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Exports value to remain at $22b in FY2019-20, says Dawood

ISLAMABAD - Advisor to the Prime Minister on Commerce, Abdul Razak Dawood has said that the country’s exports target of $25 billion could not be achieved due to the ongoing situation of lockdown in the country and it could decline to $22 billion. The exports decreased in April by 50 percent and home remittances also declined in this situation, Abdul Razak Dawood said in an interview with Voice of America (VOA) here. To a question, he said Pakistan could get benefits from low oil prices in current evolving situation in international market and there would be no larger impact of Current Account Deficit (CoD) because of decline in petroleum prices. He also vowed for opening the industrial sector in coming months to provide opportunity to the local exporters to get more benefits in current scenario and major shift in international trade market. He urged the exporters to get orders freely from all countries including textile industry to tap the new opportunities in the world market. Replying to a question on impact of current situation on country’s gross domestic product (GDP), he forecast that it would contract by 0.5 percent during the current fiscal year. To a question on textile sector export, he said that Pakistan was receiving big orders of face masks and sanitizers. “We have also received huge demand of Hydroxy chloroquine and Pakistan has exported raw material to Germany and Turkey and 1000,000 tablets to Saudi Arabia,” he added.

Repeating to another question on United States-Pakistan trade dialogue, he said that Pakistan wanted access in potential US market. “We demanded the US government to eliminate the travel restriction for Pakistan to increase bilateral trade.” He said that during the visit of Prime Minister Imran Khan, both the countries agreed to start dialogue for searching the new avenues for bilateral trade in US and Pakistan. The adviser said that Pakistan also demanded to the US and other international brands and companies to open their offices in Pakistan for bringing foreign investment in the country. He said that Pakistan wanted access in textile, information technology and services sectors in potential US market to increase our exports. Replying to another question on Afghan Transit Trade, he said that our trade agreement was going to expire in June 2021, and now “we are in preparation to negotiate with them”. He said Afghan transit trade gave loss to local industry. He said that Pakistan wants to increase the bilateral trade with Afghanistan but “we had some reservation and there is need to take some measures to protect the local industrial sector”. Replying to another question, he said that the government wanted to increase customs duties instead of direct income tax. The government wants to document the non tax businesses and bring them in tax net, he added. He said the government might not change export tariffs and tax slabs in the upcoming budget (2020-21).
Footwear exports increase 15.86pc in 3 quarters of FY2019-20

ISLAMABAD - The footwear exports witnessed an increase of 15.86 percent during the first three quarters of current financial year (2019-20) as compared to the corresponding period of last year. Pakistan exported footwear worth $104.351 million during July-March (2019-20) against the exports of $90.069 million during July-March (2018-19), showing a growth of 15.86 percent, according to the latest data of Pakistan Bureau of Statistics (PBS). Among the footwear products, the exports of leather footwear increased by 11.29 percent as it surged from $79.282 million last year to $88.232 million during the current year. The canvas footwear exports of the country stood at just $ 0.344 million during the current year against $ 0.078 million during last year, showing increase of 341.03 percent. Likewise, the exports of all other footwear commodities also rose by 47.31 percent during the period under review as these went up from $10.709 million last year to $15.775 million during the current fiscal year. Meanwhile, year-on-year basis, the footwear exports rose by 8.01 percent during the month of March 2020 compared to the same month of last year. The footwear exports during March 2020 were recorded at $10.540 million against the exports of $9.758 million in March 2019.

During the period under review, the leather footwear exports decreased by 0.91 percent while the export of canvas increased by 100 percent. In addition the exports of all other footwear commodities also increased by 52.53 percent. On month-on-month basis, the exports of footwear witnessed decrease of 18.62 percent during March 2020 as compared to the exports of $12.952 million in February 2020, the PBS data revealed. On month-on-month basis, the exports of leather decreased by 26.55 percent and the export of canvas and all other footwear increased by 100 and 25.22 percent respectively. It is pertinent to mention here that the country’s trade deficit witnessed significant reduction in first three quarters of current financial year and declined by 26.45% as compared to the corresponding period of last year. During the period under review country’s exports registered about 2.23% growth, whereas imports reduced by 14.42%. The exports witnessed an increase of 2.23% and reached to $17.451 billion against the exports of $17.071 billion of the same period of last year. On the other hand, the country’s imports witnessed significant decrease of 14.42% and went down from $40.679 billion last financial year to $34.814 billion of same period of current financial year. Based on the figures, the trade deficit during the period under review was recorded at $17.363 billion against the deficit of $23.608 during last year, showing decline of 26.45 percent.

Overseas Pakistanis Saving Bills launched

ISLAMABAD: The federal government has invited foreigners having Pakistan Origin Card, members of Overseas Pakistanis Foundation or an employee or official of the federal
government or a provincial government posted abroad to invest in Overseas Pakistanis Saving Bills. A notification by the Finance Ministry in exercise of the powers under Public Debt Act, 1944, the federal government has issued National Savings Schemes (Overseas Pakistani Savings Bills) Rules, 2020. These rules are applicable to the Overseas Pakistani Savings Bills purchased under these rules and would come into force at once. Those Non-Resident Individual Pakistani (NRIP) having National Identity Card for Overseas Pakistanis, foreigners having Pakistan Origin Card, members of Overseas Pakistanis Foundation or an employee or official of the federal government or a provincial government officer posted abroad are eligible to purchase the bills by opening foreign currency account and the NRAR as per existing regulations. Types of the bill would be in conventional form and also in Shariah-compliant form as per Shariah structure notified by the Finance Division from time-to-time and their tenor would be for three, six or 12 months or any other tenor as notified by the Finance Division from time-to-time and it would be issued in both Pakistani rupee and US dollar or any other currency as may be notified by the Finance Division from time to time. The minimum denomination of the bill and maximum investment limit thereof will be as announced by the Finance Division from time to time and would be issued through select commercial banks, hereinafter called the agent banks, to be selected by Central Directorate of National Savings (CDNS) in consultation with the SBP. The CDNS would issue or allocate inventory of scrip-less bill to agent banks for issuance to their foreign currency (FCY) or Non-Resident Rupee Account Repatriable (NRAR) account holders. The agent banks will also open investment portfolio securities (IPS) accounts of the account holders purchasing the bill and credit the bill in the IPS accounts. Know Your Customer (KYC), Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD) of the purchasers.

The Finance Division shall notify the rate of return on the bill and frequency of payment from time to time. Undrawn profit would not be eligible for compounding. Profit payment shall be made directly only to the account of the investor in case the holder dies, the payment of principal amount and profit thereon, if any, will be paid to the legal heirs of the deceased holder in accordance with a valid succession certificate or equivalent documentation issued in accordance with the law for the time being in force. Under the rules, if any bill is found to be issued in contravention of these rules, such bill shall be redeemed immediately, subject to adjustment of any benefit already paid. In case, the profit is not claimed by the holder within six years from the date of accrual, the liability of the federal government in respect of such profit payable thereon shall terminate. In such case, no amount on account of profit shall be paid. The bill will not be automatically reinvested or rolled over after maturity date and will neither be pledgeable as security for raising financing. The profit on the bill will be subject to deduction of tax in accordance with the law for the time being in force; however, it will be exempted from compulsory deduction of Zakat. The CDNS in consultation with the Finance Division, the SBP and other stakeholders will devise SOP, from time to time, for sale, encashment, premature encashment, profit disbursement and all other matters to carry out the purposes of these rules provided that the SOP is not inconsistent with any of the provisions of these rules and other applicable laws for the time being in force.—ZAHEER ABBASI
Pakistan food exports increase 1.43pc during first 9 months of current FY

ISLAMABAD - The exports of fish and fish preparations increased by 7.97 percent during first three quarters of the current fiscal year as compared to the corresponding period of last year. The seafood exports during July-March (2019-20) were recorded at $317.307 million against the exports of $293.895 million in July-March (2018-19), showing growth of around 8 percent, according to Pakistan Bureau of statistics (PBS). In terms of quantity, Pakistan exported 133,226 metric tonnes seafood during the period under review against the exports of 129,704 metric tonnes last year, showing increase of 2.72 percent. However on year-on-year basis, the fish exports from the country declined by 15.74 percent by going down from $45.895 million during March 2019 to $38.669 million in March 2020. On month-on-month basis, the seafood exports however, increased by 51.67 percent in March 2020 when compared to the exports of $25,495 million in February 2020, the PBS data revealed. The overall food exports from the country increased by 1.43 percent during the first nine months of current FY year compared to last year.

The food exports from the country were recorded at $3396.022 million during July-March (2019-20) against the exports of $3348.104 million during July-March (2018-19). It is pertinent to mention here that the country’s overall merchandize trade deficit witnessed significant reduction in first three quarters of current financial year and declined by 26.45 per cent as compared to the corresponding period of last year. During the period under review country’s exports registered about 2.23 per cent growth, whereas imports reduce by 14.42 per cent. During the period from July-March (2019-20), the exports witnessed an increase of 2.23 per cent and reached to $17.451 billion against the exports of $17.071 billion of the same period of last year, it added. The country’s imports witnessed significant decrease of 14.42 per cent and went down from $40.679 billion in first three quarters of last financial year to $34.814 billion of same period of current financial year, it said. Based on the figures, the trade deficit during the period under review was recorded at $17.363 against the deficit of $23.608 during last year, showing decline of 26.45 percent.

