. He said that Germany intended to develop and strengthen mutual trade relations with Pakistan and it would make all-out efforts to ensure access for exporters to the European Union (EU) and German markets.

Pakistani businessmen should avail this benefit and enhance interaction with their European counterparts, said Dr Nunn. Many German companies had shown a keen interest to invest in Pakistan, especially in the energy sector, and were ready to establish joint ventures with the business community in different trade fields, he added. “Both countries have enjoyed friendly and cordial trade relations, and the time is ripe to strengthen trade ties,” said Dr Nunn.

DAWN.COM

Exports to EU markets grow by $700m

Exports to European markets during the first 11 months (July-May) of the outgoing fiscal year grew by an additional $700 million because of GSP+ status, said Commerce Minister Khurram Dastgir on Wednesday.

“The major share in this growth was grabbed by the textile and clothing sector,” he said while talking to media persons here. Asked why the growth in exports to the European Union (EU) does not reflect in the overall export numbers for the last two months, the minister said this was due to the dip in exports of non-textile products in the wake of the rupee’s appreciation against the US dollar.

Dastgir said the government approved incentives for textile and non-textile value added sectors. “This will certainly boost exports, especially to the EU market.” Asked whether there is any mechanism to minimise the misuse of export subsidies, the minister said it would be a difficult job to tame such exporters. However, the support package would be given on FoB (free on board) value of export proceeds, he said.

In the last few years, the Trade Development Authority of Pakistan (TDAP) has been plagued with corruption in subsidy schemes announced to promote the country's exports. The minister said the head of the authority was appointed from the private sector to check such corruption in such schemes.

His focus was on complete liberalisation of trade with India, especially opening of Wagah border for all tradable products. "I am still optimistic to resume talks on the same package agreed in March 2014," he said. Under the proposed package, India will have to reduce customs duties on 100 items of exports interest of Pakistan. In response, Pakistan will have to allow trade of all commodities via Wagah border.

Currently, Pakistan has allowed import of only 137 items via land route from India. More than 5,000 items are importable from India via sea route. While he was not optimistic about the old package to come under consideration, he said he believed that liberalising trade with India was in favour of Pakistan.

The minister agreed that the revival of composite dialogue was one of the important factors for resumption of trade talks with India. A decision has been taken to establish land port authorities at Chaman, Wagah border and Torkham, he said. "We will start work on these land port authorities very soon.

BUSINESS RECORDER

Textile exports witness 5.96 percent rise in July-May

Textile exports witnessed an increase of 5.96 percent in July-May 2014 as compared to the same period of previous year; however representatives of the textile sector termed the increase a usual phenomenon. Textile Industry Ministry officials argued that the share of Punjab province in total textile exports stood at 55 percent, Sindh"s 40 percent while the remaining five percent belonged to other provinces.

However, due to capacity issues especially in Punjab, where 70 percent textile industry is based, the sector is faced with shortage of electricity and gas hence growth of textile and clothing remained stagnant at around 6-7 percent. The industry is facing 10-hour power and 16-hour gas loadshedding, which is badly hampering the production capacity.

According to the Pakistan Bureau of Statistics (PBS), textile exports were $1.2 billion in May 2014 against $1.176 billion during May last year, thus registering an increase of only 1.99 percent. The overall textile exports in the first 11 months of fiscal year 2013-14 were of $12.626 billion as against $11.916 billion during the corresponding period of the year before.

Talking to *Business Recorder*, representatives from textile sector said Pakistan"s textile exports had not yet picked up momentum despite grant of Generalised System of Preferences (GSP) plus status by the European Union. Textile exports to the EU were expected to surge by one billion dollar a year after getting the GSP plus status.

However, there are several challenges including fluctuations in the prices of raw materials, energy shortages and stiff competition can mar the benefits of the scheme, they added. The exports of several textile items including towel, synthetic textile and cotton yarn are still showing a negative growth as exports of synthetic and silk textile during the fiscal year 2013-14 were of 348.39 million dollars compared to 369.17 dollars in 2012-13, showing a decrease of 5.63 percent.

The textile products that witnessed negative growth in trade included cotton yarn export, which decreased by 9.91 percent, from 2,061.091 million dollars last year to 1,856.824 million dollars in 2013-14. The exports of towels decreased from 713.756 million dollars to 699.882 million dollars, showing negative growth of 1.94 percent whereas the exports of tents, canvas and tarpaulin decreased by 26.41 percent by falling from 104.429 million dollars to 76.848 million dollars.

