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Islamabad, Kabul agree to have more discussions on APTTA

ISLAMABAD - Pakistan and Afghanistan have agreed to have further discussions and exchange views on the Afghanistan Pakistan Transit Trade Agreement (APTTA). The 8th meeting of Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) was held in Islamabad from 28th to 30th December, 2020, said official statement issued by the ministry of commerce. The Afghanistan delegation was led by Nisar Ahmad Faizi Ghoryani, Minister of Industry and Commerce of Afghanistan. During the visit, he had meetings with the Prime Minister of Pakistan, Abdul Razak Dawood, Advisor to the Prime Minister of Pakistan on Commerce and Investment, Ali Zaidi, Minister for Maritime Affairs, Asad Qaiser, Speaker of National Assembly, and representatives of private sector of Pakistan. The 8th APTTCA meeting was jointly inaugurated by Abdul Razak Dawood, Advisor to the Prime Minister of Pakistan on Commerce and Investment, and Nisar Ahmad Faizi Ghoryani, Minister of Industry and Commerce of Afghanistan. Muhammad Sualeh Ahmed Faruqui, Secretary, Ministry of Commerce, and Hashmatullah Ghafoori, Deputy Minister of Irrigation and Natural Resources, Ministry of Agriculture Irrigation and Livestock, Islamic Republic of Afghanistan, co-chaired the meeting.

The two sides held detailed discussions for the revision of APTTA in constructive and positive spirit where a lot of progress was made on the agenda. Texts of the proposed drafts were earlier exchanged and discussed in the meeting between the two sides. The two sides agreed to have further discussions and exchange views on the subject matter. This would be followed by next meeting in on a mutually agreed date and place to make further progress. In addition to the talks on APTTA, constructive discussions were also held on PTA and proposed sustenance markets. An MoU on railway cooperation was also discussed.

US, UK, China top three destinations of Pakistani exports in five months

ISLAMABAD - United States of America (USA) remained the top export destinations of the Pakistani products during the first five months of the financial year (2020-21), followed by United Kingdom (UK) and China. Total exports to the USA during July-November (2020-21) were recorded at $1855.564 million against the exports of US $ 1744.463 million during July-November (2019-20), showing the growth of 6.36 per cent, according to State Bank of Pakistan (SBP). This was followed by the UK, wherein Pakistan exported goods worth $773.837 million against the exports of $726.942 million last year, showing an increase of 6.45 per cent. China was the at the third top export destination, where Pakistan exported products worth $615.731 million during the months under review against the exports of US $727.480 million during last year, showing the decline of 15.36 per cent, SBP data revealed. Among other countries, Pakistani exports to Germany stood at $615.539 million against $553.088 million during last year,
showing an increase of 11.29 per cent while the exports to UAE were recorded at $565.202 million against $663.260 million last year, the data revealed.

During July-November (2020-21), the exports to Holland were recorded at $411.201 million against $420.714 million whereas the exports to Afghanistan stood at $368.114 million against $432.561 million. Pakistan’s exports to Italy were recorded at $288.122 million against the exports of $324.971 million while the exports to Spain were recorded at $289.997 million against $380.270 million last year. The exports to Bangladesh stood at $219.825 million against $297.676 million. Similarly, the exports to France during the months under review were recorded at $173.848 million against $188.906 million while the exports to Saudi Arabia stood at $176.097 million against $199.001 million. Pakistan’s exports to Turkey were recorded at $99.612 million during the current year compared to $123.692 million last year whereas the exports to Canada stood at $114.718 million against $114.916 million, to Poland $115.569 million $108.735 million whereas the exports to Australia stood at $95.655 million during the current year against $81.536 million during last year. Overall Pakistan’s exports to all other countries witnessed the decline of 7.13 per cent in the first five months, from $10.284 billion to $9.550 billion, the SBP data revealed.

**Exports jumps 18.3pc in December**

ISLAMABAD: Pakistan’s exports grew for the fourth consecutive month in December to $2.357 billion, up 18.3 per cent from $1.993bn in the corresponding month last year, data released by the Ministry of Commerce showed on Friday. However, the December export proceeds posted a growth of 8.4pc when compared with $2.174bn in November 2020. The increase in overall exports is mainly driven by double-digit growth in proceeds from textile and clothing sectors as well as engineering products, surgical instruments and value-added leather products.

Prime Minister Imran Khan took to Twitter to extend congratulations to exporters for achieving record exports in the month of December 2020. `Congratulations to all the exporters on achieving record exports in Dec 2020 with a growth of 18% over the previous year. Well done & keep up this trend. A major pillar of our govt’s economic policy is export enhancement & we will provide full support to promote export culture, the prime minister tweeted. Commerce Adviser Razak Dawood said export ever.

Between July to December, the export proceeds increased by 4.9pc to $12.104bn as compared to $11.533bn in the corresponding period last year. ‘This shows the resilience of the economy of Pakistan and it is a vindication of the government’s policy to keep the wheels of economy running during the Covid-19 pandemic’, the adviser said. The adviser went on to say that he commended exporters for achieving this feat during these testing times and urged them to aggressively focus on capturing a larger share of international trade. Exports in the new fiscal year started on a positive note but witnessed a steep decline of 19pc in August before rebounding in September, October, and November. To promote exports of textile and nontextile products, the government is providing cash subsidies besides slashing duty and taxes on import of raw
Pakistan’s fisheries sector was especially highlighted, and the Japanese ambassador stated development of Water Supply System of Faisalabad and may consider it in Karachi as well. 

During the meeting, Japanese businesses in Pakistan were discussed. MOS/chairman highlighted the investment potential and opportunities available for Japanese investors/companies in Pakistan. During the meeting, Japanese businesses in Karachi were discussed. MOS/chairman BOI suggested that Japan may like to be involved in Karachi Redevelopment Plan. In this regard, upgrading the existing system of water supply management, improving transport amenities like Karachi Circular Railway, Kemari to Pipri rail line are opportune for investment. Kuninori Matsuda stated that they are already looking into development of Water Supply System of Faisalabad and may consider it in Karachi as well. Pakistan’s fisheries sector was especially highlighted, and the Japanese ambassador stated that
their government and private sectors would be urged to invest in fisheries industry of Pakistan. He said that they are already working on fisheries project like the Korangi fish harbor project. The ambassador conveyed intention of further expanding the Japanese auto-industry and textile industry investments in the country. Chairman BOI stated that Japanese auto industry standardization in Pakistan may be brought up to next level.

During the meeting, pharmaceutical sector was also discussed and the honorable chairman noted that currently Active Pharmaceutical Ingredients (API’s) are mainly imported from India and China, however, Japanese pharma companies could cooperate with Pakistani counterparts in development of active pharmaceutical ingredients for medicines. He also showed interest in agriculture and food processing sectors. He highlighted that Pakistani agriculture items like mangoes, basmati and dates are already being exported to Japan, however due to great travel distance, processing standards of these products can be improved.

Envoy apprised that the city of Osaka is a center of business clusters and small/medium industry in Japan, however, a commercial consulate/government liaison body from Pakistan is not available there. He remarked that an office there can improve the cooperation between both countries. The chairman acknowledged and stated that BOI may coordinate with Ministry of Foreign Affairs with respect to the proposal. Japanese ambassador also invited chairman BOI to attend as a speaker in future events/meetings of Karachi and Lahore chapters of Japanese business communities. MOS/chairman BOI stated: “He will consider positively once any such invitation is received.” MOS/chairman indicated that CPEC SEZ’s are also open to countries other than China for development and investment. He enlightened the ambassador about prospect of Japanese based developer for the Dhabeji Special Economic Zone in Sindh, and also invited Japanese enterprises to establish units in SEZs. He noted that Dhabeji has a very good location given its close proximity to the Karachi Port.

The Nation
January 5, 2021

Webinar on market opportunities for handicrafts in Chinese market held

KARACHI - Trade Development Authority of Pakistan in collaboration with Handicraft Association of Pakistan and Trade and Consul General Trade and Investment of Pakistan in Shanghai organized a webinar on market opportunities for handicrafts products in the Chinese market. Consul General Trade and Investment Shanghai, Hussain Haider told the participants that Shanghai textile museum agreed to hold exhibition of Pakistani handicrafts and textiles on May 18, 2021, which will later be expanded to other cities in China. Talking about market opportunities in Shanghai and the YRD region, Consul General Shanghai also mentioned that next year a permanent Pakistan pavilion in Shanghai will be set up in China Pilot Free Trade Zone Shanghai, which will be excellent opportunity for handicraft manufacturers to display their product. Similarly, the China International Export Expo is planned to be held in November 5 - 10, 2021 and this will also provide an opportunity for the promotion of Pakistani handicraft products. Consul General Shanghai gave an overview of the handicraft products and its sub-categories that are high in demand in the YRD region in China. He briefed about the tariff
Director General TDAP Islamabad Shahzad Ahmed Khan told the participants that this is the second webinar in a series of webinars with trade and investment officers abroad for tapping market opportunities in the handicrafts sector. The first four countries identified for these webinars are China, Japan, Hong Kong, and South Korea. In the Chinese markets, TDAP has already held a webinar separately with Trade and Investment Counsellor Beijing, and plans to hold a webinar with Trade and Investment Officer Chengdu. According to Director General TDAP Islamabad, the purpose of these webinars is to find potential exporters of handicrafts products suitable for that particular market. These exporters will then participate in a second round of webinar with the same trade and investment officer in which matchmaking exercise will be conducted with these sellers and buyers of handicraft products abroad who will be brought in by the trade and investment officer.