President approves amendments in Companies Act 2017

ISLAMABAD - President Dr Arif Alvi has approved amendments in Companies Act 2017 to provide an enabling regulatory framework to facilitate startups in Pakistan. These amendments were proposed by the Securities and Exchange Commission of Pakistan (SECP) to help promoting and nurturing startups as well as attract local and international innovators. The Companies Act, 2017, promulgated on May 31, 2017, was reviewed by the SECP in consultation with various external and internal stakeholders including PBC, ICAP, ICMAP, OICCI and PICG etc. On the basis of feedback received during the consultation process, various amendments were proposed by the SECP to promote ease of doing business, encourage startups, improve protection.
of minority shareholders and remove some anomalies noted in the provisions of the Act. These amendments have been enacted through Companies (Amendment) Ordinance, 2020 promulgated on April 30, 2020. In order to encourage startups, besides adding definition of startup companies, employees stock options and buyback of shares has been allowed for all companies while earlier this was allowed for public and listed companies only. These amendments will help address the employee retention and reward issues particularly faced by startup companies. It would also facilitate startups in case, any founding member needs to exit the company. Requirement relating to payment of subscription money within 30 days of incorporation by subscriber and filing of auditor certificate has been done away to facilitate small companies.

Now a listed company may hold extra ordinary general meeting at a shorter notice with the approval of the Commission. Further all companies are required to file annual return with the registrar irrespective of paid-up capital. CEO shall now be appointed by board of directors in all companies. Procedure for handling of unclaimed dividends has been revised. Now unpaid dividend account shall be maintained by companies and any markup accrued on such account shall be used by companies for corporate social responsibility initiatives. Amendments have been introduced to lower threshold for proposing member resolution (from 10% to 5%), mandatory disclosure of company’s director’s remuneration and enhanced protection to minority shareholders in transactions involving conflict of interest of a company’s directors. In view of complex valuations, legal entitlement of properties and requirements of other regulatory compliances the authority to approve scheme of arrangements by member or creditors has been granted to High Courts. Earlier, scheme of arrangements of small sized companies and companies wholly owned by government were approved by the Commission while scheme of arrangement of medium sized, large sized and public interest companies were approved by the Court. A new provision has been inserted to enable review or revision of any order passed by the registrar, Commission or any officer of the Commission to improve the efficiency of the adjudication process. Besides, provisions relating to mandatory requirement for common seal, real estate companies and inactive companies have also been omitted. These amendments besides improving ease of doing business in general will also positively impact country’s position in global rankings.

The Nation
May 6, 2020

Chinese province to host online fair, expo for Pakistan

LAHORE-Department of Commerce of Zhejiang Province will be organising an online 2020 Zhejiang Expo & Online Fair for Pakistan (Hardware & Electromechanical Products) from May 12-16, 2020. The event provides bilateral trade opportunities for Pakistan and Zhejiang related hardware enterprises through an accurate offline match and online negotiation said a spokesman of the Everest International Expo (Pvt) limited (collaborator of the expo) here on Tuesday. At that time, nearly 100 high-quality Zhejiang companies will participate, which deal in industrial accessories, mechanical and electrical transmission, hardware tools, etc., covering the whole range of industry, hardware, tools, mechanical and electrical, and the products are basically provided with relevant qualifications and certification. Show organisers term the online expo another big support for both the neighbours who are good partners, a good friend as well as good
brothers. Pakistan is also the ally of “The Belt and Road”. Pakistan and China own a special friendship with a long history. Affected by the spread of the global epidemic, Global trade has stagnated, and trade between China and Pakistan has also been temporarily suspended.

The Nation
May 6, 2020

Electric fan exports increase 6.83pc

ISLAMABAD-The exports of electric fan from the country witnessed an increase of 6.83 percent during the first nine months of current financial year (2019-20) as compared to the export of corresponding period of last year. The electric fan export during July-March (2019-20) was recorded at $19.075 million against the exports of $17.856 million during July-March (2018-19), showing a growth of 6.83 percent, according to the Pakistan Bureau of Statistics (PBS). Meanwhile, on year-on-year basis, the export of electric fans witnessed decrease of 3.68 percent in March 2020 as compared to the exports of the same month of the last year. Fan exports during March 2020 were recorded as $3.509 million against the exports of $3.643 million in March 2019. On month-on-month basis, the fan exports grew by 16.93 percent during March 2020 when compared to the exports of $3.001 million in February 2020, the PBS data revealed. It is pertinent to mention here that the country’s trade deficit witnessed significant reduction in first three quarters of current financial year and declined by 26.45 per cent as compared to the corresponding period of last year. During the period under review country’s exports registered about 2.23 per cent growth, whereas imports reduced by 14.42 per cent. The exports witnessed an increase of 2.23 per cent and reached to $17.451 billion against the exports of $17.071 billion of the same period of last year. On the other hand, the country’s imports witnessed significant decrease of 14.42 per cent and went down from $40.679 billion last financial year to $34.814 billion of same period of current financial year. Based on the figures, the trade deficit during the period under review was recorded at $17.363 billion against the deficit of $23.608 during last year, showing decline of 26.45 percent.

May 7, 2020

MoC drafts STP Framework 2020-25

MUSHTAQ GHUMMAN

ISLAMABAD: Ministry of Commerce (MoC) has drafted Strategic Trade Policy Framework 2020-25, on the basis of guiding principle of no element of any duties and taxes on exports, sources close to Prime Minister Advisor on Commerce and Investment told Business Recorder. On the basis of consultative process involving private stakeholders, Ministry of Commerce has projected $ 26 billion exports in 2020-21, $ 31 billion in 2021-22, $ 35 billion in 2022-23, $ 40 billion in 2023-24 and $ 46 billion in 2024-25, the sources added. The policy document will be a living document with option to review the proposed policy interventions and introduce new initiatives. In order to achieve a sustainable rapid export growth a comprehensive strategy has
been devised to (a) optimize the growth of existing sectors in the short term, (b) diversify into the new sectors with an ease of diversification in the medium term, and (c) structurally develop the innovation-driven export sectors in the long term. The 18% decline in Pakistan’s share in global market during the last decade means that Pakistan’s export competitiveness in the global market has been eroding. The regaining of the global market share vitally depends on the restoration of Pakistan’s export competitiveness.

This Strategic Trade Policy Framework is based on the following pillars: (i) to make the exports a driver of economic growth as the only sustainable source of earning foreign exchange; (ii) enhancement of exports is a national effort and not just the responsibility of Ministry of Commerce; (iii) to introduce strategic interventions in priority sectors under Make in Pakistan initiative; and (iv) to align with macro-economic framework and other national policies such as Textiles Policy, Industrial Policy etc. Ministry of Commerce has identified following priority sectors which have been bifurcated into traditional and non-traditional/developmental categories: Traditional sectors—(i) textile & apparel; (ii) leather; (iii) surgical instruments; (iv) sports goods; (v) carpets; (vi) rice and ;(vii) cutlery. Non-traditional/developmental sectors—(i) engineering goods; (ii) pharmaceutical; (iii) auto parts; (iv) processed food & beverages; (v) footwear; (vi) gems & jewellery; (vii) chemicals; (viii) meat & poultry; (ix) fruits & vegetables; (x) sea food and (xi) marble & granite. Implementation of the policy initiatives is of critical importance to the success of STPF 2020-25.

In order to monitor and evaluate the implementation of STPF 2020-25, it has been decided to constitute a cross functional committee comprising of: (i) Prime Minister of Pakistan (Chairman); (ii) Advisor to PM Commerce and Investment; (iii) Advisor to PM Finance and Revenue; (iv) Minister for Energy/Power Division; (v) Minister for National Food Security and Research; (vi) Governor State Bank of Pakistan; (vii) Secretary Commerce; (viii) Secretary Finance; (ix) Secretary Industries; (x) Chairman Board of Investment and; (xi) Chairman Federal Board of Revenue. Other departments or private sector can be co-opted on need basis by the committee. Monthly meeting of the subject committee will be held in order to ensure accountability for the implementation of various policy measures. The cost of doing business especially those related to trading across borders impacts on competitiveness. Besides, the tariffs, the inefficient logistics, cumbersome administrative procedures, documentary requirements and dwell time at ports add to the transactions costs and in turn affect competitiveness. Furthermore, the areas of exports support incentives mechanism such as duty drawback schemes, sales tax refunds and low-cost financing facility etc., will require review to make it reliable, consistent and automated. There would be continuous regionally competitive energy prices for export-oriented sectors. There would be competitive wages for the workers benchmarked with regional peers and participation of women workforce with equal opportunities.