According to officials, there was a significant increase in post-January 2014 orders from the EU after getting a preferential status, however these orders are yet to be met due to a short span of time. In addition shortage of utilities particularly power and gas remain the main impediments to increasing output. However, the industry is expecting a significant increase in exports in coming months

The Nation

Pakistan's tax collection rises up to 16pc for first ever

The tax collection across the country has been raised up to 16 percent for the first time in the history of Pakistan. That was disclosed by Federal Minister for Finance Senator Ishaq Dar here in wake of federal Board of Revenue's successful revenue collection target achievement during last fiscal year 2013-14.

Dar applauded the Chairman FBR Tariq Bajwa and his whole team who have worked hard to achieve the target for revenue collection during the last fiscal year 2013-14."It's only due to the commitment, dedication and hard work of the whole team that only in one year there has been an increase of over 16 percent in tax collection which is unprecedented in the history of Pakistan," Dar added.

Elaborating further the Finance Minister maintained that targets are always set on the higher end and efforts are made to reach closer to that target. The Finance Minister hoped that the FBR will devise a strategy to achieve the target of Rs.2810 billion set for the next fiscal year 2014-15. The Minister directed the FBR Chairman to work for simplifying the procedures involved in filing returns and incentives should be given to the return filers as compared to the non filers. He added that the tax payers should be facilitated by simplifying tax reporting so that people prefer to pay taxes rather than evading tax process and tax payers should be rewarded. Ishaq Dar further observed that serious efforts will be made for the documentation of the economy.

The Nation

Pakistan, Turkmenistan to expand trade

Pakistan and Turkmenistan on Thursday agreed to extend the mutual cooperation in the interest of both the countries and to work on the commercially viable projects. Both sides agreed to this in a meeting between Pakistan's Finance Minister Senator Ishaq Dar and the Vice-Premier of Turkmenistan, Rashid Meredov at Islamabad. The Finance Minister briefed the Vice Premier on the economic progress made during the last one year and said that Pakistan is keen to explore new avenues for cooperation in energy, commercial and economic fields for mutual benefit of both the countries. The Finance Minister informed that the government introduced economic reforms through the budgetary measures and positive results have been achieved. The Finance Minister said that for the purpose of strengthening brotherly ties with Turkmenistan we are ready to provide cooperation in various fields. The Vice Premier appreciated the economic development so far made in Pakistan with the efforts of the current government.

Mr. Meredov expressed his desire to extend trade and economic cooperation with Pakistan to further enhance bilateral relations. It was also decided that the Finance Ministers of the two countries will hold annual bilateral meetings on the sidelines of World Bank and IMF annual meetings in Washington in October 2014.

The Nation

Pakistan and India likely to reach trade deal this year: Dastgir

Islamabad- Commerce Minister Khurram Dastgir says Pakistan and India are likely to reach an agreement to remove taxation and other hurdles in bilateral trade this year.
In an interview, he said talks between the two countries on the issue have made headway. The minister said he will meet his Indian counterpart on the sideline of the meeting of South Asian Free Trade Area, which will be held in Bhutan this month.
He said in the meeting he will stress for liberalization of visa regime for Pakistani businessmen and establishment of banking system between India and Pakistan.

THE EXPRESS TRIBUNE WITH THE International New York Times

Promotion of trade: FCCI terms delegation's visit to Turkey a success

Earlier this month, the Faisalabad Chamber of Commerce and Industry's (FCCI) delegation visited Turkey, which turned out to be a success and as a result, a delegation of Istanbul Chamber of Commerce will visit the FCCI in return. "The FCCI is planning another three delegations to various countries during August," said Engineer Suhail Bin Rashid, president of FCCI. He was speaking to the FCCI delegation that recently returned from Turkey.

The head of delegation Rashid Munir briefed the FCCI president about his meetings and achievements. "The Turkish entrepreneurs have not yet fully realised the textile potential of Pakistan as they consider Pakistan as one of the third world countries." He said that Istanbul Chamber of Commerce was informed of Pakistan's tremendous progress in the textile sector. "Pakistan's textile exports are earning about $13 billion per annum," he said. He told the president that Turkish entrepreneurs were surprised to hear that Pakistan was consuming a huge quantity of textile chemicals.