Ms Shireen Arshad Khan, founder Handicraft Association of Pakistan, highlighted the importance of value addition in handicrafts. Ms Masooma Sibtain, Chairperson Committee on Women Economic Reforms, stressed upon the capacity building aspect of handicraft products and said that synergized effort is required among government departments. A highly interactive session took place in the end in which suppliers of handicraft products in Pakistan directly engaged with the trade mission so that they can prepare themselves to effectively tap the Chinese market.

**The Nation**

January 6, 2021

**Philippines emerges as fast growing market for Pak exports**

ISLAMABAD - The Philippines has emerged as a fast growing market for Pakistan’s exports, which have increased by 36 per cent in first five months (July to November) of the current fiscal year. “It is encouraging to note that in the first 5 months of this year, Philippines has emerged as a fast growing market for our exports. During Jul-Nov 2020, exports to Philippines increased by 36 percent to USD 41 million from USD 30 million in the same period last year. In Nov-2020, exports to The Philippines grew by 167 percent to USD 13 million compared to USD 4.8 million in Nov 2019. This is in line with our geographical diversification policy,” said Adviser to the Prime Minister on Commerce and Investment Abdul Razak Dawood on Twitter on Saturday. In other tweet, he said, “I want to share that in Nov 2020, the exports of cotton yarn declined by 25 percent, raw leather by 21 percent, and cotton fabric by 12.2 percent. This is an indication that exports of low value-added products are decreasing and we are moving towards more value-added exports. I urge our exporters to keep pursuing this policy”. He further said that significant growth has been seen in the exports of home textiles (20 percent), pharmaceutical products (20 percent), rice (14 percent), surgical goods (11 percent), stockings & socks (41 percent), jerseys & pullovers (21 percent), women’s garments (11 percent) and men’s garments (4.3 percent).
percent), as compared to Nov 2019. This is in line with our policy of promotion of value added exports and reflects a healthy trend, he added.

The latest data of Pakistan Bureau of Statistics (PBS) showed that Pakistan’s exports grew for the third consecutive month in November to $2.161 billion, up 7.67 per cent from $2.007 billion in the corresponding month last year. The increase in exports is mainly driven by double-digit growth in proceeds from textile and non-textile commodities. Meanwhile, during the month under review, imports also increased 7 percent leading to a slight increase in trade deficit. Between July to November, exports slightly increased by 2.11 percent to $9.737 billion, from $9.536 billion over the corresponding months of last year. Meanwhile, the imports have also shown increase of 1.29 percent to $19.42 billion in five months. Therefore, the trade deficit has widened by 0.48 percent to $9.69 billion in July to November period of the year 2020-21, according to the latest data of Pakistan Bureau of Statistics (PBS). Exports and imports have shown increase in the period under review.

**USA, UK, Germany remain top three destinations of Pakistani exports**

APP: United States of America (USA) remained the top export destinations of the Pakistani products during the first four months of the financial year (2020-21), followed by United Kingdom (UK) and Germany. Total exports to the USA during July-October (2020-21) were recorded at $1461.063 million against the exports of $1428.525 million during July-October (2019-20), showing the growth of 2.27 per cent, according to State Bank of Pakistan (SBP). This was followed by the UK, wherein Pakistan exported goods worth $602.367 million against the exports of $580.674 million last year, showing an increase of 3.73 per cent. Germany was the at the third top export destination, where Pakistan exported products worth $493.735 million during the months under review against the exports of US $445.968 million during last year, showing a growth of 10.71 per cent, SBP data revealed. Among other countries, Pakistani exports to China stood at $462.268 million against $586.363 million during last year, showing a decrease of 21.16 per cent while the exports UAE to were recorded at $449.642 million against $534.027 million last year, the data revealed.

During July-October (2020-21), the exports to Holland were recorded at $313.048 million against $344.662 million whereas the exports to Afghanistan stood at $269.463 million against $339.033 million. Pakistan’s exports to Italy were recorded at 230.179 million against the exports of US $266.939 million while the exports to Spain were recorded at $219.990 million against $311.168 million last year. The exports to Bangladesh stood at $169.715 million against $248.377 million. Similarly, the exports to France during the months under review were recorded at $137.575 million against $152.384 million while the exports to Saudi Arabia stood at $142.579 million against $165.459 million. Pakistan’s exports to Turkey were recorded at $80.536 million during the current year compared to $101.167 million last year whereas the exports to Canada stood at $90.032 million against $93.540 million, to Poland $88.742 million against $89.023 million whereas the exports to Australia stood at $77.237 million during the current year against $66.712 million during last year. Overall Pakistan’s exports to other countries witnessed a decline of 10.32 per cent in the first four months, from $8.173 billion to $7.332 billion, the SBP data revealed.
Pakistan earns $444.050 million from IT services’ export

ISLAMABAD - Pakistan has earned $444.050 million by providing different information technology (IT) services in various countries during the first quarter (Q1) of the financial year 2020-21. This shows the growth of 41.01 per cent when compared to $314.900 million earned through the provision of services during the corresponding period of the fiscal year 2019-20, Pakistan Bureau of Statistics (PBS) reported. During the period under review, the computer services grew by 46.38 per cent as it surged from $237.400 million last year to $ 347.500 million during July-September (2020-21). Among the computer services, the exports of software consultancy services witnessed an increase of 26.05 per cent, from $ 91.532 million to $115.379 million while the export and import of computer software-related services also rose by 21.90 per cent, from $71.638 million to $ 87.325 million. The exports of hardware consultancy services decreased by 60 per cent from, $0.345 million to the US $0.138 million whereas the exports of repair and maintenance services also declined by 76.19 per cent from $0.609 million to $0.145 million. Besides the exports of other computer services rose by 97.22 per cent from $73.276 million to $144.513 million. Meanwhile, the export of information services during the period under review increased by 28.81 per cent by going up from $ 0.590 million to $0.760 million.

Among the information services, the exports of news agency services increased by 15.45 per cent, from $0.356 million to $0.411 million whereas the exports of other information services also increased by 49.15 percent, from $0.234 million to $0.349 million. The export of telecommunication services also witness an increase of 24.55 per cent as these went up from $76.910 million to $95.790 million during the fiscal year under review, the data revealed. Among the telecommunication services, the export of call centre services increased by 18.53 per cent during the period as its exports increased from $ 26.787 million to $ 31.751 million whereas the export of other telecommunication services also increased by 27.76 per cent, from $50.123 million to $64.039 million during the period under review, the PBS data revealed. It is pertinent to mention here that the services trade deficit of the country during the first quarter of the fiscal year (2020-21) decreased by 50.91 per cent as compared to the corresponding period of last year. During the period from July-September, 2020-21, services exports decreased by 5.40 per cent, whereas imports reduced by 26.28 per cent, according to the data released by Pakistan Bureau of Statistics. The services worth $1.225 billion exported during the period under review as compared the exports of $1.295 billion in the same period of last year, whereas imports of services into the country was recorded at $1.764 billion as against the imports of $2.393 billion, the data revealed.
New textile policy envisions trillion rupee subsidies for exporters till year 2025

ISLAMABAD: The government is set to unveil an ambitious Textile and Apparel Policy 2020-25 laden with cash subsidies and lower rates on utilities worth Rs960 billion to boost production and exports of value-added textile products. The proposed policy, which will be the third such policy, estimates three scenarios that the measures will lift the textile and clothing exports to a minimum of $15.7bn and a maximum of $20.8bn by end of the year 2025. Well-placed sources told Dawn that the Federal Board of Revenue (FBR) has sought one week’s time to analyze the revenue implications of the proposed measures under the policy. One of the major recommendations of the textile division is the restoration of the zero-rated regime for the five export-oriented sectors. The facility was withdrawn in the year 2019. The FBR will take up the issue of zero-rated regime revival with the International Monetary Fund, the sources said, adding the stakeholders also want its revival to cope with the impact of Covid-19. The FBR has claimed to have processed the highest-ever refunds of the industry. In the last two years, the government paid Rs97bn in pending liabilities of previous governments, while the previous two governments only paid Rs68bn.

