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Trade Policy

Text of Strategic Trade Policy Framework 2015-18		New SROs		
				
(http://www.commerce.gov.pk/wp-content/uploads/2016/03/STPF-2015-18-Docment.doc)	(http://www.commerce.gov.pk/wp-content/uploads/2016/03/STPF-2015-18-Docment.pdf)	(http://www.commerce.gov.pk/wp-content/uploads/2016/10/Export-Policy-Order-2016-new.pdf)	(http://www.commerce.gov.pk/wp-content/uploads/2016/10/IPO-2016.pdf)	(http://www.commerce.gov.pk/wp-content/uploads/2016/10/STPF-Final-English.pdf)
MS Word	PDF format	Export Policy Order 2015-18	Import Policy Order 2015-18	STPF (English)

Strategic Trade Policy Framework 2015-18 by Engineer Khuram Dastgir Khan, Federal Minister for Commerce

- On the basis of (i) key enablers, (ii) evaluation of STPF 2012-15, (iii) emerging global trade scenario and (iv) extensive consultation with the private sector and other stakeholders, STPF 2015-18 identifies four pillars. This includes Product sophistication and diversification, Market access, Institutional development and strengthening and Trade facilitation. To meet the target of transition from 'factor-driven economy' to 'efficiency-driven' and subsequently 'innovation-driven economy', Product Sophistication and Diversification will done through Research & Development, value addition and branding.
- To develop the export sector and achieve the above targets, some key enablers are vital to increase productivity and competitiveness and resultantly enhance exports. The key enablers are categorized into four groupings i.e. Competitiveness, Compliance to Standards, Policy Environment and Market Access.
 - Competitiveness includes quality infrastructure, labour productivity, access to utilities, and level of technological development
 - Compliance to standards include convergence of local & international standards, protection of intellectual property, and effective and efficient disputes resolution mechanism
 - Policy environment includes monetary policy, tariff & tax regime, and synergic industrial & investment policies
 - Market access includes multilateral, regional, and bilateral
- The STPF 2015-18 aims to achieve following targets by June 30, 2018:
 - Enhancement of annual exports to US\$ 35 Billion
 - Improve Export Competitiveness
 - Transition from 'factor-driven' economy to 'efficiency-driven' and 'innovation-driven' economy
 - Increase share in regional trade
- The procedural and budgetary bottlenecks are removed in STPF 2015-18 by learning from the previous two medium term frameworks i.e. 2009-12 and 2012-15. All business processes have simultaneously been formulated. Budgetary allocation of Rs. 6 Billion has been approved to implement the trade policy initiatives for year 2015-16.
- The strategic trade policy framework has been formulated by the Ministry of Commerce through an extensive consultative process spanning over almost a year. All stakeholders in the public and private sector including Federation of Pakistan Chambers of Commerce and Industry, district Chambers, trade associations, private businesses, academia, think tanks, trade missions, Ministries/Divisions and other government agencies were actively engaged.
- On the basis of research and consultations with stakeholders, it has been identified that use of inefficient technologies is the principal constraint in exports of selected sectors i.e., fans, home appliances, rice, cutlery and sports goods. In order to increase the sophistication level and to realize true potential of these sectors, an incentive for technology upgradation will be provided in the shape of investment support of 20% or mark-up support of 50% upto a maximum of Rs. 1 (one) Million per annum per company will be available for import of new plant and machinery.
- Leather, pharmaceutical, fisheries and surgical instruments are sectors with higher export potential. These sectors can lead to a quantum jump in total exports. In order to further boost export in these sectors, matching grant will be provided upto a maximum of Rs. 5 (five) Million for specified plant and machinery or specified items to improve product design and encourage innovation in SMEs and export sectors of leather, pharmaceutical and fisheries. Moreover, a Common Facility Center for surgical sector will be established.