He said that some of the Turkish businessmen have agreed to plan a delegation to visit the FCCI in the near future. They were inclined to set up distribution offices of their companies in Faisalabad on a top priority basis. He said that the office bearers of Istanbul Chamber of Commerce hoped that the exchange of delegations between Pakistan and Turkey will continue to explore new avenues of cooperation in different sectors of the economy.

He also quoted his meeting with Pakistan's Consul General in Turkey and said that he also hoped to hear that the FCCI delegation was serious and had made full deliberations with the sector-specific persons. However, he regretted that he was unable to arrange more meetings with the businessmen as they were informed of the delegation visit at the nick of the time. But he assured to extend full courtesy to the next delegation from the FCCI.

Pakistan Observer

Japan to Assist Pakistan in Textile Industry Improvement

The Japan International Cooperation Agency (JICA) has agreed to assist Pakistan in improving its textile industry by providing support in marketing, vocational training for women and building garment technology institutes. At a meeting Tuesday with Pakistan's Minister of Textile Industry, Abbas Khan Afridi, JICA's director general identified three main initiatives, one with the Ministry of Textile Industry, the Pakistan Knitwear Training Institute, located in Lahore, and the Faisalabad Garment City, Pakistan's Daily Times reported. These programs are set to begin next year. In partnership with Pakistan, JICA plans to train 120,000 workers and launch an internship program together with All Pakistan Textile Mills Association. These arrangements will focus on increasing export promotion and worker skills in the country's textile industry, and Afridi said

Pakistan Observer

Pakistan and Turkey Inch Closer to Preferential Trade Agreement

The agreement will increase the volume of bilateral trade and improve economic relations. Pakistan and Turkey are on the cusp of signing a preferential trade agreement (PTA). According to reports in the Pakistani press, Turkey is willing to sign the accord immediately but Islamabad is accused of delaying the agreement. The pact would help the Pakistani economy gain access to a growing market in Turkey and help bolster economic growth. Specifically, the agreement will "provide concessions on a number of goods to Pakistan's exporters, who would have the advantage to smoothly penetrate into the Turkish market." Total trade volume between the two countries reached close to $1 billion in 2010.

Turkish officials note that "nothing is pending from the Turkish side but it is being delayed by the Pakistani government." The PTA has been in the works between the two countries since at least 2005. According to the most recent data, bilateral trade is heavily in favor of Pakistan and largely imbalanced. Turkey maintains a $500 million trade deficit with Pakistan, according to official Turkish government data. Bilateral investment inflows are growing on both sides. Turkey is a major investor in construction projects in Pakistan, and Pakistan invests in several fast-growing Turkish industries.

Noting the scope for improvement in bilateral economic ties, Murat Mutsu, a Turkish diplomat at the Consulate General of Turkey in Karachi, notes: "It is the desire of the Turkish government to strengthen trade ties with Pakistan. We must make efforts to increase the trade volume and investments in both countries." The specifics of why Islamabad is delaying the signing of the PTA are somewhat mysterious. It isn't likely that Islamabad is looking to improve the terms of the PTA at this time, as negotiations have concluded.

Turkey and Pakistan have close bilateral relations in general. Relations between the two countries have grown closer in recent years since the Muslim-oriented Justice and Development Party (AKP) came to power in Turkey in 2002 under Recep Tayyip Erdogan. Both countries regularly emphasize their religious and cultural similarity, as well as their common geopolitical interests. Both countries cooperated with the United States during the Cold War, with Turkey as a member of NATO and Pakistan as a major non-NATO U.S. ally. Turkey sees Pakistan as an important peg in its South Asia foreign policy. The two countries cooperate, along with Afghanistan, as part of the Trilateral Ank

Pakistan Observer

ECNEC approves multi-billion projects of Rs 440 billion

The executive committee of the National Economic Council (ECNEC) met at the PM office on Thursday and Finance Minister Ishaq Dar approved various development projects worth Rs 440 billion. Ishaq Dar said it had been observed that most of the projects were not completed on time and as a result of that the costs increase considerably. He said they should aim for a mechanism through which projects were delivered on time as there was a huge social and developmental cost attached to delays.