The policy is laden with measures to tackle issues confronting the textile sector amid Covid-19 that has resulted in supply chain disruptions, affected global prices of commodities hitting trade adversely, while also addressing the issues of the withdrawal of SRO-1125 and cost of doing business. Furthermore, the policy should attract domestic and foreign investment in the textiles value chain and the development of value added sectors, with a prime focus on small and medium enterprises (SMEs). However, the incentives only focus on reducing the cost of doing business in existing industries and no specific link is proposed to either enhance exports or expand production lines. The past policies only subsidized export proceeds instead of widening the production line. Currently, the textile and clothing industries are operating at full capacity to meet buyers’ demands. Under the policy, the government has proposed an amount of Rs200bn to subsidize electricity supply to the export sectors for the next five years. The electricity will be provided at cents 9/kWh. Similarly, an amount of Rs150bn will be allocated for providing gas at a concessionary rate to the industry.

The government will provide RLNG at $6.5/mmBtu and system gas at Rs786/mmBtu during the next five years. It has been proposed to allocate Rs400bn for payment of Drawback of Local Taxes and Levy (DLTL) scheme, which is simply a cash subsidy on exports proceeds from the country. Currently, the government provide cash subsidy under the DLTL which was launched by the previous government. It was also decided in principle that to bring no change in the existing Export Finance Scheme (EFS) and Long Term Financing Facility (LTFF) schemes. It is proposed to allocate an amount of Rs200bn to ensure short-term credit availability and long-term finance facility to exporters. It is also under consideration to revive LTFF and refinance scheme for SMEs and indirect exporters. Textile machinery and spare parts, accessories, dyes, and chemicals will also be included in LTFF schemes of the State Bank of Pakistan. Similarly, a brand development fund will be launched besides revitalizing Pakistan Textile City Ltd (PTCL) and Karachi Garment City Ltd (KGCL). Special Economic Zone (SEZ) status will be granted to
PTCL and KGCC as well. International buying houses will be consulted to develop an incentive package to encourage them to open offices in Pakistan.

The Ministry of Commerce will formulate an aggressive road map to get market access to developed and developing economies. The mass level training programme will be launched specially for industrial stitching and mostly for women. Measures also proposed to promote marketing strategy. The first-ever E-Commerce Policy is under implementation phase, and this will provide open access to textile manufacturers/ exporter to tap available business opportunities across the globe. Amazon has already started registering Pakistani manufacturers and exporters including textiles. The previous two Textile Policy 2009-14 and 2014-19 was formulated with the aim of enhancing exports to $25bn and $26bn, respectively. The targets set were ambitious and it could only remain on papers. For achieving these targets, the financial commitment of Rs188bn for the first policy and Rs65bn for the second policy was made by the government. However, the commitments were not fulfilled, and timely payments were not doled out in the financial support schemes.

**DAWN**

January 7, 2021

**3rd round of trade talks with S. Korea**

ISLAMABAD: Pakistan and South Korea held third round of the Joint Trade Committee meeting on Wednesday to discuss avenues to expand the bilateral trade and investment linkages, the Ministry of Commerce said in a statement. The issues faced by Korean companies operating in Pakistan were raised in the meeting and the Pakistani side assured complete facilitation in resolution of all outstanding issues. The prospects of a Free Trade Agreement was also discussed. Investment opportunities were also highlighted with reference to the successful experience of Korean auto companies, as well as pointing out the opportunities in cellular and electric vehicle policies announced by the government. Besides, investment opportunities in textiles were also highlighted. The next round will be held in 2022. Both sides agreed to work towards ‘extending the validity of the existing memorandum of understanding on Trade and Investment Cooperation with requisite modifications to cater to the new trade and investment environment.

**The Nation**

January 7, 2021

**Exporters suggest PM to declare Sialkot as ‘Value-added City’**

Sialkot - The Pakistan Readymade Garments Manufacturers & Exporters Association on Sunday proposed the Prime Minister Imran Khan declare Sialkot as a Value-added City, as it is a hub of SME sector, contributing $2.5 billion foreign exchange by adding a multi-fold value addition in garments, sports goods, surgical goods, musical devices, cutlery, leather garments, gloves, handmade badges and military uniforms. Sialkot is the only city in Asia where its business community has built its airport and now it is going to launch a private airline-‘Airsial’, this will
help spur export growth from this city. PRGMEA Central Chairman Sohail Sheik and Chief Coordinator Ijaz Khokhar observed that it is the fourth largest value-added garment city in Pakistan, therefore we request the Prime Minister to also announce a ‘garment city’ for Sialkot in line with the garment cities of Karachi, Faisalabad and Lahore. Addressing a meeting, held here to discuss and finalize the meeting agenda with the members, to be presented to the PM on his forthcoming visit to Sialkot, both leaders of PRGMEA pledged that Sialkot, after the establishment of garment city, will be able to increase garment export three-fold to $1.5 billion from the current figure of $530 million.

“We appreciate the PM as well as Adviser to PM on Commerce and Investment Abdul Razak Dawood for incorporating our several major demands in forthcoming textile policy and hope that rest of the proposals will also get their serious consideration before its final approval from the cabinet,” the central chairman said. He said that all PRGMEA members welcome speedy disbursement of sales tax refunds under FASTER plus system, DLTL refunds, customs rebate being deposited directly into the bank, cut in power tariff for SMEs and reduction of interest rate to 7 per cent, which would ultimately lead to an aggressive sale in future and hopefully gear up the export in 2021. Ijaz Khokhar observed that the SBP’s relief measures, including Temporary Economic Refinance Facility for machinery imports, is very encouraging and good for industrial expansion. “The PRGMEA appreciates the efforts of the PM to cut power tariff for SMEs which covers almost 90 per cent of the industry and especially the efforts of the commerce ministry to promote economic growth in the country and provide liquidity and other support to the value-added apparel sector during COVID-19 are appreciable.”

The Chairman also hailed the significant growth observed in apparel export for Nov 2020. He said that this was in line with the government policy of promotion of value-added exports, which is reflecting a healthy trend. He called for advising trade missions abroad to actively engage the importers for promotion of Pakistan’s exports. “We are thankful to the government for releasing Rs1.78 billion for the textile sector under the Drawback of Local Taxes and Levy scheme (DLTL). He expressed the hope that this would resolve the liquidity issues of exporters and enable them to enhance exports further. Sohail A. Sheikh observed that the proposed declaration of Sialkot as a ‘value-added city’ could enable it to help achieve national targets on export promotion, employment generation, besides productivity enhancement and brand creation in a progressive way to attract the international buyers. He hailed the establishment of a new technical university in Sialkot, saying the varsity and the Garment City would create well trained and skilled manpower, integrating the entire apparel industry and SME sector in the area.

The Nation

January 7, 2021

USA, UK, Germany remain top three destinations of Pakistani exports

ISLAMABAD - United States of America (USA) remained the top export destinations of the Pakistani products during the first four months of the financial year (2020-21), followed by United Kingdom (UK) and Germany. Total exports to the USA during July-October (2020-21) were recorded at $1461.063 million against the exports of $1428.525 million during July-October (2019-20), showing the growth of 2.27 per cent, according to State Bank of Pakistan
(SBP). This was followed by the UK, wherein Pakistan exported goods worth $602.367 million against the exports of $580.674 million last year, showing an increase of 3.73 per cent. Germany was the at the third top export destination, where Pakistan exported products worth $493.735 million during the months under review against the exports of US $445.968 million during last year, showing a growth of 10.71 per cent, SBP data revealed. Among other countries, Pakistani exports to China stood at $462.268 million against $586.363 million during last year, showing a decrease of 21.16 per cent while the exports UAE to were recorded at $449.642 million against $534.027 million last year, the data revealed. During July-October (2020-21), the exports to Holland were recorded at $313.048 million against $344.662 million whereas the exports to Afghanistan stood at $269.463 million against $339.033 million. Pakistan’s exports to Italy were recorded at 230.179 million against the exports of US $266.939 million while the exports to Spain were recorded at $219.990 million against $311.168 m last year.

The exports to Bangladesh stood at $169.715 million against $248.377 million. Similarly, the exports to France during the months under review were recorded at $137.575 million against $152.384 million while the exports to Saudi Arabia stood at $142.579 million against $165.459 million. Pakistan’s exports to Turkey were recorded at $80.536 million during the current year compared to $101.167 million last year whereas the exports to Canada stood at $90.032 million against $93.540 million, to Poland $88.742 million against $89.023 million whereas the exports to Australia stood at $77.237 million during the current year against $66.712 million during last year. Overall Pakistan’s exports to other countries witnessed a decline of 10.32 per cent in the first four months, from $8.173 billion to $7.332 billion, the SBP data revealed.