9. To reduce the cost of doing business and increase the competitiveness of the value added non-textile selected sectors, draw-back for local taxes and levies will be given to exporters on free on board (FOB) values of their enhanced exports if increased by 10% and beyond (over last year's exports) at the rate of 4% on the increase.
10. Raw and semi-processed agricultural produce being currently exported can get higher values if exported as processed food. Lack of necessary processing facilities results in the wastage of large quantities, thus restricts the income of farmers. To reduce the wastage of produce, increase income of the farmers and foreign exchange earnings, 50% support on the cost of imported new plant and machinery for specified under-developed regions or 100% mark-up support on the cost of imported new plant and machinery on all Pakistan basis will be provided
11. Pakistan's exports have sustained despite all the challenges due to the market access in EU countries after the grant of GSP Plus. Pakistan is complying with the mandatory 27 conventions relating to environment, narcotics control, drugs, human rights and labour to retain this market access. In the wake of review of the GSP Plus, Ministry of Commerce will launch a robust public information campaign to disseminate and sensitize stakeholders and the public on compliance issues.
12. Extensive information dissemination on opportunities available under market access secured by Pakistan, and other export promotional activities like exhibitions and delegations, will continue to be an integral part of the strategy for sustainability and enhancement of share in the existing markets.
13. In order to diversify our export markets, an outreach strategy for Africa, Commonwealth of Independent States (CIS) and Latin America is being adopted. As part of the market penetration/outreach strategy, these new markets will be explored through Market Research, Opening of new Trade Missions, Exhibitions and Delegations, Linkages through Export Import Bank [EXIM Bank].
14. The Ministry of Commerce will continue working on its three-pronged strategy of trade diplomacy in the multilateral, regional and bilateral arenas for increasing market access.
 1. Multilateral

Entering into multilateral arrangements for better market access such as Trade Facilitation Agreement (TFA), Information Technology Agreement (ITA), Government Procurement Agreement (GPA)
 2. Regional

Enhancing access to regional markets such as GCC, ASEAN, SAARC, Afghanistan and CARs
 3. Bilateral

Negotiating bilateral preferential access with Thailand, South Korea, Turkey, Iran, China, Malaysia, Indonesia, Nigeria and Jordan
15. Despite immense potential, the regions of South and Central Asia are amongst the least integrated regions of the world with intra-regional trade less than 5% primarily caused by high costs due to infrastructure, missing links and lack of transit agreements. Opportunities are, therefore, immense for greater regional connectivity and enhanced cooperation through transit trade agreements. The Ministry of Commerce is working on achieving shared prosperity through better connectivity and transit trade through the following initiatives:

Resolution of outstanding issues in Afghanistan Pakistan Transit Trade Agreement (APTTA)

Negotiation and early conclusion of Afghanistan, Pakistan and Tajikistan Transit Trade Agreement (APTITA)

Effective implementation of Transports Internationaux Routiers (TIR) Convention

Reactivation of Quadilateral Transit Trade Agreement (QTTA) among Pakistan, China, Kyrgyz Republic and Kazakhstan

Taking institutional lead on formulation of a Pakistan-Afghanistan-Central Asia regional economic integration framework through a Regional Trade Office, established at the Ministry of Commerce
16. To improve the functioning of the Ministry of Commerce and its attached departments a task force has been established in the Ministry of Commerce to suggest measures to restructure the Ministry of Commerce as well as its Trade Promoting Organizations i.e. Pakistan Horticulture Development & Export Company and the Trade Development Authority of Pakistan. Intellectual Property Organization will be placed under the Ministry of Commerce as its current placement under the Cabinet Division has not been able to build the required synergies between the Trade Policy and the IPR Policy.
17. Shortage of well-trained skilled manpower will be catered by the training and product development institutes, running under MOC/TDAP carrying out detailed 'entity improvement diagnostic'. As a first step skill development institutes for fan, cutlery and leather industry will be considered keeping in view the industrial demand.
18. Moreover, capacity building requirements of the previously established institutions/organizations under the Ministry of Commerce have also been identified which include; Trade Dispute Resolution Organization, Services Trade Development Council, Pakistan Institute of Trade and Development, National Tariff Commission and the Domestic Commerce Wing.
19. Ministry of Commerce will establish Export Promotion Council for Pharmaceuticals & Cosmetics and Rice.
20. A taskforce to conduct expeditious work on improving railway services for exporters will be established. The cost of transport through roads is twice as uncompetitive as compared to rail and 148 times uncompetitive as compared to inland navigation. Accordingly, a task force will be established with its Secretariat in the Ministry of Water & Power.