He said the planning development and reform division should monitor physical progress as well as the results that these projects envisaged to be achieved. He added that evaluation of PC-4s should become a regular exercise. He further added that they had to make improvements in the system for better results. The ECNEC approved Karachi-Multan-Lahore Motorway (KLM) Project-Construction of Sukkur-Multan Section (387 km) with a rationalized cost of Rs 259.353 billion. Ten per cent cost of the project will come from PSDP and 90 per cent of total cost as credit financing through the government of China. The project will be completed by October 2017 and the executing agency is NHA. The project envisages construction of 387 km long, six lanes, Sukkur-Multan section of 1148 km Karachi-Lahore Motorway including construction of bridges, interchanges, nullahs etc.

The ECNEC also approved the project for Land Acquisition, Affected Properties Compensation and Relocation of Utilities for Construction of 959 km Karachi Lahore Motorway (KLM) with a rationalized cost of Rs 51 billion. The ECNEC approved Raising of Balochistan Constabulary project at a rationalized cost of Rs 5.146 billion with FEC of Rs 200 million. The project aims to assist police and district administration in maintenance of law and order in Balochistan by recruiting 6,000 additional force and merging 4,000 reserve police personnel to make 10,000 strong force of Balochsitan Constabulary.

The ECNEC also approved flood emergency reconstruction project for bunds and canals (Revised-PC-I) at a cost of Rs 26.905 billion with financial aid of Rs 19.279 billion by the ADB and the local component by the government of Sindh. The project envisages strengthening of entire length of banks of river Indus in general and at Tori, SM Bund and FP Bund at Mancher Lake which was damaged by the unprecedented floods of 2010.

The ECNEC also considered and approved the project for evacuation of power from wind power plants at Jhimpir & Gharo wind clusters located in district Thatta and Jamshoro in Sindh with a modified cost of Rs 11.277 billion. The project will be completed in three years and it envisages evacuation of 1756MW of wing power from the two sites through construction of 220 KV and 132 KV double circuits’ transmission lines.

The ECNEC also approved acquisition of land for establishment of Free Trade Zone at Gwadar with a rationalized cost of Rs 6.499 billion. The project envisages acquisition of 2,281 acres of land for establishment of free trade zone at Gwadar Port, out of which 1,627 acres of land would be acquired from private land owners.

The meeting also approved the widening and improvement of 250 km of Kalat-Quetta-Chaman Road Section (KQC) of National Highway N-25 with a revised cost of Rs 19.140 billion with FEC of Rs 13.920 billion coming as a USAID grant. The ECNEC also approved Hasanabdal (Burhan)-Havelian Express way (E-35, total length 59.1 km) with a rationalized cost of Rs 30.494 billion including FEC of Rs 7.592 billon.

The ECNEC approved establishment of information technology management sciences and telecommunication institutes at Islamabad at a revised cost of Rs 3.938 billion with FEC of Rs 613 million. The sponsoring agency is HEC and the executing agency is National University of Science and Technology, Islamabad.

The meeting principally approved the prime minister’s (national) programme for provision of laptops to talented students (HEC) with a rationalized cost of Rs 4.928 billion. It is envisaged that during this year 100,000 laptops would be distributed amongst the young and bright students studying in any public sector higher education institute across the country.

The ECNEC further approved rehabilitation and upgradation of Trimmu Barrage and Panjnad Headwork’s (ADB assisted) with a rationalized cost of Rs 16.8 billion including ADB loan of Rs 14.9 billion. The meeting considered and approved dualization and improvement of 64 km long Mandra-Chakwal Raod project with a revised cost of Rs 4.671 billion. The project envisages construction of dual way 2-lanes carriageway between Mandra and Chakwal to facilitate heavy traffic of the section.

Pakistan Observer

Pakistan's Trade Deficit Decreased by 2.48% during 2013-14

Pakistan trade's deficit has recorded a decline of 2.48 percent during the previous financial year 2013-14. The figures released by Pakistan Bureau of Statistics (PBS) on Friday showed that the trade deficit has been recorded at $19.98 billion during July 2013 to June 2014 compared to $20.49 billion in the same period a year ago.

PBS has described a minor increase in imports as compared to exports the main reason behind decline in trade deficit during the last financial year. The data showed that Pakistan exported the goods worth of $25.132 billion during the financial year 2013-14 compared to $24.46 billion of 2011-12, showing an increase of 2.75%. Meanwhile, the imports stood at $45.113 billion during the last financial year, against $44.95 billion of a year ago, recording a minor increase of 0.36 %.