The Nation
January 7, 2021

Leather exports increase 5.25pc in 4 months

ISLAMABAD - The leather manufactures exports from the country witnessed an increase of 5.25 per cent during the first four months of the current financial year (2020-21) as compared to the exports of the corresponding period of last year. Pakistan exported leather worth $190.856 million during July-October (2020-21) against the exports of $181.338 million during July-October (2019-20), showing the growth of 5.25 per cent, according to the Pakistan Bureau of Statistics (PBS). Among the Leather products, the exports of leather garments increased by 0.36 per cent, from $99.941 million last year to $100.303 million during the current year. The leather gloves exports also rose by 9.71 per cent by going up from $77.573 million to $85.103 million. Likewise, the exports of all other leather manufacture commodities also increased by 42.52 per cent during the period under review as these went up from $3.824 million last year to $5.450 million during the current fiscal year. Meanwhile, year-on-year basis, the leather exports, however, witnessed a decrease of 9.47 per cent during October 2020 compared to the same month of last year.

The leather exports during October 2020 were recorded at $45.123 million against the exports of $49.844 million in October 2019. During the period under review, the leather garments and leather gloves exports also declined by 8.24 and 12.49 per cent respectively. Besides, the exports of all other leather manufacture however increased by 26.09 per cent. On a month-on-month
basis, the exports of leather manufacture decreased by 5.03 per cent during October 2020 as compared to the exports of $47.515 million in September 2020, the PBS data revealed. On a month-on-month basis, the exports of leather garments and leather gloves decreased by 9.10 and 0.97 per cent respectively while the export of all other leather manufactures rose by 6.58pc. It is pertinent to mention here that the overall merchandise trade deficit decreased by 1.36 per cent during the first four months of the current fiscal year (2020-21) as compared to the deficit of the corresponding period of last year. The deficit during July-October (2020-21) was recorded at $7.617 billion as compared to the deficit of $7.722 billion, showing a decrease of 1.36 per cent. During the period under review, the country’s exports registered positive growth of 0.62 per cent, by going up from $7.529 billion last year to $7.576 billion during the current year. On the other hand, the imports decreased by 0.38 per cent, from $15.251 billion last year to $15.193 billion during the current year.

DAWN
January 8, 2021

PM to launch first instant payments system

KARACHI: Prime Minister Imran Khan is expected to launch the completion of the first phase of Pakistan’s Instant Payments System project soon, said the State Bank of Pakistan (SBP) Governor Dr Reza Baqir on Thursday while steering the third nation-wide stakeholders’ meeting on Digital Financial Services. The meetings, organised by the SBP aim to accelerate the agenda on promoting digital financial services and payments in the country. The meeting was attended by the World Bank country director, Accountant General of Pakistan Revenue; representatives from Nadra, Pakistan Telecommunication Authority, Bill and Melinda Gates Foundation (BMGF), Karandaaz and chief executives and presidents of banks, telecommunication companies and electronic money institutions (EMIs) and other stakeholders.

SBP Governor Baqir briefed the forum about the significant progress made since the last consultative meeting and important steps taken by the central bank to facilitate digital payments. He said the development of Pakistan’s Instant Payments System project powered by the SBP in collaboration with its partners has progressed significantly and the PM Khan will soon launch the completion of its first phase. ‘This phase will enable instant transfer of dividend payments directly into the bank accounts of investors by the Central Depository Company,’ he said. Dr Baqir said the completion of this phase in a reasonable time despite disruptions due to Covid-19 is commendable and the SBP appreciated the continuous support of its partners and other stakeholders. He also highlighted various other initiatives accelerating the pace of digitisation in the country including successful introduction of the digital account opening and provision of lifestyle banking and investments by banks through the Roshan Digital Accounts (RDA) for non-resident Pakistanis. He said the central bank has also fast-tracked the licensing application process for EMIs to accelerate digital payments by the non-bank players. To facilitate cross-border flows of retail payments and venture capital funds, the SBP has also made amendments in the foreign exchange manual to make it easier to make payments, he said.
Razak, Turkmen envoy discuss trade

ISLAMABAD: Pakistan and Turkmenistan on Thursday have agreed to convene the Joint Working on Trade (JWT) group’s third meeting to discuss the wide-ranging bilateral trade issues. The understanding was reached during the meeting of Ambassador of Turkmenistan to Pakistan Atadjan Moylamov who called on Adviser to the Prime Minister on Commerce and Investment Razak Dawood at the Ministry of Commerce (MOC). An official announcement said it was decided that the two sides will hold technical level consultations to finalise the agenda for the third JWT meeting. The envoy and adviser agreed that bilateral trade was below its true potential and resolved to increase it to its true potential. Ambassador Moylamov showed keen interest in holding the sixth meeting of Pak-Turkmenistan Joint Governmental Commission this year.

Furthermore, the Turkmen side also discussed the signing of Memorandum of Understanding (MoU) between Gwadar Port and Turkmen Ports. Razak appreciated the Turkmen’s proposal for the transit of Turkmen goods through Gwadar and Karachi ports via railways and road transportation. In light of Pakistan’s interaction with Afghanistan and Uzbekistan, now Turkmenistan also wants to have trade relations with Pakistan. The Ministry of Commerce is developing a strategy to incorporate Turkmenistan as well. This is all part of how to integrate the five Central Asian Republics with Afghanistan and Pakistan, the announcement added.

Pakistan stresses to boost regional free trade agreements among Carec countries

ISLAMABAD - Pakistan on Monday has highlighted that to expand trade between the Central Asia Regional Economic Cooperation countries (CAREC) programme, Transit Trade Agreements (TTAs) amongst member countries leading to the Regional Free Trade Agreements (RFTAs) may be considered. Federal Minister for Economic Affairs Makhdum Khusro Bakhtyar participated in the 19th Ministerial Conference of Central Asia Regional Economic Cooperation (CAREC) virtually held on 7th December 2020. President of Afghanistan Mr Mohammad Ashraf Ghani while delivering his special message, especially appreciated the Prime Minister Imran Khan’s recent visit to Kabul. He termed the PM Imran Khan’s visit an important milestone in strengthening bilateral ties and enhancing prospects for regional cooperation and integration. CAREC Program is a partnership of 11 countries and 6 development partners working together to promote development through cooperation, leading to accelerated economic growth and poverty reduction. It is guided by the overarching vision of “Good Neighbours, Good Partners, and Good Prospects.”
The ministers & senior representatives of Afghanistan, Azerbaijan, China, Georgia, Kazakhstan, Kyrgyz Republic, Pakistan, Mongolia, Tajikistan, Turkmenistan and Uzbekistan also addressed to the conference. Senior representatives of ADB, IMF, WB, AIIB, IDB, EBRD, EIB, OFID, USAID, UN Agencies, WTO and JICA also attended the Conference. The Minister, in his remarks, highlighted the significance of regional cooperation such as CAREC for Pakistan in achieving shared goals of sustainable development and economic growth. Mr Bakhtyar reiterated the importance of regional connectivity not only through road network but also a rail, aviation and ports for unleashing trade and tourism potential in the region. While endorsing the Framework, he emphasised that setting specific, measurable, attainable, relevant and time-bound (smart) targets along with active monitoring & annual reporting, we can effectively monitor the progress leading to the implementation of CAREC’s Vision 2030. Strengthening bilateral ties, enhancing prospects for regional cooperation and integration vital.

The Minister highlighted that tourism is part of the national development policy of the Government of Pakistan and this sector contains immense untapped potential. He suggested the development of regional tourism corridor, the establishment of CAREC Business Council and increased involvement of the private sector in promoting tourism. He further highlighted that the incumbent government is focusing on facilitating the private sector for increased investment. He also suggested enhanced visa facilitation regime in the form of “CAREC Sticker” for certain categories within the region. The Minister highlighted that to expand trade between the CAREC countries, Transit Trade Agreements amongst member countries leading to the Regional Free Trade Agreement (RFTA) may be considered. The Minister endorsed the long term CAREC strategies to promote regional tourism and gender mainstreaming.

Furthermore, CAREC enables the member countries to share thoughts and provide input for the long-term strategic frameworks to achieve envisaged regional cooperation goals. He also suggested the CAREC institute to conduct comprehensive studies identifying underlying gaps and including roadmaps on mutually beneficial topics. Pakistan attaches high importance to CAREC as it is aligned with our national priorities of regional integration and cooperation, the Minister stated.

The Nation
January 8, 2021

Pak-Egypt pledge to explore key investment areas

ISLAMABAD - Ambassador of the Arab Republic of Egypt Tarek Mohamed Dahroug visited Board of Investment and met Minister of State/ BOI Chairman Atif R. Bokhari to discuss and explore the key areas of investment opportunities available in Pakistan. The Minister of State/Chairman highlighted the investment potential and opportunities available for Egypt investors/companies in Pakistan. The Board of Investment Chairman, also appreciated the proposition of Egypt Ambassador to establish a dialogue between the business community of both countries to identify areas for bilateral trade. He further added that BOI will continue to work for expanding Pakistan-Egypt economic partnership. During the meeting, the MOS/Chairman BOI enlightened the Ambassador about the prospect of Egypt based developer
for the Dhabeji Special Economic Zone and also invited Egypt enterprises to invest in SEZs. He further added that the Jinnah Convention Center will be a fruitful venture for interested investors from Egypt.