Commerce Ministry is of the view that the excessive import tariffs, especially on raw materials, intermediate goods and machinery, have affected the competitiveness of manufacturing by increasing the cost of inputs and capital goods. Effectively employed, the tariffs play an important role in allocation of resources, protection of the domestic industry against foreign competition, improving competitiveness of the domestic industry, generating employment opportunities, attracting and protecting investments, improving balance of payments, serving as a source of revenue and income distribution by levying higher import duties on luxury goods and
lowering tariffs on raw materials and intermediate goods. In order to leverage the tariffs as an instrument of trade policy, Ministry of Commerce will implement Tariff Policy with following major objectives: (i) to make the tariff structure a true reflection of trade policy priorities; (ii) to improve competitiveness of manufacturing especially the export sector through duty free access to imported raw materials; (iii) rationalize the tariff structure for enhancing the efficiency of the existing domestic activities, especially in the manufacturing sector and for improving the resource allocation; (iv) to reduce the relative disincentive for the exporting activities; (v) to improve the growth potential of the country and increase employment opportunities by attracting investment into efficient industries; (vi) to encourage value addition through the principle of cascading of tariffs; (vii) To remove anomalies in the tariff structure which is causing distortions between sectors and in the value chain of the same sectors. In order to incentivize the technology adoption and up-gradation by the enterprises a Technology Up-gradation Scheme, was announced in STPF 2015-18 for certain sectors. The sources said, in order to make the investment in new technologies more attractive, an improved scheme will be introduced.

To integrate and upgrade into the global value chain, firms require participating in the production processes in the entire value chain. Ideally firms should participate in a higher value-added process to fetch higher value in the end. Countries with advance R&D infrastructure, technology and skilled work force participate at the downstream value-added component of the value chain. To facilitate firms to upgrade their processes, Ministry of Commerce will offer support incentives. The market access is an important determinant of competitiveness of a country’s products and services in a foreign market. Ministry of Commerce will focus on best utilization of current regional and bilateral trading arrangements through detailed review and negotiation. New trading arrangements will be pursued with utmost care to protect local industry and focus on market access for value added goods and not only commodities. For optimizing utilization of enhanced market access under FTAs, PTAs and GSP Plus, a market communication strategy will be implemented to disseminate the information on opportunities available for Pakistani enterprises under the preferential market access arrangements. The communication strategy will include seminars and advertisements through electronic, digital and print media. Pakistan’s exports are concentrated in few products exported by few firms to few markets. Textiles sector accounts for around 61% of total exports of the country. The share of non-textiles in exports is less than 40%.

Policy interventions will be made by Ministry of Commerce for following diversifications: (i) the horizontal diversification which entails adjustment in the national export mix by adding new products to the existing export baskets within the same sector will be pursued ;(ii) the vertical diversification into processing of domestically manufactured goods through a shift from the primary to the secondary or tertiary sector by means of increased value-added activities such as processing, marketing and other services, is essential to increase the export earnings. A special focus will be given by the Ministry of Commerce for supporting firms in development and acquiring of brands. Country branding strategy of Ministry of Commerce will also be enhanced. Export Development Surcharge to Export Development Fund (Prospective). Currently, only around 20% of the total annual receipts from Export Development Surcharge are being transferred each year by Ministry of Finance to Export Development Fund (EDF). Beginning from FY2020-21 and henceforward, the entire amount of Export Development Surcharge (EDS) will be transferred to the EDF.
Uzbekistan looks to Pakistani ports

ISLAMABAD: Uzbekistan on Thursday formally sought Pakistan’s support for accession to the Quadrilateral Traffic in Transit Agreement (QTTA) in a bid to utilise Karachi and Gwadar ports for its trade operations. The formal request was made by Uzbek Deputy Prime Minister, Sardor Umurzalcov during a video conference with Adviser to the Prime Minister on Commerce Razak Dawood. Uzbekistan’s Ambassador to Pakistan Furgat Sidikov also joined the meeting held at the Ministry of Commerce in Islamabad. The QTTA is a transit trade deal among Pakistan, China, Kyrgyzstan and Kazakhstan to facilitate the passage of goods and traffic. A road project under the China-Pakistan Economic Corridor will provide access to China and the Central Asian States to Pakistani ports. Responding to the request, Dawood assured Pakistan’s support for Uzbekistan in QTTA. Pakistan plays a central role in the QTTA which is believed to be an alternative route bypassing Afghanistan and relying on the Karakoram Highway via China to reach Central Asian States.

Uzbekistan also sought the establishment of Joint Working Group for trade and investment cooperation. An official statement following the meeting said that Uzbekistan requested Pakistan to support its cause in accession to QTTA, and share its experience on achieving the Generalised System of Preferences Plus status. Dawood apprised the Uzbek side that a memorandum of understanding for Pakistan-Uzbekistan Joint Working Group on Trade and Investment will be ready for signing after seeking approval from the cabinet of Pakistan. During the meeting, it was resolved that all out efforts would be made to enhance bilateral trade relations, establishing joint ventures in various areas including agriculture, textile, pharmaceuticals, tourism and construction. Pakistan’s exports to Uzbekistan stood at $13.190 million FY19 as against $9.254m over the previous year. Similarly, Pakistan’s imports from Uzbekistan are very negligible as it stood at $5.449m in FY19 as against $3.640m over the previous year.

The Nation

Pak-Uzbekistan agree on ‘Joint Working Group on Trade and Investment’

ISLAMABAD- Advisor to the Prime Minister on Commerce, Textile and Investment on Wednesday apprised the Memorandum of Understanding between Pakistan and Uzbekistan for establishing the ‘Joint Working Group Trade and Investment’. The agreement will be ready for signature after seeking approval from the cabinet of Pakistan, the adviser said. Razak Dawood assured the Uzbek side of Pakistan’s support to join Quadrilateral Traffic in Transit Agreement (QTTA) said a news release issued by Ministry of Commerce here. Advisor to the Prime Minister on Commerce and Investment said this while had a conference call with Uzbekistan Deputy Prime Minister Sardor Umurzakov. Uzbek Ambassador to Pakistan Furqat Sidikov also joined the meeting in Ministry of Commerce, Islamabad. While both sides agreed to cooperate in
Joint Ventures. During the meeting, both sides expressed the desire to enhance trade relations between the two countries. Both of the countries in negotiation been resolved that all out efforts would be made to enhance Bilateral Trade relations, establishing Joint Ventures in the fields of agriculture, textile, pharma, tourism and construction.

Pakistan and Uzbekistan also agreed on greater utilization of the institutions like Inter-Governmental Commission and Joint Business Council for giving impetus to Government to Government and Business to Business cooperation. Uzbekistan side expressed desire for utilisation of Karachi and Gawadar Ports for its trade operations, and establishment of Joint Working Group for trade and investment cooperation. Uzbekistan Deputy Prime Minister also requested Pakistan to support its cause in accession to Quadrilateral Traffic in Transit Agreement (QTTA), and share experience on achieving GSP Plus status. During the meeting, both sides expressed the desire to enhance trade relations between the two countries. It was agreed that institutional mechanism between both the countries needs to be upgraded.

DAWN
May 9, 2020

Mango exporters seek more time

KARACHI: Exporters have urged the Ministry of Commerce to extend the final date of mango exports to June 1 from May 20 for the current year as climate change and lockdowns have affected the produce. Sindh and Punjab’s mango crop is likely to mature after a delay of two week as the mango season is delayed due to non-availability of required level of temperature and humid climate. The mango crop usually matures by the middle of May, but it is expected to be delayed by two weeks this year and exporting pre-matured mango would not be beneficial to growers. On the other hand, owing to the lockdown, growers have not been able to make adequate preparations for exports as transportation to carry laborers to orchards and essential arrangements for packing are banned by the government to contain the virus. Patron-in-Chief Pakistan Fruits and Vegetable Exporters Association Waheed Ahmed said the mango crop is still not ready for harvesting and if the date of export of May 20 is followed, exporters would ship unripe mangoes to foreign markets.

The Nation
May 11, 2020

Tobacco export increases over 60pc, reaches $28.71m

ISLAMABAD - The exports of tobacco from the country witnessed an increase of 60.67 percent during the first three quarters of financial year 2019-20, against the exports of the corresponding period of last year. The tobacco exports from the country were recorded at $28.716 million during July-March (2019-20) against the exports of $17.873 million during July-March (2018-19), according to the Pakistan Bureau of Statistics (PBS). In terms of quantity, the exports of tobacco also increased by 37.41 percent by going up from 7,875 metric tons to 10,821 metric tons, according to the data. Meanwhile, on year-to-year basis, the exports of tobacco increased
by 399.11 percent during the month of March 2020 when compared to the same month of last year. The exports of tobacco from the country during March 2020 were recorded at $ 2.790 million against the exports of $ 0.559 million in March 2019. On month-on-month basis, the exports of tobacco witnessed decreased of 66.35 percent during March 2020 when compared to the exports of US $ 8.291 million in February 2020, the PBS data revealed.