Another reason behind the trade imbalance is the appreciation of rupee against US dollar because the imports didn't show traditional growth. Generalized Scheme of Preferences (GSP) Plus status, which was granted by European Union to Pakistan in December last year, has played a crucial role in the growth of exports.

Earlier this month, Minister for Commerce Khurram Dastgir had told media that thanks to GSP plus status, the trade in European markets increased by an additional $700 million during the outgoing fiscal year. Textile and clothing sector secured the major share in the growth.

Daily Times

Your right to know A new voice for a new Pakistan

Pakistan to enhance trade relations with Italy

Minister for Finance and Economic Affairs Ishaq Dar on Monday assured the Italian Ambassador that both the countries will cooperate to enhancing trade relations and facilitating investment.The minister informed the ambassador about the positive trends in the economy of Pakistan and said that we have liberalized our economy in order to facilitate foreign investment in the country, according to press release issued by the Ministry of Finance

He said that there is a general appreciation by the international financial institutions on the positive outlook and performance of economy during the last year. He underlined that there are huge opportunities for Italian companies and investors to invest in Pakistan which has a huge market. The Italian ambassador briefed Senator Dar on ongoing cooperation between the two countries and said that there is an increasing interest in Pakistani market by Italian investors.

He informed that since last year, there is an increase in trade volume and the GSP plus status will further enhance bilateral trade. He briefed the minister on exchange of business delegations to harvest the trade potential. The ambassador also gave a brief account of Italian financial assistance being provided to Pakistan including contribution to Pakistan Poverty Alleviation Fund, Post Flood Aid and Debt Swap Agreement. He further informed that the Italian government is willing to provide soft loans for energy and education sectors in Pakistan.

He said that Italy has been a great friend and we appreciate its cooperation with Pakistan in the multilateral forums. Senator Dar appreciated the efforts made by the ambassador to enhance trade and economic relations between the two countries and said that in line with the political vision of the PML-N leadership, the Pakistani government is focusing on enhancing trade instead of seeking aid.

The ambassador extended invitation from Italian finance minister to Ishaq Dar for attending Asia-Europe Finance Ministers meeting to be held in Milan, Italy on September 12, 2014, which will provide an opportunity for multi-lateral and bilateral cooperation to the countries of the two continents

Daily Times
Your right to know A new voice for a new Pakistan

High tariff barriers in India major hurdles in trade

Import taxes are high in sectors of interest to Pakistan like textile, and agriculture, besides provision of direct and indirect subsidies and concessions under different schemes to Indian counterparts **DELHI -** The current high tariff and non-tariff barriers in India are major obstacles in granting (MNF) Most Favoured Nation status to India and liberalise trade between the two countries.

According to a message received here on Monday from New Delhi, the leader of SAARC CCI, Pak chapter delegation, Iftikhar Ali Malik stated this while addressing a special meeting of the SAARC Chamber of Commerce and Industry. Highlighting his point of view and keeping Pak traders interest supreme, he said that Pakistan can benefit from granting MNF status if India fully ensures a level playing field by removing non tariff barriers and reduces tariff on items of interest to Pakistan.

He said that further lowering of tariff barriers could be done through negotiations of PTA/FTA concessions on items of Pakistan's export interest in particular textile, light engineering and agricultural goods can be considered. He said that bright chances exists for trade compatibility due to lower cost of freight, smaller transit and shipping period, besides similarity of spoken language.

The availability of level playing field is one of the major challenges, while India has been gradually reducing its tariff over the last two decades and the tariff regime is still complex. Import taxes are high in sectors of interest to Pakistan like textile, and agriculture, besides provision of direct and indirect subsidies and concessions under different schemes to Indian counterparts.

Iftikhar Ali Malik said that India's sensitive list protects wide range of textile and agricultural products that is hampering the interest of Pakistan side. For example, Pakistan has 10 per cent duty on import of rice whereas India has 80 per cent. Currently Pakistani exporters are facing a number of non tariff barrier including non existence of trade related services, direct banking channels, direct shipping lines, delay in issuance of multiple visa, cumbersome inspection and clearance procedures and cargo handling facilities. He said that Confederation of Indian Industry can also play a key role to promote Pakistan-India bilateral trade to streamline relations between two large members of the SAARC for stronger region trade and prosperity in the region.