Egypt Ambassador showed interest in the tourism sector and said that their government and private sectors want to invest in the tourism sector of Pakistan. The MOS/Chairman asked H.E to share a list of Tourism operators with their profiles that can be considered positively in this regard. H.E also expressed interest in exploring investment opportunities in Gwadar port and to this end, a webinar will be held in January 2021. The Railway sector for investment was also discussed and H.E informed that a meeting has been arranged with railway Minister in this regard. The MOS/Chairman, BOI while concluding, appreciated the Ambassador’s friendly gesture towards Pakistan and invited Egypt Ambassador to invest in Pakistan in different sectors of the economy. He also informed that the Government of Pakistan has taken several initiatives to attract foreign investment in Pakistan and BOI being the apex body of the Government of Pakistan for investment promotion and facilitation to foreign investors assure them full support as and when needed.

The Nation

January 9, 2021

Pakistan among top 5 nations with most investment in H1 of 2020

ISLAMABAD - Pakistan for the first time has become one of the five countries in the world with the most investment in the first half-year of 2020, a World Bank report said. “Pakistan had the fourth-highest investment commitments--a new entrant to the top five countries this year— with $1.9 billion of investment commitments, accounting for 0.69 per cent of GDP,” the Private Participation in Infrastructure (PPI) 2020 Half Yearly Report said. The report had termed the current year’s Private Participation in Infrastructure as unprecedented because of COVID-19 which has brought many sectors, including infrastructure, to a near standstill. Since the beginning of 2020, existing infrastructure projects were delayed or cancelled due to supply chain disruptions, travel and shipping restrictions, and other obstacles. Total commitments in the first half of 2020 stood at $21.9 billion across 128 projects in 34 countries, a decline of 56 per cent from the same period in 2019. COVID-19 has significantly decreased financial closures of investment projects across the globe, particularly in the East Asia and Pacific (EAP) region. The Thar power plant in Pakistan and the pipeline in Mexico were the only two megaprojects around the world to reach financial closure in the first half-year of 2020. The coal power project was developed under the umbrella of the China-Pakistan Economic Corridor (CPEC). It is part of an effort by the Government of Pakistan to improve energy security and reduce the average cost of power generation by transitioning from oil to coal. The report added that the South Asian Region (SAR) was the region with the second-highest H1 2020 investment level ($4.9 billion), driven by Pakistan ($1.9 billion), India ($1.8 billion), and Bangladesh ($1.2 billion).

In the past few years, China has been an active infrastructure sponsor, speeding up slow progress on major infrastructure projects in South Asia, especially in Pakistan and Bangladesh. Nevertheless, investment levels saw a 33 per cent dip from the first half-year of 2019 levels. In the first half of 2020, the energy sector outpaced the transport sector, attracting $15.1 billion
across 73 projects. This accounted for 69 per cent of global PPI investments. The transport sector received $4.5 billion across 17 projects, accounting for 20 per cent of investment commitments in the first half of 2020. The water sector attracted $1.3 billion over 21 projects, and the municipal solid waste sector received $889 million across 17 projects. No information and communication technology (ICT) projects were recorded. Renewable energy continued to play a significant role in new energy-generation projects. Of $9.3 billion worth of electricity-generation projects, 67 per cent ($6.2 billion) of investments were in renewables. The most popular renewable technology in the first half of 2020 was solar, thanks to a strong renewable-energy program in Vietnam. Next most popular was onshore wind technology, mainly due to high investments in Brazil. Investment appeared to be largely debt-driven, based on available financing information. Interestingly, institutional investors played a large role, with 28 per cent of total investment coming from institutional sources, especially in a natural gas project in Mexico.

The Nation
January 9, 2021

Pakistan’s monthly exports to US cross $400m mark for first time

ISLAMABAD - Pakistan on Tuesday said that its exports for the first time have crossed the $400 million to the United States (US). “I am glad to share that exports of Pakistan to US during the months of Oct & Nov 2020 stood at USD 430 million & USD 437 million respectively. This is the first time that our exports to the US have crossed 400 million dollars mark in a month,” said Adviser to the Prime Minister on Commerce and Investment Abdul Razak Dawood on Tuesday. He said that it is a great achievement by our exporters. He encouraged them to market their exports to US aggressively in order to capture a greater share of the market. Earlier, Pakistan’s exports of goods and services to United States of America (USA) witnessed a decrease of 0.57 per cent during the first quarter of current financial year (2020-21) as compared to the corresponding period of last year. The overall exports to USA were recorded at $1047.748 million during July-September (2020-21) against exports of $1053.767 million during July-September (2019-20), showing nominal decline of 0.57 per cent, according to the data of State Bank of Pakistan (SBP). On year-to-year basis, the exports to USA increased by 10.84 per cent by going up from $339.136 million in September 2019, against the exports of $375.907 million in September 2020.

Meanwhile, on month-on-month basis, the exports to USA also rose by 12.33 per cent during September 2020 as compared to the exports of $334.629 million in August 2020, the SBP data revealed. Overall Pakistan’s exports to other countries witnessed decline of 10.46 per cent in first three months, from $ 5.984 billion to $ 5.358 billion, the SBP data revealed. On the other hand, the imports from USA into the country during the period under review were recorded at $ 440.388 million against $336.882 million last year, showing increase of 30.72 per cent in July-September (2020-21). On year-on year basis, the import from US witnessed an increase of 18.46 per cent by going up from $109.112 million in September 2019, against the imports of $129.259 million in September 2020. On month-on-month basis, the imports from USA however witnessed decrease of 7.76 per cent during September 2020, as compared to the imports of $140.144 million during August 2020, according to the data. Later, in a major success for the
country’s rice exporters, Pakistan has managed to cancel of illegal registration of the trademark “KERNEL” by an overseas rice company. “I am glad to share that we have achieved cancelation of illegal registration of the trademark “KERNEL” by a rice company overseas,” informed Dawood in a tweet post. “This was tantamount to unfair use of intellectual property of Pakistan, as the word is similar to SUPER KERNEL, a premium Pakistani rice variety,” he said. The minister thanked the Rice Exporters Association of Pakistan (REAP) for bringing the issue to the Ministry of Commerce’s notice. “I urge exporters to keep informing MOC of such violations so that we can protect Pakistan’s intellectual property overseas,” he added.

DAWN
January 10, 2021

Services export jumps 13pc in November

ISLAMABAD: The export of services rebounded in November 2020 as it posted a growth of 12.9 per cent year-on-year to $506.9 million, showed data compiled by the Pakistan Bureau of Statistics. The exports posted a positive growth after contracting over 25pc in October 2020. The exports grew 12pc in September. However, the first two-month July and August also posted a negative growth. The service exports between July-November period fell by 5.53pc to $2.158bn as against $2.284bn over the corresponding months last year. Export of services dipped by over 8.66pc year-on-year to $5.449bn in 2019-20 from $5.966bn in the preceding year. After imposition of lockdown in March to contain the pandemic, the export of services have been witnessing a declining trend since then. On the other hand, services imports dipped by 9.81pc to $606.09m in November from $672m in the corresponding month of last year. The import bill of services declined by 18.37pc to $3.083bn in July-November period against $3.777bn in the corresponding months last year. The deficit in services also dipped by 38.02pc to $925.2m in July-November period this fiscal year as against $1.492bn over the last year.

The Nation
January 10, 2021

Tobacco exports up by 9.70pc

ISLAMABAD-The exports of tobacco from the country witnessed an increase of 9.70 percent during the first five months of financial year 2020-21 against the exports of the corresponding period of last year. The tobacco exports from the country were recorded at $12.747 million during July-November (2020-21) against the exports of $11.620 million during July-November (2019-20), according to the Pakistan Bureau of Statistics (PBS). In terms of quantity, the exports of tobacco rose by 5.23 percent by going up from 4,204 metric tons to 4,424 metric tons, according to the data. Meanwhile, on year-to-year basis, the exports of tobacco also grew by 9.71 percent during the month of November 2020 when compared to the same month of last year. The exports of tobacco from the country during November 2020 were recorded at $4.372 million against the exports of $3.985 million in November 2019. On month-on-month basis, the exports of tobacco increased by 48.40 percent during November 2020 when compared to the exports of $2.946 million in October 2020, the PBS data revealed.
Pakistan, Korea agree to hold further dialogue on proposed free trade deal

ISLAMABAD—Pakistan and Republic of Korea have agreed to hold further negotiations on proposed free trade agreement (FTA) for increasing bilateral trade and promote the free trade between the two countries. Pakistan and Republic of Korea had fruitful discussions on prospects of free trade agreement (FTA) to increase the bilateral trade and also enhance the trade volume, a senior official of the Ministry of Commerce told APP here on Saturday. He said that FTA was proposed by Pakistan in trade negotiations between both sides in Seoul to increase the trade volume. He said that both of the countries agreed to conduct research studies on its feasibility, which were completed and now the leadership of both sides have agreed to push forward the agreement process in light of positive feasibility. On the 3rd round of Joint Trade Committee (JTC) held virtually the other day, both sides have agreed to enhance cooperation in trade related matters so that the true potential of trade between two countries can be tapped in an effective manner. The delegates of the Ministry of Commerce (MOC) Pakistan and the Ministry of Trade, Industry and Energy (MOTIE) Republic of Korea have negotiated the 3rd Round of Joint Trade Committee (JTC), he said. He said that the delegates agreed to continue bilateral cooperation and work towards extending the validity of the existing memorandum of understanding (MOU) on Trade and Investment Cooperation between Ministry of Commerce, Pakistan and Ministry of Trade, Industry and Energy of the Republic of Korea with requisite modifications to cater to the new trade and investment environment.