The Nation
May 13, 2020

Zhejiang online export fair begins
LAHORE-Online launching ceremony of 2020 Zhejiang Export Online Fair (Pakistan station-hardware & electromechanical products) was held Tuesday in Hangzhou (China) which will see 300 rounds of online trade communication between more than 150 enterprises from Zhejiang and Pakistan during the next five days. This online exhibition is a new attempt to diversify and digitize the trade mode between Zhejiang and Pakistan. At the moment of the epidemic, “professional, accurate and efficient” online exhibition is a bridge to consolidate the friendship between Pakistan and Zhejiang, and also an ideal platform to display “quality Zhejiang products”. Han Jie, Deputy Secretary, Deputy Director and first-class inspector of Zhejiang Provincial Department of Commerce, Wang Zhihua, Counsellor of business and economic reference Office of Chinese Embassy in Pakistan, Muhammad Sohail Qadri, Deputy Director of investment and Trade Bureau of Punjab province, Dr. Muhammad Arshad, Vice President of Pakistan Federation of industry and commerce (FPCCI), M. Salahuddin Hanif, Secretary General of Pakistan China Federation of industry and commerce, Muhammad Nadeem Zafar, vice president of Pakistan Hardware Association and others attended the online opening ceremony.

The exhibition will set up a bridge for trade between hardware and electrical industry enterprises in Zhejiang Province and professional buyers in Pakistan through offline supply and demand information matching, online precise docking, and cloud video network technology. One Belt-One Road initiative and China Pakistan Economic Corridor has been developing vigorously in recent years. China and Pakistan have carried out in-depth mutually beneficial cooperation in trade, investment, project contracting, economy and technology and other fields. At present, China is Pakistan’s largest trading partner and has become Pakistan’s largest source of foreign direct investment for six consecutive years. There has been a number of successful cases of economic and trade cooperation between Zhejiang Province and Pakistan. The focus of industrial cooperation is on mechanical and electrical engineering, modern agricultural logistics and many other aspects, with bilateral trade volume reaching 4 billion US dollars.

With the increasingly close cooperation between China and Pakistan, Zhejiang Provincial Department of Commerce holds Pakistan online trade fair for the first time when global trade is affected by the epidemic of pneumonia, aiming to promote the trade interaction between China and Pakistan through digital technology and make “Quality Zhejiang Products” entry in the South Asian market, bringing new opportunities for Zhejiang hardware and electrical industry enterprises to support Pakistan. From the beginning of the preparation of the exhibition, the quality of Zhejiang products connected to Pakistan has been highly valued by the hardware and
electrical industry and the Chamber of Commerce in Pakistan. The purchasers range from industry associations, chambers of Commerce to various traders. At the same time, 85% of the purchasers participated in the online exhibition are CEOs.

DAWN
May 14, 2020

Textile exports plunge to 17-year low

ISLAMABAD: Pakistan’s textile and clothing exports declined by 64.5 per cent in April to $403.834 million year-on-year the lowest level in almost 17 years due to order cancellations and shipment delays amid pandemic-led global lockdowns, showed data released by the Pakistan Bureau of Statistics (PBS) on Wednesday. A significant decline was seen in trade shipments since Mar 15 the date since coronavirus cases spiked in major export destinations especially in Europe and North America. Moreover, exports through the land routes were almost non-existent during the month as Iran, Afghanistan and Pakistan shut down their respective borders to contain the pandemic. Exports were expected to fall during the month of April as only a few buyers were honouring their import commitments with local manufacturers. It was only in February when the textile and clothing exports jumped nearly 17pc on a year-on-year basis. This growth was reported after a long time as the past few years had been marred by single-digit increases.

Details showed exports of ready-made garments dipped by 73.44pc in value and drifted much lower in quantity by 78.94pc during April while those of knitwear dipped 61.75pc in value and 48.31pc in quantity, bed wear posted negative growth of 57.54pc in value and 57.37pc in quantity. Towel exports fell 74.07pc in value and 72.78pc in quantity, whereas those of cotton cloth dipped by 69.73pc in value and 78.06pc in quantity. Exporters are resuming production and seeking permission from provincial and federal governments to allow workers to reach factories. With these developments, exports are likely to revive partially in May. Among primary commodities, cotton yarn exports dipped by 63.29pc while yarn other than cotton by 70.19pc, made-up articles excluding towels by 63.56pc, and raw cotton 100pc. Exports of tents, canvas and tarpaulin increased by a massive 32.39pc during the month under review. Between July-April FY20, textile and clothing exports declined 2.79pc to $10.816 billion, from $11.127bn over the corresponding period last year. In rupee terms, the proceeds of the sector jumped 14.17pc.

NON-TEXTILE SECTOR: Exports of non-textile products shrank more than 41pc year-on-year to $553.443m in April. In the preCovid-19 period, an upward trend was seen in the exports of non-textile products, largely driven by rupee depreciation. The data released by the PBS showed the food basket contracted 26pc in April from a year ago. Under this category, however, exports of rice witnessed an increase of 3.18pc, thanks to an increase in basmati exports which jumped 21.35pc in value and 33pc in quantity. Export of fish and fish products declined by 49.27pc while that of vegetables dipped by 51.80pc and fruits 19.62pc, respectively. No exports were recorded of wheat, sugar, and pulses following the imposition of a ban from the country in the month of April. The export of tobacco, spices, and meat products during the month under review declined by 36.06pc, 9.72pc and 11.29pc respectively. The leather exports also dipped by 70.53pc, driven mainly by declines in sales of leather garments, gloves, followed by other
products. Contrary to these, exports of carpets and rugs decreased in value by 92.72pc and in quantity by 92.04pc during April from a year ago.

The Nation
May 14, 2020

Pak-China companies conduct online trade negotiations

BEIJING- The Chinese and Pakistani companies conducted online trade negotiations through cloud network video technology on the first day of “2020 Zhejiang Export Online Fair” opened in Hangzhou, China. More than 150 Zhejiang and Pakistani companies will participate in this online fair, and about 300 rounds of online precision matching negotiations in next five days the event being held to promote Pakistan’s hardware and electromechanical products. In the current COVID-19 epidemic situation, this is the first time that the Zhejiang Provincial Department of Commerce has organized an online fair specifically for Pakistani traders and businessmen, Economic Daily-China Economic Net reported here on Wednesday. Deputy Secretary of the Party Group of Zhejiang Provincial Department of Commerce, Deputy Director Han Jie, Minister of Economic and Commercial Counselor of the Chinese Embassy in Pakistan Wang Zhijian, Deputy Director of Punjab Investment and Trade Bureau Muhammad Sohail Qadri attended the opening ceremony and delivered speeches. Han Jie informed that the bilateral trade volume between Zhejiang and Pakistan has reached US $ 3.7 billion, covering many aspects such as electromechanical engineering and modern agricultural logistics.

THE NEWS
May 15, 2020

Pakistani pharmaceutical company to manufacture Remdesivir within eight weeks: Dr Zafar Mirza

ISLAMABAD: A local Pakistani company will manufacture Remdesivir, an international drug being used to treat coronavirus patients, in less than two months, announced Dr Zafar Mirza on Friday. "American company Gilead has manufactured this drug and it has proven effective in treating coronavirus patients," he said during a press conference. "It is said that the use of the drug has reduced the intensity of the virus by 30%." Dr Mirza said that five companies in the world had been granted the license to manufacture the drug. "Among the five companies [granted the license to manufacture the drug] one of them is a Pakistani company," he said, referring to it as a "breakthrough news". He said that the medicine will be available for COVID-19 patients in Pakistan after it is registered within six to eight weeks and manufactured in the country. "It will not only be available for patients in Pakistan but the plan is to export this drug to 127 countries," he said. "Pakistan will be among three countries in the world to produce and export this to 127 countries. This is a big breakthrough and this is big news for coronavirus patients in Pakistan, who are increasing by the day and are expected to increase more."
Ferozsons Laboratories Limited CEO Osman Khalid Waheed said that it would be the company's aim to sell the drug at the least cost. Adviser to the Prime Minister for Commerce, Textile and Investment Abdul Razak Dawood said that it was a proud moment for Pakistan and the country's pharmaceutical industry that a Pakistani company had been made the licensee of the coronavirus drug. He said that it was the government's aim to diversify exports and that included pharmaceuticals. "It is not only good news for the people of Pakistan but for countries around the world," he said.

Remdesivir shows 'clear-cut' effect in treating coronavirus, say US officials

Top US epidemiologists had earlier said that coronavirus patients who took the antiviral remdesivir recovered about 30% faster than those on a placebo, hailing the drug's "clear-cut" benefit in treating the virus. The finding represented the first time any medication has been shown to improve outcomes against the COVID-19 illness, which has claimed more than 220,000 lives globally and ground the world economy to a halt. The US National Institute of Allergy and Infectious Diseases (NIAID), which oversaw the trial, had said that patients on the drug made by Gilead Sciences had a 31% faster time to recovery than those on a placebo. "Specifically, the median time to recovery was 11 days for patients treated with remdesivir compared with 15 days for those who received placebo," it had said. For Anthony Fauci, who leads the NIAID and has been one of the government's point people during the crisis, "the data shows that remdesivir has a clear-cut, significant, positive effect in diminishing the time to recovery."

"Although a 31% improvement doesn't seem like a knockout 100 percent, it is a very important proof of concept because what it has proven is that a drug can block this virus," he had told reporters at the White House. The results had suggested that people who were on the drug were less likely to die, although the difference was small. The mortality rate was 8% for the group receiving remdesivir versus 11.6% for the placebo group. The trial began on February 21 and involved 1,063 people across 68 locations in the United States, Europe and Asia. Neither the patients nor their physicians were aware of which group they belonged to, in order to eliminate unconscious bias.