1. Focus Products

Basmati Rice
Horticulture
Meat and meat products
Jewellery

2. Focus Markets

Iran
China
Afghanistan
European Union

22. Regulatory measures pertaining to various sectors in the form of amendments after consultation with the stakeholders have been taken to facilitate existing import regime. The same will be notified in the Import Policy & Export Policy Order accordingly. Details are as under:-

The condition of submission of annual environment report is not applicable in case of units importing plastic scrap for the first time.

Pyrolysis plants which are duly registered with respective EPAs and FBR are also allowed to import shredded tyres scraps on same terms and conditions as are applicable to industrial consumers.

Import of aerial vehicles and night vision goggles will be subject to NOC from Ministry of Defence.

Import of 3D Printers will be subject to prior permission from Ministry of Interior.

Import of mobile hand sets and tablets will be subject to type approval certification from PTA.

Pakistan Security Printing Corporation may import security papers without having NOC from Security Paper Limited.

Exporters operating under various schemes like DTRE, Temporary Importation etc. will be allowed to import all items borne on restricted list subject to fulfillment of conditions laid down in Import Policy Order.

Construction companies will be allowed to import specialized vehicles mounted machinery not older than five years subject to certification from pre-shipment in the exporting country and submission of original equipment manufacturers confirmation that such vehicles are built as specialized mounted machinery.

Import of pesticides will be allowed subject to prior pre-shipment certification issued by recognized Pre-shipment and Inspection Agencies to be notified by the Department of Plant Protection.

Digital Enhanced Cordless Telecommunication 6.0 will not be allowed to ensure compliance with the provisions of the PTA Act, 1969.

Ban on import of poultry and poultry products from South Korea, Russia, Kazakhstan, Mongolian, Turkey, Greece, Croatia, Italy, Azerbaijan, Ukraine Iraq, Bulgaria, Slovenia, Slovakia, Austria, Bosnia and Herzegovina will be lifted subject to certification from respective veteran authority of the exporting country that birds are only from such flocks where no incidence of Bird Flu has been reported for the last seven years.

Import of Plug Wrap Paper will also be allowed in favour of manufacturers of cigarettes rods duly registered with the Federal Board of Revenue.

Import of two or three wheeler auto vehicles will be subject to compliance with the condition of Euro-II standard.

Import of mercury and mercury compounds will be allowed to industrial consumers having valid environmental approval from the concerned Federal/Provincial Environmental Protection Agency/Department.

Fireworks will now be placed on the restricted list and its import is allowed subject to the conditions of compulsory physical examination by explosives expert. Furthermore, the Department of Explosives of Ministry of Industries will allow import only to the applicants and companies having valid licenses under the Explosives Rules, 2010.

Import of Air-pistol and slugs may also be allowed.

An Inter-Ministerial Working Group comprising Ministries of Science and Technology, Commerce and National Food Security and Research will be set up to work on quality standard and harmonization of Pakistan Standard besides working on updation on the list of pre-shipment inspection companies given in the Import Policy Order.

ATTACHED ORGANIZATIONS

Trade Development Authority of Pakistan
(<http://www.tdap.gov.pk/>)

Trading Corporation of Pakistan
(<http://www.tcp.gov.pk/Home.aspx>)

State Life Insurance Corporation of Pakistan
(<http://www.stalife.com.pk/>)

Pakistan Tobacco Board
(<http://www.ptb.gov.pk/default.php>)

National Tariff Commission
(<http://www.ntc.gov.pk/>)

Directorate General of Trade Organizations
(<http://www.dgto.gov.pk/>)

Pakistan Institute of Trade and Development
(<http://www.pitad.org.pk/>)

National Dumping and Subsidizing of
Polyethylene Terephthalate Resin
(http://www.natd.com/)

Pakistan Reinsurance Company Limited
(http://www.pakre.org.pk/ms/)

Trade Dispute Resolution Organization
(http://www.tdro.gov.pk)

Expo Centre Lahore
(http://www.expolahore.com/new/)

Pakistan Institute of Fashion and Design
(http://www.pifd.edu.pk/)

Pakistan Horticulture Development & Export
Company (http://www.phdec.org.pk/)

Intellectual Property Organization of Pakistan
(http://ipo.gov.pk/)



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