Iftikhar Ali Malik stressed the need to address all the issues being confronted by importers and exporters of either country on top priority as this would save precious foreign exchange by saving the transport cost of approximately $400 to $900 million. He suggested phasing out restrictions on Pakistani exports and on the other hand Pak traders can import industrial raw material like dyes, chemicals, paper, plastic, iron ores etc from India.

Daily Times
Your right to know A new voice for a new Pakistan

Pakistan to export rice, wheat to Iran against electricity dues

Pakistan will give basmati rice or wheat to Iran against the electricity dues of over $100 million the former needs to pay to the latter against the import of electricity. In the presence of United Nations sanctions, it is not possible for Pakistan to pay dollars to Iran. Tehran has shown keen interest to import of basmati rice from Pakistan in return of electricity export.

These issues have been discussed in an inter-ministerial meeting chaired by the Finance Minister Ishaq Dar on facilitating Pakistan-Iran trade, within the ambit of UN sanction on Iran, the Pakistani News newspaper reported on July 18, citing Finance Secretary Waqar Masood. Masood said that NTDC (National Transmission Dispatch Company) was willing to clear the outstanding dues of Iran on account of supply of electricity to border areas.

In this regard, commerce ministry is taking appropriate steps for commodity exchange. It was further informed that Iran had already laid down transmission lines up to their border for possible power supply to Gwadar and adjoining towns.

In the meeting, it has been highlighted that there are many items, which can be traded with Iran as the said items that (non-prescribed items) do not fall under jurisdiction of the UN sanctions. However, banks are hesitant for transactions. In the meeting, it has been decided to carve out the mechanism for trade of non-prescribed items through banks. Secretary Commerce informed the finance minister consultations are already at advanced stage for the supply of basmati rice and wheat to Iran on account of commodity exchange. He also informed that Iran had recently lifted ban on mango import from Pakistan and the gesture had set the pitch for enhanced barter trade.

Masood briefed the participants on the decisions made in the last meeting held on July 5, 2014 and progress made so far. He said that in consultation with all the stakeholders, there were avenues, which could be followed for trading with Iran on non-prescribed items and through non-sanctioned entities.

The finance minister directed the concerned ministries and departments to resolve the outstanding issues immediately and remove impediments in order to exploit full potential of bilateral trade. He mentioned about putting on fast track all the pending issues for resolution in or before the Joint Economic Commission to be held soon.

The finance minister said that during the Prime Minister's visit to Iran, both the sides had reaffirmed their commitment that while remaining within the ambit of UN sanctions, mutual trade and cooperation would be enhanced with barter trade and commodities exchange mechanism. "We need to build mutual confidence to overcome the impediments in barter trade and commodity exchanges facilities enabling the two countries to benefit from their proximity and neighborhood," he said

Daily Times
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Committee formed to double Pakistan's exports to $50bn

Federal Minister for Commerce Khurram Dastgir Khan has constituted a Committee comprising senior officers of Ministry of Commerce (MoC) headed by the Secretary Commerce to double Pakistan's export to $50 billion.

The Committee will meet fortnightly and will present its recommendations to the minister for further action, said a statement on Thursday. In the first meeting of the Committee, Minister identified several areas, which needed immediate attention of the Committee. He said to double exports of Pakistan, there was a pressing need to overhaul and restructure the Trade Development Authority of Pakistan (TDAP). He directed the Committee to bring forth concrete and practically viable proposals to make TDAP an efficient body, which could make an imprint on the trading front of Pakistan.

He instructed the Committee to study the mechanism of trade promotion in the developed countries and the East Asian countries, which have made trade as their engine for growth. He said the marketing mechanism of the TDAP and the officers posted abroad should also be studied to formulate an effective method of trade promotion. He asked the Committee to devise a suitable mechanism to efficiently utilise proceeds collected under the Export Development Fund (EDF). He said EDF was a great trade promotion tool with the MoC, which could be effectively utilised to facilitate the process of trade and its expansion. Dastgir said there was imperative need to devise a strategy for sectoral export promotion and enlist items, which have the potential to be exported in addition to the current champion export items of Pakistan. He enumerated a few sectors like gems and jewellery, marble etc which were on the export list but their true export potential have not been evaluated and directed the Committee to suggest schemes to multiply their exports.