**The New York Times**
May 15, 2020

**Pakistan's Ferozsons to Begin Producing COVID-19 Drug Remdesivir**
By Reuters

ISLAMABAD — Pakistan will soon start production of the antiviral drug remdesivir, which has shown promise in treating the novel coronavirus, the country's top health official and a pharmaceutical company's chief executive announced on Friday. Production should start "within weeks," said Osman Khalid Waheed, the chief executive of Ferozsons Laboratories Ltd, which will produce the drug. He spoke at a news conference alongside Pakistan's de facto health minister, Zafar Mirza. "Pakistan will be among the first three countries in the world where it will not only be produced but will also be exported to the whole world," Mirza said. It will be exported to 127 countries, he said. Remdesivir, a drug developed by Gilead Sciences, has
grabbed attention as one of the most promising treatments for COVID-19, the respiratory disease caused by the novel coronavirus, which has killed more than 300,000 people.

To expand its access, Gilead said it signed non-exclusive licensing pacts https://in.reuters.com/article/us-health-coronavirus-gilead-sciences/gilead-ties-up-with-generic-drugmakers-for-covid-19-drug-supply-idINKBN22O2HJ with five generic drug makers based in India and Pakistan, allowing them make and sell remdesivir for 127 countries. "It is a commitment by us and Gilead that this medicine could be produced at minimum cost and make it most accessible," Waheed said. Pakistan has recorded 37,218 COVID-19 cases and 803 deaths. Lockdowns to curb the disease's spread are forecast to will cause the country's economy to shrink 1% to 1.5% in 2020. Despite a rising rate of infection, Pakistan began lifting those lockdowns last week, primarily to avert an economic meltdown.

(Reporting by Asif Shahzad, editing by Larry King)

**The Nation**

May 17, 2020

**Pakistan to export rice to ME, North America, African regions**

ISLAMABAD-Prime Minister’s adviser on Commerce and Investment Abdul Razak Dawood on Saturday said that Pakistan had attained huge space in global rice market for exporting local rice in potential markets of Middle East, North America and African regions to achieve the target of increasing the agricultural exports. He said the government intended to take the exports to the highest level ever and for that purpose it was taking different measures to reclaim traditional markets besides accessing new ones. Talking to the APP here, he informed that rice delegation from Mexico would hopefully arrive to Pakistan in June to appraise various rice exporters for giving them permission for exporting rice to Mexico. The adviser said the all members of Rice Exports Association Pakistan (REAP) should prepare themselves for this opportunity from visiting delegation of Mexico so that maximum members get order approval in their market. He said that during past few years, local rice export to Mexico had been held up for some time and after this “I hope that our rice will be able to enter in Mexican market.” Razak Dawood said that rice was the largest agro-export commodity in the country’s export basket with a total volume of over $2 billion, which would be increased to $5 billion in the next five years. He demanded of the local rice exporters to introduce new varieties of rice to enhance production and quality by investing in research and development.

Replying to a question, he said that even in current critical situation, the country’s exports increased in food, including meat, poultry, fruits and vegetable, cigarettes especially in Middle Eastern market as compare to same period of previous year. Replying to another question, he stressed the need for making preparations to exploit the economic and trade opportunities expected in the wake of post COVID-19 pandemic. “We perceive and expect more opportunities to promote bilateral trade and strengthen linkage with potential markets including Central European Union, China, Asian States, Middle East and African region besides promoting regional trade in post pandemic environment,” he said. He said the pandemic would bring a paradigm shift, hence create great opportunities adding the coronavirus had changed the world
and now the business processes would be completely different. “Such difficult period always brings out new opportunities, new products, and new ways of thinking,” he opined. Razak Dawood said the government was equally focusing on all sectors of economy including textile, non-textile, and agriculture and engineering sectors to build export potential of the country in coming months. Talking about the external trade situation during the past three months, he said the situation of exports was not good as those had declined in April 2020 by around 54 per cent as compared to the same month of last year and the reason obviously behind the decline was the spread of coronavirus across the world.

Replying to another question, he informed that in last 10 months (July-April) of current fiscal year 2019-20, the overall exports declined by four percent as compared to the corresponding period of last year. He said the exports increased by 13 percent in February, however, started reducing from March which had declined the exports by 6.5 per cent as compared to the last year. However, he said even during the current lockdown situation, in the beginning of COVID-19 pandemic, Pakistan exported textile and non-textile products while the country’s food exports increased especially in the Middle Eastern market. Likewise, exports in steel articles also increased in the last three months in the critical situation. Razak Dawood said the government was prioritizing to promote ‘Made in Pakistan’ policy to boost local production and reduce dependence on import and enhance exports. While the adviser emphasized the need for exploiting the huge opportunities of increasing exports in the health and safety products like personal protective equipments (PPE) including protective masks, gloves, sanitizers, clothing, helmets, goggles and other garments or equipment designed for protection from COVID-19. He said a summary in that regard had already been forwarded to the cabinet, while the ministry was also negotiating the future strategy for increasing the exports to help export-led economic growth. “We should conclude our all strategy and start manufacturing in different sectors to achieve our exports targets,” he added.

The Nation
May 18, 2020

Pakistan exports plunge 12.71pc to Rs2.88 trillion in 10 months

ISLAMABAD—Exports from the country, in rupee term, increased by 12.71 per cent during the first ten months of the current fiscal year as compared to the corresponding period of last fiscal year, Pakistan Bureau of Statistics (PBS) reported. The exports from the country during July–April (2019-2020) were recorded at Rs2,883,787 million as against Rs2,558,582 million during the corresponding period of last year, showing an increase of 12.71 per cent, according to provisional data released by PBS. However, on year-on-year basis, the exports from the country decreased by 46.62 percent in April 2020 as compared to the exports of April 2019. The exports in April 2020 were recorded at Rs157,412 million as against the exports of Rs294,883 million during April, 2019. Likewise, the exports on month-on-month basis decreased by 45.23 percent in April 2020 when compared to the exports of Rs287,411 million in March, 2020. The main commodities of exports during April, 2020 were rice others (Rs21,663 million), knitwear (Rs15,173 million), Basmati rice (Rs15,012 million), bed wear (Rs12,628 million), readymade garments (Rs10,966 million), cotton cloth (Rs8,888 million), cotton yarn (Rs6,376 million), fish
& fish reparation (Rs4,554 million), plastic materials (Rs4,402 million) and meat and meat preparations (Rs4,047 million).

On the other hand, imports during July – April (2019 – 2020) were recorded at Rs5,965,492 million as against Rs6,036,561 million during the corresponding period of last year, showing a decrease of 1.18 per cent. The imports into the country during April, 2020 amounted to Rs526,880 million as against Rs525,410 million in March, 2020 and Rs665,418 million during April 2019, showing an increase of 0.28 per cent over March, 2020 but a decrease of 20.82pc over April 2019. The main commodities of imports during April, 2020 were petroleum products (Rs56,508 million), palm oil (Rs31,208 million), electrical machinery and apparatus (Rs27,667 million), natural gas, liquefied (Rs24,896 million), plastic materials (Rs23,910 million), raw cotton (Rs19,354 million), iron and steel scrap (Rs17,300 million) Iron and steel (Rs15,936 million), medicinal products (Rs12,222 million) and pulses (Rs10,340 million). Meanwhile, the United States of America (USA) remained the top export destinations of the Pakistani products during first three quarters of current financial year (2019-20), followed by China and United Kingdom (UK). The total exports to the USA during July-March (2019-20) were recorded at $3097.635 million against the exports of $3021.542 million during July-March (2018-19), showing an increase of 2.51 percent during the period under review, according to State Bank of Pakistan (SBP). This was followed by China, wherein Pakistan exported goods worth $1298.259 million against the exports of $1310.136 million last year, showing nominal decrease of 0.90 percent.

UK was the at third top export destination, where Pakistan exported products worth $1279.873 million during this year against the exports of $1319.685 million during last year, showing decrease of 3.01 percent, SBP data revealed. Among other countries, Pakistani exports to United Arab Emirates (UAE) stood at $1244.984 million against $971.173 million during last year, showing increase of 28.19 percent while the exports to Germany were recorded at US $ 1034.667 million against $971.642 million last year, the data revealed. During the first three quarters, the exports to Afghanistan were recorded at $789.434 million against $885.779 million whereas the exports to Holland stood at $776.240 million against $708.881 million. Pakistan’s exports to Spain were recorded at $684.624 million against $697.937 million last year where as the exports to Italy stood at $ 591.309m against $575.633m. Similarly, the exports to Bangladesh during nine months were recorded at $573.158 million against $571.506 million while the exports to France stood at $327.609 million against $342.071 million. Pakistan’s exports to Singapore were recorded at $147.735 million during the current financial year compared to US $ 208.389 million last year whereas, the exports to Canada stood at $210.853 million against $221.797 million, to Saudi Arabia US $ 352.164 million against $246.419 million whereas the exports to India stood at $23.167 million during the financial year against $287.171 million during last year.
Govt foresees to exploit economic, trade opportunities in post COVID-19

ISLAMABAD- Adviser to the Prime Minister on Commerce and Investment Abdul Razak Dawood has stressed the need for making preparations to exploit the economic and trade opportunities expected in the wake of post COVID-19 pandemic. “We perceive and expect more opportunities to promote bilateral trade and strengthen linkage with potential markets including Central European Union, China, Asian States, Middle East and African region besides promoting regional trade in post pandemic environment,” he said in an exclusive talk with APP. He said the pandemic would bring a paradigm shift, hence create great opportunities adding the coronavirus had changed the world and now the business processes would be completely different. “Such difficult period always brings out new opportunities, new products, and new ways of thinking,” he opined.