The senior official said that the Korean delegation was also informed of the attractive investment opportunities in Pakistan, and also appraised of the success of the Korean automobile companies in Pakistan. He said the new Cellular and Electric Vehicle (EV) policies were also highlighted which offer attractive incentives for investment in Pakistan. He informed that emphasis was also laid on cooperation in the field of textile research and building capacity of human resource through KOICA programs. Both sides also agreed to expand cooperation between Trade Development Authority of Pakistan (TDAP) and Korea Trade and Investment Agency (KOTRA) through working towards an MoU between two authorities for trade facilitation and trade promotion, he said. The senior official said Pakistan and Republic of Korea also agreed to consider holding a meeting at ministerial level to bolster trade and investment cooperation between two countries. He said that it was also agreed to hold the next JTC meeting in 2022. The senior official said the delegations emphasized to expand the bilateral trade and investment linkages between the two countries. He said that the Korean side expressed their satisfaction with regard to the outcomes of the last JTC meeting that led to the resolution of corporate issues faced by the Korean companies. He informed that the Pakistani delegation assured complete facilitation to be extended to the Korean companies in resolution of outstanding issues.
Pak exports to UK cross $1 billion
ISLAMABAD-Advisor to Prime Minister for Commerce and Investment Abdul Razak Dawood on Saturday informed that for the first time, Pakistan’s exports to the United Kingdom (UK) have crossed the US dollars one billion in the first six months of fiscal year 2020-21. From July 1 to end December 2020, the exports to UK grew by 21 percent touching figure of $1,029 million as compared to figure of $852 million in the respective time during last fiscal year, the advisor tweeted. Moreover, in December 2020, these exports grew by 47 percent to $189 million as compared to $129 million in December last year. “I congratulate our exporters for this achievement and encourage them to make efforts to obtain a greater share of the market,” he said. “I also commend the efforts of MOC’s Trade Officers (TOs) posted in the UK and urge them to work harder in finding opportunities for our exporters and provide facilitation to our businessmen,” he said.

Textile industry working at full capacity: APTMA
LAHORE - All Pakistan Textile Mills Association (APTMA) Punjab Chairman Abdul Rahim Nasir has said that sustained supply of gas/RLNG [Regasified Liquefied Natural Gas] has helped maintain the momentum of enhanced exports, as currently, the textile industry is working at its full capacity. Talking to the media here, he said that export orders for the next six months had been received and despite COVID-19 pandemic, the overall exports of the country had registered a growth of more than 18 per cent in December 2020, compared to the corresponding period of the last year.

Pakistan earns $121.89 million from export of travel services
ISLAMABAD - Pakistan earned $121.980 million by providing different travel services in various countries during the first four months of the current financial year 2020-21. This shows the decline of 27.87 per cent as compared to $169.104 million same services were provided during the corresponding period of the fiscal year 2019-20, Pakistan Bureau of Statistics (PBS) said. During the period under review, the personal travel services decreased by 27.54 per cent, from $167.264 million last year to $121.200 million during July-October (2020-21). Among these personal services, the exports of personal and education-related expenditure however witnessed an increase of 89.66 per cent and 47.08 per cent respectively. Besides, the other
personal services however witnessed a decrease of 28.99 per cent, out of which religious and other travel services witnessed decline 96.72 and 28.80 per cent respectively. Meanwhile, the exports of business services also dipped by 57.61 per cent, from $1.840 million to the $0.780 million, the PBS data revealed. It is pertinent to mention here that the services trade deficit of the country during the first four months of the fiscal year (2020-21) decreased by 38.18 per cent as compared to the corresponding period of last year.

The Nation
January 12, 2021

Services trade deficit shrinks 38.02pc, exports increase 12.90pc

ISLAMABAD - The country’s services trade deficit contracted by 38.02 per cent during the first five months of the current financial year (2019-20) as compared to the corresponding period of last year. The services trade deficit during July-November (2020-21) was recorded at $925.20 million against the deficit of $1492.85 million in July-November (2019-20), according to the latest data of Pakistan Bureau of Statistics (PBS). The services exports during the five months under review were recorded at $2158.06 million against the exports of $2284.36 million last year, showing negative growth of 5.53 per cent. The imports into the country shrunk by 18.37 per cent by falling from $3777.21 million to $3083.26 million, the PBS data revealed. Meanwhile, on a year-on-year basis, the services exports from the country increased by 12.90 per cent and were recorded at $506.90 million in November 2020 against the exports of $448.99 million in November 2019. On the other hand, the imports declined by 9.81 per cent by falling from $672 million in November 2019 to $606.09 million in November 2020, the data revealed. On a month-on-month basis, the exports from the country witnessed an increase of 17.87 per cent in November 2020 when compared to the exports of $430.05 million in October 2020.

On the other hand, imports into the country decreased by 14.65 per cent in November 2020 when compared to the imports of $710.11 million in October 2020, the PBS data revealed. It is pertinent to mention here that the country’s merchandise exports increased by 4.98 per cent during the first half (H1) of the current fiscal year (2020-21) as compared to the corresponding period of last year. The exports from the country during July-December (2020-21) were recorded at $12.098 billion against the exports of $11.524 billion during July-December (2019-20), according to the latest PBS data. The imports into the country during the period under review also increased by 5.72 per cent by growing from $23.195 billion last year to $24.521 billion during the first half of the current fiscal year. Based on the figures, the country’s trade deficit increased by 6.44 per cent during the first half compared to the corresponding period of last year. The trade deficit during the first six months of the current fiscal year was recorded at $12.423 billion against the deficit of $11.671 billion last year.
With GI rules Pakistan can secure export markets

ISLAMABAD: Pakistan has finally notified the Geographical Indication (GI) Rules strengthening its case against India over safeguarding its claims of basmati rice and Himalayan pink salt. The rules, prerequisite for any GI claims, will allow Pakistan to fight India in the European Union as the latter asserts that basmati rice is an Indian product. Meanwhile, Pakistan has already challenged India’s claims over the rice. ‘Now as the GI Rules have been notified, Pakistan will be able to secure its export markets with legal backing,’ a senior official of the Intellectual Property Organization of Pakistan (IPO-Pakistan) told Dawn. The formulation of GI rules have been pending in the county for almost 18 years, but the move picked pace after India submitted an application with the EU, claiming sole ownership of basmati rice. Though the Indian claim was challenged in December 2020, there was a serious lacuna in the Pakistan argument, as the country did not have GI protection of Basmati rice inside its boundary due to its failure to notify GI rules. ‘The international laws call for local protection of the product before filing for international protection of any product, but that could not be achieved because there were no rules to register basmati rice in Pakistan, the official added.

After the formulation of the rules, the Commerce Division will now establish a GI Registry under the management and control of IPO Pakistan. Apart from the registration of domestic products, the rules also define laws about registering foreign GI. As per the rule, a GI of a foreign country shall be registered in Pakistan as long as it is registered in accordance with the local legislation in its country of origin. The registry shall not allow the registration of a foreign GI which is not or has ceased to be protected in its country of origin or which has fallen into disuse in that country. The rules also state that the application for registration of foreign GI will be made at the registry by its legal representative in the country and during the registration procedure, the registry may require the applicant or its legal representative to submit any information related to registration in the country of origin which may affect its registration in Pakistan.
Moody’s forecasts Pakistan economy will grow 1.5pc

ISLAMABAD: Moody’s Investor Service on Wednesday forecast Pakistan economy will grow by 1.5pc during the current fiscal year and found Pakistani banks to be stable owing to government support but banking sector risks were growing. ‘Economic activity will remain below pre-outbreak levels, although the economy should return to modest 1.5pc growth in fiscal year 2021,’ Moody’s said in its outlook for the Pakistani banking sector. This is generally in line with 1.5-2.5pc growth forecast for Pakistan GDP by the State Bank compared to World Bank’s 0.5pc GDP growth rate for the current fiscal year. Long-term credit growth potential for Pakistani banking system was strong, given Pakistan’s large unbanked population on, the agency said. The stable outlook reflected banks’ solid funding and liquidity, although a challenging but improving operating environment will weigh on asset quality and profitability. ‘Despite a difficult environment, the government’s credit profile is stable due to ongoing reforms and increasing policy effectiveness a positive for the banks given their outsized holdings of Pakistani government debt link their credit profiles to that of the government,’ said Moody’s Senior Vice President Constantinos Kypreos.