Razak Dawood said the government was equally focusing on all sectors of economy including textile, non-textile, and agriculture and engineering sectors to build export potential of the country in coming months. Talking about the external trade situation during the past three months, he said the situation of exports was not good as those had declined in April 2020 by around 54 per cent as compared to the same month of last year and the reason obviously behind the decline was the spread of coronavirus across the world. He informed that in last 10 months (July-April) of current fiscal year 2019-20, the overall exports were declined by four percent as compared to the corresponding period of last year. He said the exports increased by 13 percent in February, however, started reducing from March which had decline the exports by 6.5 per cent as compared to the last year. However, he said even during the current lockdown situation, in the beginning of COVID-19 pandemic, Pakistan exported textile and non-textile products while the country’s food exports increased especially in the Middle Eastern market. Likewise, exports in steel articles also increased in the last three months in the critical situation. To a question on the current account deficit, the adviser said $6 billion decline was expected in the coming fiscal year through increasing exports and improving balance of trade. Razak Dawood said the government was prioritizing to promote ‘Made in Pakistan’ policy to boost local production and reduce dependence on import and enhance exports. “An agenda, in this regard, would be presented to Economic Coordination Committee (ECC) of the Cabinet,” he added.

Talking about the tariff structure, he informed that the Ministry of Commerce was pursuing to bring changes in the tariff structure for the upcoming fiscal year, aiming at facilitating local production and thereby moving towards local manufacturing to get “Made in Pakistan Policy’ successfully implemented. He said the government wanted to decrease customs’ duties on raw material and also wanted to document the non-tax businesses to bring them in the tax net. He said exports to different regions had increased as the exports to Middle East went up 36 per cent, African regions 10 per cent while the exports to Central Asian countries especially Uzbekistan were also on rise. The adviser emphasised the need for exploiting the huge opportunities of increasing exports in the health and safety products like personal protective equipments (PPE) including protective masks, gloves, sanitizers, clothing, helmets, goggles and other garments or
equipment designed for protection from COVID-19. He said a summary in that regard had already been forwarded to the cabinet, while the ministry was also negotiating the future strategy for increasing the exports to help export-led economic growth. “We should conclude our all strategy and start manufacturing in different sectors to achieve our exports targets,” he added.

The Nation
May 21, 2020

Razak sees lot of potential for transshipment in Pakistan

ISLAMABAD-Advisor to the Prime Minister on Commerce and Investment Abdul Razak Dawood on Wednesday said there is a lot of potential for transshipment in Pakistan, which can be exploited with the right policies and government support. He made these remarks while chairing a meeting/presentation to discuss “Transshipment Potential of Pakistan” at the Ministry of Commerce Islamabad. The meeting was attended by the senior officers of the Ministry of Commerce, Ministry of Maritime Affairs, Federal Board of Revenue (FBR) and other stakeholders. In the presentation, a detailed overview of transshipment sector in Pakistan and overall general outlook of the transshipment in the world were discussed. Pointing out the issues pertaining to port operations in Pakistan, Abdul Razak Dawood underscored that port charges and inefficiencies resulting in more time in cargo handling, are the major issues that need to be resolved to improve the operations. He added that the government can play a role of a facilitative regulator, providing a flexible environment to boost the transshipment industry as per the available potential.

Talking about the importance of strategic location of Pakistan, the Advisor stated that Gwadar port can act as a sister port to a number of other important ports in the region, which can complement each other in transshipment activities. Dawood further emphasized that Pakistan can reach its true potential of transshipment when China, Afghanistan and other Central Asian Economies are connected with Gwadar through land routes. Considering different policy recommendations, Razak Dawood noted that a little value addition can be beneficial in promoting and improving the transshipment industry. He asked the stakeholders to consider the recommendations and resolve the identified issues for the benefit of ports and shipping industry in Pakistan. In the meeting, various steps for maximizing Pakistan’s transshipment potential were also discussed. It was emphasized that by streamlining the government procedures and by implementing the TIR Convention, there can be tremendous benefits to the economy of Pakistan.

DAWN
May 23, 2020

Mango export target cut by 40pc

KARACHI: Mango exporters have set a target of 80,000 tonnes for this year, a drop of 40 per cent, due to low production of the fruit and severe impact of coronavirus related lockdowns globally. The target is 50,000 tonnes less than last year’s export target of 130,000 tonnes. Global lockdowns have led to a sharp decline in demand for Pakistani mangoes. Reduction in flight
operations and an extra-ordinary increase in freight charges have further hit mango exports, according to the Patron-in-Chief of All Pakistan Fruit and Vegetable Exporters, Importers and Merchants Association (PFVA) Waheed Ahmed. `Last year, Pakistan’s 130,000 tonnes of mango export earned $90 million which is now feared to drop to $50m this time. With the sharp reduction in the export target this year, revenue generation of valuable foreign exchange would be seriously impacted,’ he stressed.

Due to climate change, Punjab’s share in mango production has fallen to 35 per cent from 70pc, while Sindh faces a reduction of 15pc from its usual share of 29pc in total mango production during the current season, he said The global pandemic has led to shutdowns of international markets. The slowdown in the aviation sector, tourism industry and shopping malls has led to a significant drop in demand of various items novelty items, including mangoes, in foreign markets. Ahmed said that airlines have enhanced their freight charges three times up from Rs175 per kilogramme last year to Rs550 per kg for the Europe. Freight charges for Gulf countries, which were Rs80 per kg last year, have been enhanced to Rs240 per kg this year, thus multiplying the cost of shipment, he added. Of the total export volume of mango, 55pc is exported by sea, 20pc by air and another 25pc via land routes. `Due to the exorbitant increase in freight charges by the airlines, export of mango by air is feared to be reduced by 70pc this year, Waheed said.

The Nation
May 24, 2020

Pakistan Electric Vehicle sector embracing Chinese investor

DEZHOU-Pakistan’s EV sector is embracing Chinese investor as a group of five local enterprises signed a MoU with China’s Songuo Motors on the Songuo-Pakistan e-Trike & BSS Pilot Project earlier this week. According to Gwadar Pro, the Songuo-Pakistan e-Trike & BSS Pilot Project includes two sections, one of which is swapping system construction as Pakistan infrastructure facility, cooperated with energy storage enterprises, gas & Oil Company, electric company. While the other section is to export Songuo electric bicycles, electric tricycles and EVs to the project site, and bring the awareness to the public based on established swapping system with the cooperation of E-commerce platform (logistic network for electric logistic vehicle and motorcycle), tricycle manufacturing enterprise etc. Pakistani companies, included energy storage company BarBox, GFC (General Fan Company), multinational chemical and power DESCON, and E-business platform Cheetay, the second largest tricycle manufacturer Sazgar Engineering, software development company Confiz and Gas & Oil Pakistan, online travel company New Asis and investment agency 47 Ventures.

They will jointly establish a joint venture operating company with Songuo in Pakistan. The pilot zone mode will be spread across the country after six months of operation to build the largest new-generation new energy enterprise with the best technology and the latest model in Pakistan. The online signing ceremony of Songuo-Pakistan e-Trike & BSS Pilot Project was held in the New Energy Equipment Industrial Complex of Dezhou (Yucheng) High-tech Zone in the city of Dezhou, China’s Shandong Province on Tuesday. Speaking on the occasion, Dr. Naveed Arshad
of Lahore University of Management Sciences, also the founding partner of Songuo Systems said that “Pakistan is one of the most vulnerable countries from climate change, and Pakistan direly needs EVs to reduce air pollution in its cities”. With swappable battery based electric rickshaws and motorcycles, the cost of vehicle and battery is split into two different businesses, Dr. Naveed said, adding that this will make EVs affordable for the public. It will also create a new business for oil companies and other companies interested in battery leasing business.