The agency expects slow economic recovery to affect loan quality, with nonperforming loans (NPLs) expected to rise over the coming months from a sector-wide level of 9.9pc of gross loans in September 2020. ‘Banks’ foreign operations, export oriented industries and companies reliant on government payments and subsidies will be hit hardest, but loan repayment holidays and other government support measures should help contain some risks,’ it said. Meanwhile, banks’ profitability, which has materially increased during 2020, will come under pressure on lowered margins, higher loan-loss provisions given the challenging operating environment, and subdued business generation. Still, Pakistan’s economy should return to a modest 1.5pc growth in fiscal year 2021, while government and central bank responses and reforms will partially soften the Covid-19 pandemic’s impact. ‘Deposit-based funding and good liquidity buffers also remain strengths, while the probability of government support in a crisis is high, even if its ability to do so is limited by fiscal challenges,’ added Kypreos.

The rating agency expected the operating conditions for banking sector to improve, but remain difficult. It noted that restrictions in place to contain the spread of the coronavirus will keep economic activity below pre-outbreak levels. The rating agency said Pakistani economy to return to modest growth of 1.5pc in fiscal 2021 after activity picked up at the start of the fiscal year in July. ‘Government and central bank policy responses and structural reforms will soften the pandemic’s impact but not fully offset it. In this environment, we expect private-sector lending to grow modestly, by 5-7pc, over the calendar year’. It noted that banking capital was modest but will remain broadly stable: The sector-wide reported Tier-1 capital ratio stood at a comfortable 15.5pc as of September 2020. ‘If we adjust the ratios by risk weighting government securities at 100pc, rather than zero per cent, however, the ratio halves to a modest level,’ it said. The capital ratios were expected to remain broadly stable as Pakistani banks would remain profitable and would reduce their dividend payouts hence asset growth was likely to be conservative.
Profitability of the banking had materially increased during 2020, but would come under some pressure in 2021 as net interest margins would narrow after a huge 625-basis-point interest rate cut in 2020. Together with rising provisioning needs and subdued business generation, this will curb bottom-line profits, the forecast added. Moody’s noted that stable deposit funding and ample liquidity were strengths of the Pakistani banking sector. Customer deposits made up 70pc of total assets as of Sept 2020 are expected to grow by between 7pc and 9pc in 2021, driven by efforts to deepen financial inclusion and robust inward remittances. Highly liquid assets comprising cash and bank placements account for around 13pc of the banks’ total assets, while another 43pc of assets is invested in government securities. The outlook noted that the probability of government’s support to banking sector in a crisis was high. The government remains willing to support troubled banks but its ability to do so is limited by fiscal challenges reflected in its B3 rating, the rating agency concluded.

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**BANKS FLOURISH ON GOVT LOANS**

![Graph showing banks' investments and loans to government securities](image)

- Investments in government securities
- Loans to the government and public-sector entities

Note: The labels show the amounts as a percentage to total assets. Source: SBP, Moody’s Investors Service

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The Nation

January 14, 2021

**Pak economy to witness modest 1.5 per cent growth in FY2021: Moody’s**

ISLAMABAD—Moody’s Investors Services (Moody’s) has noted that economic activity in Pakistan would remain below pre-outbreak levels, although the economy should return to a modest 1.5 per cent growth in fiscal 2021. Moody’s in its latest report “Pakistan banks face slow economic recovery, but solid funding and liquidity underpin stable outlook”, stated that the coronavirus pandemic is weighing on economic activity in Pakistan and real GDP contracted by 0.4 per cent in fiscal 2020. “We expect the economy to return to growth in fiscal 2021, reaching
a modest 1.5 per cent. Although high-frequency indicators suggest that economic activity has
started to rebound, restrictions on movements to prevent the spread of the coronavirus will keep
economic output below pre-outbreak levels for some time. Growth will, however accelerate to
4.4 per cent in 2022”, it added. “We expect the Pakistani economy to return to modest growth of
1.5 per cent in fiscal 2021 after activity picked up at the start of the fiscal year in July, Moody’s
added. The slow economic recovery will hurt government finances, while successive waves of
coronavirus infection weigh on consumer spending and business confidence, all of which will
affect the banking sector. We project a government deficit of 8 per cent for 2021, with rising
arrears and circular debt in the energy sector also affecting corporates’ repayment capabilities,
Moody’s added.

“We perceive risks to the Pakistani economy to be lower than for similar-rated peers. Pakistan’s
relatively closed economy has low reliance on exports and private capital inflows and limited
trade and supply chain linkages. This reduces its exposure to weak global demand, including
international tourism,” it added. The report further stated that wide fiscal deficits, which will –
largely – be financed by local banks, might also take precedence over lending to the private
sector. Lower consumer spending and business confidence will suppress lending growth and
business opportunities. In this environment, Moody’s expects private sector lending to grow by
between 5 per cent and 7 per cent in 2021, below inflation expectations of 8 per cent. Interest
rates remain at the low end of historical rates, but muted confidence levels will prevent more
robust growth. Moody’s further stated Pakistan remains in the Financial Action Task Force’s
(FATF) grey list, as a result of deficiencies in its anti-money laundering (AML) and combating
terrorism financing (CTF) capabilities. Failure to meet AML requirements could push
international banks to cut correspondent bank relationships, affecting banks’ foreign currency
liquidity, business generation capabilities and leading to higher refinancing and compliance
costs. Authorities have, however agreed on an action plan with FATF to negotiate an exit from
the grey list, and have now largely addressed 21 of the 27 actionable items. Partly because of
AML issues, Habib Bank and United Bank have surrendered their US banking licenses and
closed their US branches.

The State Bank of Pakistan (SBP) has targeted 65 million active bank accounts, with total
deposits accounting for 55 per cent of GDP, through increased use of mobile bank accounts,
biometric verification systems, and QR codes. A targeted 25 per cent market share for Islamic
banking by 2023, with an enhanced Shariah governance framework and initiatives to facilitate
liquidity management. Islamic banking assets accounted for 16 per cent of banking assets as of
September 2020. Increasing SME lending to around 17 per cent of private-sector credit by 2023
by providing an enabling regulatory framework and improving the ease of doing business. A new
Pakistan Credit Guarantee Company and Secured Transactions Registry will support banks in
achieving this target increasing housing finance to 5 per cent of private-sector credit by
December 2021, with a government mark-up subsidy facilitating banks to achieve this target,
initiatives to increase agricultural finance, targeting disbursements of R1.8 trillion by 2023 and 6
million borrowers. Pakistani banks are heavily exposed to the B3-rated Pakistan sovereign
through large holdings of government securities and lending. This links their creditworthiness
with that of the government. Pakistani banks hold government securities worth Rs10.3 trillion, a
sum equivalent to 7.2x their Tier 1 capital at the end of September 2020. Including lending to the
government and public-sector entities, the exposure rises to around 9.0x of Tier 1 capital. “We
expect government exposure to remain high over our outlook horizon because Pakistani banks will remain the main source of financing for the government. The government’s commitment to stop borrowing from the central bank will also lead to increased government reliance on banks to meet its financing needs”, it added.

Nonperforming loans (NPLs) in the Pakistan banking sector rose to 9.9 per cent of total loans as of September 2020 (8 per cent as of December 2018), and we expect a further increase as the economic slowdown takes its toll on borrowers’ repayment capabilities, Moody’s added. Loan repayment holidays and other support measures will contain the deterioration but will not eliminate risks. Several sectors will bear the brunt, including energy (affected by high circular debt), agribusiness and sugar, exposures to the SME sector and export-oriented businesses, as well as banks’ foreign operations (particularly in the Gulf). Loan quality risks will be mitigated by improvements in the legal and regulatory framework to support NPL recovery.

January 16, 2021

FBR shares draft of Free Zone with Law Division

Investors to have legal document on tax exemptions

ISLAMABAD: The Federal Board of Revenue (FBR) has shared draft of the Gwadar Port and Free Zone Rules 2021 with the Law and Justice Division for investors to have a detailed legal document on exemptions and tax concessions available to the companies operating under the said Free Zone. This has been informed by the FBR officials to the Ministry of Planning and Development during the last meeting to review progress of the CPEC projects at Gwadar. According to the sources, the government has also decided to exempt Gwadar Port from provincial taxes. Officials informed the meeting that the representatives of the FBR informed that the draft rules have been shared with the Law and Justice Division for feedback and comments. Once a response from the Law and Justice Division is received, the rules will be published on the FBR website for 15 days to obtain public opinion, and subsequently, the rules would be notified. The representatives of the Government of Balochistan informed that as per directions of the provincial cabinet, they formed a committee under the chairmanship of secretary finance Government of Balochistan, which would look into the matter on case to case basis.