The Nation
May 24, 2020

Virus-hit Hertz declares bankruptcy in US, Canada

Washington—Global car rental company Hertz became the latest economic casualty of the coronavirus pandemic Friday, filing for bankruptcy in the US and Canada after more than a century in business. “The impact of COVID-19 on travel demand was sudden and dramatic, causing an abrupt decline in the Company’s revenue and future bookings,” Hertz said in a press release. Hertz said it took “immediate action” to prioritize the health and safety of employees and customers and eliminate “all non-essential spending”. “However, uncertainty remains as to when revenue will return and when the used-car market will fully re-open for sales, which necessitated today’s action,” it said. Its main international operating regions, including Europe, Australia and New Zealand, were not included in the US Chapter 11 filing. Hertz had already cut 10,000 jobs in North America, or 26.3 percent of its global workforce, to save money after the coronavirus shutdowns paralyzed travel and crippled the economy. Chapter 11 is a mechanism that allows a company that is no longer able to repay its debt to restructure itself without creditors. The Wall Street Journal reported Friday that Hertz held debts of roughly $19 billion, in addition to nearly 700,000 vehicles sitting idle because of the coronavirus. “The financial reorganization will provide Hertz a path toward a more robust financial structure that best positions the Company for the future as it navigates what could be a prolonged travel and overall global economic recovery,” the Hertz statement said.

Hertz’ franchise sites, which are not owned by the company, are also not included in the Chapter 11 proceeding. Established in 1918 with only a dozen cars, the global car rental giant had survived the Great Depression and numerous American recessions. But in recent years the company has struggled with competition -- including Avis Budget and carpooling services such as Uber. Hertz suffered a fourth consecutive annual net loss in 2019. But 2020 had started well with an increase in turnover of six percent in January and eight percent in February compared to the same months of last year. The chapter 11 filing follows that of another well-known American business, retailer J. Crew, and illustrates the extent of the damage to the economy from the deadly disease. More than 38 million people have applied for US unemployment benefits since the shutdown began in March. Federal Reserve chief Jerome Powell recently spoke of a likely 20 to 25 percent unemployment spike, after climbing to 14.7 percent in April. More than 1.6 million people have been infected with the coronavirus in the US and the pandemic has killed over 96,000 people, according to the Johns Hopkins University.
New tariff policy to reduce duties, says Razak

ISLAMABAD: With eyes fixed on the upcoming budget, the Ministry of Commerce has evolved a comprehensive tariff policy including reducing customs and regulatory duties on raw materials and semi-finished products. The plan is being developed for budget 2020-21 in a fashion to mitigate the impact of Covid-19 and encourage import substitution of major consumer items in the country, Commerce Adviser Abdul Razak Dawood told Dawn on Tuesday. He said that as part of reforms his ministry has identified almost 1,600 tariff lines for duty reduction in the upcoming budget. These tariff lines are related to raw materials and semi-finished products, which are currently subject to a customs duty of more than 5pc and additional customs duty. In the last budget, Dawood said his government had reduced customs duty to zero per cent on 1,638 tariff lines, which involved mostly raw materials. ‘For this year, we are considering to reduce duties on an almost similar number of tariff lines,’ he said, adding nothing has been finalised as yet. At the same time, he said the commerce ministry will also identify tariff anomalies for rectification in the upcoming budget. ‘We have already identified a number of anomalies in consultation with relevant stakeholders. Since November 2019, the adviser said his ministry has started consultations with the stakeholders to get their proposals. ‘We will try to consider all their recommendations in the upcoming budget,’ the adviser said. He said that in the next two budgets 2020-21 and 2021-22 the tariff rationalization plan will be completed and the main focus of the reforms is to promote ‘Make in Pakistan’.

The adviser claimed that in the pre-coronavirus period, deindustrialization trend was halted by the ruling government. ‘It was one of our major achievements’ he said. However, he said that there is now a great pressure on the domestic industries in the post-pandemic world. According to Dawood, the focus of tariff reforms in the next budget is reducing the input cost of industries. ‘Now there is a pressure on Make in Pakistan, he said, and his ministry will concentrate on domestic commerce to consider all-out support for industries. He said the revival of industries will help to provide employment opportunities for those who lost their jobs due to the coronavirus outbreak in the country and subsequently lockdown. Pakistan imports consumer items, most of which are from China. There is a big scope for import substitution as most of the products require simple technology. The country spends millions of dollars every year on importing consumer items like value-added food products, personal care, home appliances and other household items. Electronic appliances, rubber tyres, pharmaceutical items, plastic toys, Tupperware, earphones, bulbs, handbags, stationery are already being imported from China in bulk. In the early 1980s, the import substitution policy was replaced by export-oriented industrialization which instead created an import-oriented economy. The Covid-19 again set the stage for reversing the trend to import substitution in the country.
**Exporters expect fresh orders**

KARACHI: Fresh orders are being anticipated by country’s exporters who say the global slowdown, due to the coronavirus pandemic and subsequent lockdown in many countries, has created space for Pakistani exports. The further added that while some export orders were cancelled, many are on hold but will resume once things normalise. Pakistan witnessed a steep fall of 54 per cent in exports in April which has damaged the government’s confidence as it tries to control the repercussions of the pandemic. Since March, the government has been providing several incentives to boost exports but the pandemic seems to be destroying this strategy. ‘I believe most of the orders are on hold. These are orders which are for summer and are on hold while some have been cancelled,’ said Zubair Motiwala, Chairman Council of Textile Association of Pakistan and the vice chairman of Businessmen Group. ‘Interestingly, Americans are not ready to buy Chinese products due to the tariff war between the two countries and this has created space for Pakistani products, particularly for the textile sector,’ he added.

Initially when the pandemic made its way to Pakistan, many exporters maintained that their orders were cancelled due to the fast spread of the virus. ‘Not all export orders were cancelled. Our orders are intact but on hold. We will continue to export once the global markets is normal, even at the minimum level,’ said Amir A. Zia, an exporter of readymade garments to Germany and other European countries. The exporter added that many companies in Pakistan have orders on hold and are waiting for green signals to go ahead. ‘We also expect fresh orders since the global markets which have faced lockdown for three months and this has created a large space for exporters,’ said Amir. ‘The export industry is currently working at 25pc of its capacity. In case of higher orders, the government must improve transportation so that workers can reach factories,’ he opined. Motiwala also said that Pakistan would get fresh orders from the USA. However, the global markets have significantly reduced by 40pc due to pandemic’s grave consequences, he noted. ‘We have started exporting new products like medical masks on large scale to Europe and the USA,’ he said. He said Pakistan is exporting highly quality medical masks and other medical equipments which would help the country to reduce its sharp fall of exports in April. The exporters urged the government to develop a new export policy after the pandemic. They also called for creating opportunities for new products, particularly low cost items.

**Govt focusing on attracting FDI, transfer of technology in SEZs:**

ISLAMABAD - The Advisor to Prime Minister on Commerce and Investment, Abdul Razak Dawood on Wednesday said the government was prioritizing development of special economic zones (SEZs) for attracting foreign direct investment (FDI) and transfer of technology into the
country. “The SEZs are primarily focused on industrialization that result in export promotion, import substitution, transfer of technologies and employment generation, which are the primary targets of our government as well,” Abdul Razak Dawood told APP here. The advisor said the establishment of SEZs was critical to resolving balance of payment issues as “we tend to give priority to enterprises which are involved in export generation or import substitution” he said. Talking about the criteria, the advisor said that only those economic zones are given status of SEZ which are successful in export generation and import substitution while at zone enterprise level, the admission into an SEZ is based on the economic viability of the business proposal.

Razak Dawood said this economic viability was gauged through the expected employment generation, domestic raw material consumption, imported raw material, and local and imported machinery at the time of consideration of the zone entry application. He said as more and more zone enterprises are coming into production the monitoring of these commitments has become indispensable, informing that instead of leaving it up to the developers or SEZs for that matter, the SEZ Secretariat at BOI was working to not only consolidate the data for gauging the actual benefits at zone enterprise level. He added that the BOI was also working towards amendments in the SEZ Act 2012 to streamlines these objectives and provide a conducive environment for the enterprises to meet these objectives. Replying to question on changes expected in SEZ Act and rules, he said the SEZ Act in its current form could not effectively contribute towards industrialization of Pakistan in its true spirit due to some inherent shortcomings, like slow pace of development and lack of utilities in the SEZs, complicated approval process, cumbersome procedures for availing the incentives, lack of clear policy objectives, absence of one window operations and others. The advisor said the proposed amendments aim to cater for the government’s vision to promote the entire service sector such as knowledge and information technology (IT) SEZs, tourism, including faith, health, cultural, and geographic etc, through Integrated Tourism Zones. He further said that considering that regulatory and bureaucratic hurdles pose the biggest challenge to Industrialization, One Stop Services Act is proposed to be promulgated to ensure the requisite Ease of Doing Business and to provide quality services to the investors with legal backing.

Razak Dawood said that with digital world becoming a reality, the SEZs are to be transformed to meet the challenge and create space for IT SEZs. For this to materialize, the proposed amendments also include a special provision for IT SEZs that relaxes the minimum land requirement of 50 acres, he added. He informed that an incentives package to attract meaningful export led, import substituting and labour intensive industrialization through local and foreign investors including the expected Chinese relocation of industries in the SEZs has been prepared by our team at Board of Investment, which has been submitted for the approval of the Economic Coordination Committee (ECC) of the Cabinet. He said this package not only includes extension of the already provided incentives but also some additional benefits for the developers and zone enterprises subject to the approval of the ECC. While replying to a question on the role of SEZs in industrial development under China Pakistan Economic Corridor (CPEC), he said that CPEC, SEZs can be a true catalyst to industrialization in Pakistan. The advisor said that due to various shifts in global economy and the changes in international relations, many manufacturing businesses are relocating from China to other destinations. An Industrial Development Cooperation Project (CPEC-ICDP) project is already working at full pace at the Board of
Investment (BOI) with a mandate to fast track industrial cooperation between China and Pakistan, he said.

He informed that China is developing first state of the art CPEC-SEZ (Rashakai Special Economic Zone) in Nowshera, KPK and more international developers are being solicited through international bidding to develop SEZs in Pakistan; He said Chinese companies (state owned as well as private) are showing keen interest to develop SEZs in Pakistan and hope that having Chinese units in CPEC, SEZs, Pakistan will become part of Global Value Chains (GVCs). Exports, import substitution, transfer of technologies, and employment generation are the expected outcomes from CPEC-SEZs, he said. While in his message for foreign investors to lure investment in SEZs, he said Pakistan offers liberal investment regime to local as well as foreign investors. Razak Dawood said that all sectors are open for investment, except arms, explosives, radioactive substances, securities, mint/currency and consumable alcohol). The government offered the investment protection through laws of the Parliament on online visa facility, international arbitration is allowed and full ownership and lease of land is allowed, he said. The advisor said that in ease of doing business, Pakistan has improved from 136 to 108 number of EoDB rank which shows government’s commitment to improving business environment.

The Nation

May 28, 2020

Online sales can create 780,000 employment opportunities in Pakistan

BEIJING - The online sales in Pakistan have increased significantly and if Pakistan pursues the development of logistics service and instant delivery service, it will create 78,000 jobs. The traditional offline sales around the world have been seriously affected due to the outbreak of COVID-19. The online sales have been developing rapidly, and as far as I know, online sales in Pakistan have also increased significantly. “If Pakistan pursues the development of logistics service and instant delivery service, and reaches the level of China, it will create 780,000 employment opportunities for Pakistanis according to the proportion of population. The number may grow to 1.56 million in the future,”

Cheng Xizhong, visiting professor at Southwest University of Political Science and Law said in his article published by China Economic Net here on Tuesday. Small and medium-sized enterprises are now facing great difficulties due to the pandemic, but various online sales platforms have provided them with new opportunities. More and more companies of clothing, shoes and hats, electronic products, frozen food, etc. have begun to sell their products on online platforms.

Online sales have become an important business mode during the pandemic period, and will also become the future development trend of business. From January to April this year, the total retail sales of social consumer goods in China increased by 6.1 percent over the same period of last year. It is estimated that domestic consumption in China will increase further in the next few months of this year. We would like to share China’s experience with Pakistani friends. He believed that the development of e-commerce needs strong support from at least two industries:
the mobile communication technology and the logistics service. Now, no matter in urban or rural areas, e-commerce, logistics service and mobile communication are highly developed in China. We may stay indoors and buy whatever we need through online platforms.

In Pakistan, e-commerce is developing rapidly, but mobile communication and logistics service may be a little behind as some people in rural areas may not have mobile phones. There is also a conceptual problem. As far as I know, some Pakistanis still like to go shopping in department stores and pay cash, which is considered as a kind of enjoyment. But in the current pandemic period, it would be better not to go out. In addition, the development of logistics service industry can also create a large number of employment opportunities. Now, the number of employees in China’s logistics service industry is more than 5 million, and it may reach 10 million in the next few years. Therefore, if Pakistan pursues the development of logistics service and instant delivery service, and reaches the level of China, it will create 780,000 employment opportunities for Pakistanis according to the proportion of population. The number may grow to 1.56 million in the future.

In conclusion, from the perspective of consumptive habits, online shopping has become the dominant trend; from the perspective of business strategy, sellers hope to have multiple modes of “offline + online” and “foreign trade + domestic consumption”; from the perspective of industries and enterprises, it is urgent for them to realize informatization and digitalization through industrial transformation and upgrading. To expand domestic demand and consumption is conducive to recovery of economic development under the COVID-19 pandemic situation.

The Nation
May 29, 2020

Pakistan aims to increase agri exports through rice: Razak

ISLAMABAD - Prime minister’s adviser on commerce and investment Abdul Razak Dawood has said that Pakistan had attained huge space in global rice market for exporting local rice in potential markets of Middle East, North America and African regions to achieve the target of increasing the agricultural exports. He said the government intended to take the exports to the highest level ever and for that purpose it was taking different measures to reclaim traditional markets besides accessing new ones. Talking to the APP here, he informed that rice delegation from Mexico would hopefully arrive in Pakistan in June to appraise various rice exporters for giving them permission for exporting rice to Mexico. The adviser said the all members of Rice Exports Association Pakistan (REAP) should prepare themselves for this opportunity from visiting delegation of Mexico. He said that during past few years, local rice export to Mexico had been held up for some time and after this “I hope that our rice will be able to enter in Mexican market.”

Razak Dawood said that rice was the largest agro-export commodity in the country’s export basket with a total volume of over $2 billion, which would be increased to $5 billion in the next five years. He demanded the local rice exporters to introduce new varieties of rice to enhance production and quality by investing in research and development. Replying to a question, he said
that even in current critical situation, the country’s exports increased in food, including meat, poultry, fruits and vegetable, cigarettes especially in Middle Eastern market as compared to same period of previous year. Replying to another question, he stressed the need for making preparations to exploit the economic and trade opportunities expected in the wake of post COVID-19 pandemic. “We perceive and expect more opportunities to promote bilateral trade and strengthen linkage with potential markets including Central European Union, China, Asian States, Middle East and African region besides promoting regional trade in post pandemic environment,” he said. He said the pandemic would bring a paradigm shift, hence create great opportunities adding the coronavirus had changed the world and now the business processes would be completely different.

“Such difficult period always brings out new opportunities, new products, and new ways of thinking,” he opined. Razak Dawood said the government was equally focusing on all sectors of economy including textile, non-textile, and agriculture and engineering sectors to build export potential of the country in coming months. Talking about the external trade situation during the past three months, he said the situation of exports was not good as those had declined in April 2020 by around 54 per cent as compared to the same month of last year and the reason obviously behind the decline was the spread of coronavirus across the world. Replying to another question, he informed that in last 10 months (July-April) of current fiscal year 2019-20, the overall exports were declined by four percent as compared to the corresponding period of last year. He said the exports increased by 13 percent in February, however, started reducing from March which had decline the exports by 6.5 per cent as compared to the last year. However, he said even during the current lockdown situation, in the beginning of COVID-19 pandemic, Pakistan exported textile and non-textile products while the country’s food exports increased especially in the Middle Eastern market. Likewise, exports in steel articles also increased in the last three months in the critical situation.

Razak Dawood said the government was prioritizing to promote ‘Made in Pakistan’ policy to boost local production and reduce dependence on import and enhance exports. While the adviser emphasized the need for exploiting the huge opportunities of increasing exports in the health and safety products like personal protective equipments (PPE) including protective masks, gloves, sanitizers, clothing, helmets, goggles and other garments or equipment designed for protection from COVID-19. He said a summary in that regard had already been forwarded to the cabinet, while the ministry was also negotiating the future strategy for increasing the exports to help export-led economic growth. “We should conclude our all strategy and start manufacturing in different sectors to achieve our exports targets,” he added.

The Nation

May 30, 2020

Footwear exports increase 7.99 percent

ISLAMABAD Footwear exports during first ten months of current financial year grew by 7.99% as compared to the exports of the corresponding period of last year. During the period from July-April 2019, footwear worth $108,430 thousand was exported as compared to the exports of
Kyrgyzstan offers its markets to Pak merchandise

LAHORE - Kyrgyzstan has offered its market of over 180 million people to Pakistani merchandise, saying that Pakistani businessmen should come forward and avail the opportunity. Kyrgyz Ambassador Erik Beishembiev made the offer in a meeting with business community here at the Lahore Chamber of Commerce & Industry (LCCI) on Saturday. LCCI President Irfan Iqbal Sheikh, Senior Vice President Ali Hussam Asghar and Vice President Mian Zahid Jawaid Ahmad also spoke on the occasion, while LCCI Executive Committee Members Haji Asif Sehar, Shahzad Aslam, Haris Attiq and Malik Muhammad Khalid were also present.

The ambassador said that his country greatly valued relations with Pakistan, and that was why it sought further diversification and strengthening of the relations. He said that Kyrgyz-Pakistani historical relations could be traced back centuries ago. “Our peoples have long-time and close cultural and spiritual ties. Today our countries enjoy excellent political relations and regularly exchange visits on the highest levels,’ he added. He said that both countries were rich in mineral resources, have high skilled human resources, excellent opportunities for developing industry and agriculture, attracting foreign investments for joint production and supply of goods, including for export. Ambassador Erik said that Kyrgyzstan was interested in development of short transportation links through its territory between Central Asia and China and Pakistan with access to the Gwadar and Karachi ports, using railway and automobile roads, which are being constructed in the framework of China-Pakistan Economic Corridor (CPEC). Today, shortest automobile roads are connecting China to Kyrgyzstan through two border mountain passes in Kyrgyzstan - Torugart in the North and - Erkeshtam in the South, located only about 200-km from Chinese city of Kashgar.

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