Last year, the federal cabinet had approved amendments in tax laws relating to tax concessions/exemptions with respect to Gwadar Port and Gwadar Free Zone, after the FBR and the Ministry of Maritime Affairs (MoMA) reached an agreement. The Revenue Division sought permission of the prime minister to consider amendments in tax laws relating to tax concessions/exemptions in respect of Gwadar Port and Gwadar Free Zone, under the proviso to Rule 18(6) of Rules of Business 1973, as the matter was of urgent nature. The Revenue Division submitted that the projects being undertaken under the auspices of the China-Pakistan Economic Corridor are vital for promoting national development, fostering economic growth and protecting the strategic interests of the country. The MoMA moved a summary before the ECC regarding approval of
various exemptions required for the Gwadar Port and the Gwadar Free Zone. The ECC approved the proposals on August 28, 2019, to ensure the removal of various impediments in the implementation of the concession agreement in respect to Gwadar Port and Gwadar Free Zone.

The Nation
January 18, 2021

Knitwear exports take lead, jump over 7 per cent

ISLAMABAD-The Pakistan exports of textiles have witnessed an increase of 7.7 per cent in the lead of knitted garments and hosiery during the first half of the current fiscal year of 2021 as compared to the corresponding period of last year. Pakistan Hosiery Manufacturers Association (PHMA) zonal chairman Faisal Mehboob Sheikh and chief coordinator Adil Butt on Sunday said that the textile exports were recorded at $7.4 billion in Jul-Dec (2020-21) against the exports of $6.9 billion in Jul-Dec (2019-20), showing a growth of 7.7 per cent. Faisal Mehboob Sheikh said that the textile commodities that contributed in positive trade growth included knitwear, exports of which increased from $1.5 billion last year to $1.8 billion during the current year, showing the growth of 16.5 per cent. He said that it is good news that country’s exports have shown positive growth for the fourth consecutive month in December 2020, which is a vindication of the government’s policy to keep the wheels of economy running during the Covid-19 pandemic.

“PHMA extends congratulations to the commerce ministry and the whole nation for achieving record exports in December 2020. “Greetings also to all the hosiery exporters on achieving record exports in December 2020 with a growth of 18 per cent over the previous year, hoping the trend will continue with government full support to promote export culture.”

Faisal Mehboob Sheikh said that Pakistan’s exports of knitwear and other knitted garments and hosiery always play the leading role in exports growth, as the industry continued to show its resilience to the ongoing coronavirus pandemic. Meanwhile, on a year-on-year basis, the textile exports increased 22.7 per cent during December 2020 as compared to the same month of last year. Exports during December 2020 were recorded at $1.4 billion against the exports of $1.1 billion. On a month-on-month basis, the exports from the country witnessed an increase of 9.2 per cent during December 2020 when compared to the exports of $1.2 billion in November 2020. Based on the figures, the country’s trade deficit also increased by 6.4 per cent during the first half compared to the corresponding period of last year. The trade deficit during the first six months of the current fiscal year was recorded at $12.4 billion against the deficit of $11.6 billion last year, which needs to be controlled through further improvement in exports.

Pakistan Hosiery Manufacturers Association chief coordinator Adil Butt observed that by showing comparatively well performance the value-added textile category has proved that it has been the main driver of growth in the country’s overall exports. He said the value-added sector achieved growth because of preferential access to the 28-nation European Union under the GSP+ scheme which can further be enhanced with the government’s support. He said that Pakistan direly needed to establish an Aggressive Marketing Plan for garment export to get maximum benefits of GSP-Plus status. Adil Butt said that apparel sector can play a leading role in earning foreign exchange and boosting exports. He suggested the government to establish a task force, especially at a time when the Chinese garment industry, which has more than 30 per cent share
of the world apparel market, is relocating. He added that a regional taskforce needed to be established to determine issues being confronted by the industry and then to suggest measures to ensure its viability and competitiveness in the international market. Adil Butt observed that the garment industry is less capital intensive, provides 4 times as many jobs for the same investment, uses less energy and adds more value.

The Nation
January 18, 2021

China remains top importer, traded products over $4,523m

ISLAMABAD-China topped the list of countries from where Pakistan imported different products during the first five months of the current fiscal year (2020-21), followed by United Arab Emirates (UAE) and Singapore. The total imports from China during July-November (2020-21) were recorded at $4523.671 million against the $4025.183 million during July-November (2019-20), showing an increase of 12.38 per cent during the period, according to State Bank of Pakistan (SBP). This was followed by UAE, where Pakistan imported goods worth $2709.681 million against the imports of $3070.454 million last year, showing negative growth of 11.74 per cent. Singapore was the third top country from where Pakistan imported products worth $1112.755 million against the imports of $917.708 million last year, showing the growth of 21.25 per cent, SBP data revealed. Among other countries, Pakistani imports from Saudi Arabia stood at $802.496 million against $622.855 million during last year, showing the growth of 28.84 per cent while the imports from United State of America (USA) were recorded at $793.269 million against $729.116 million last year, showing an increase of 8.79 per cent, the data revealed.

The imports from Malaysia were recorded at $447.679 million against $392.199 million whereas the imports from Kuwait were recorded at $439.430 million against $450.460 million last year. During July-November, the imports from South Korea were recorded at $436.964 million against $290.545 million whereas the imports from Indonesia at $409.550 million against $425.935 million. Pakistan’s imports from Japan were recorded at $407.361 million against $510.999 million whereas the imports from Switzerland stood at $391.800 million against $225.357 million. Similarly, the imports from Germany during the period under review were recorded at $389.302 million against $389.059 million while the imports from Thailand stood at $325.417 million against $335.100 million. Pakistan’s imports from Qatar were recorded at $313.609 million during the current fiscal year compared to $794.654 million last year, whereas the imports from the UK stood at $304.800 million against $297.747 million.

The Nation
January 19, 2021

Cutlery exports increase 25.41pc in 1st half

ISLAMABAD -The exports of cutlery from the country witnessed an increase of 25.41 per cent during the first half of the financial year 2020-21 as compared to the corresponding period of last
year. The country exported cutlery worth $59.478 million during July-December (2020-21) against the exports of US $47.428 million during July-December (2019-20), showing a growth of 25.41 per cent, according to the Pakistan Bureau of Statistics (PBS). Meanwhile, on a year-on-year basis, the cutlery exports also rose by 34.47 per cent during December 2020 as compared to the same month of last year. The cutlery exports in December 2020 were recorded at $ 9.976 million against the exports of $7.419 million in December 2019, the PBS data revealed. On a month-on-month basis, the export of cutlery however witnessed a decline of 4.46 per cent in December 2020 as compared to the exports of $10.442 million in November 2020.

It is pertinent to mention here that the country’s trade deficit witnessed an increase of 5.93 per cent during the first six months of the financial year 2020-21, as compared to the corresponding period of last year. The exports witnessed an increase of 5.09 per cent and reached to $12.110 billion against the exports of $11.524 billion of the same period of last year. On the other hand, the country’s imports also rose by 5.51 per cent and went up from $23.195 billion last fiscal year to $24.473 billion of the same period of the fiscal year 2020-21. Based on the figures, the trade deficit during the period under review was recorded at $12.363 billion against the deficit of $11.671 billion during the last year, showing an increase of 5.93 per cent.

**The Nation**

January 19, 2021

**Pakistan’s IT services exports can reach $10 billion: OICCI report**

ISLAMABAD-The Overseas International Chamber of Commerce and Industries (OICCI)’s digital report has noted that Pakistan’s IT services exports have potential to reach $10 billion. The “OICCI Recommendations for Digital Economy” report was launched Monday highlighting the much-needed shift required to capture the opportunity of digital transformation happening within and outside Pakistan through New Economy mindset. By digitizing most, if not all, key segments of the economy could boost IT export to US$10 billion annually, provide significant growth to GDP, attract billions of dollars of FDI and create hundreds of thousands new jobs within a short time. Overseas Investors Chamber of Commerce and Industry (OICCI) membership includes some of the best-known IT MNCs, including IBM, SAP, Teradata, who also actively contributed towards the development of these Digital Economy recommendations and offered to run one Integrated technology training program for up to half a million Certified Resources in Pakistan using global courses successfully being run in many advanced countries. These are online industry focused programs where the government needs to invest only on tracking, adoption and placement through one Program office located in the Ministry of IT. OICCI Digital Recommendations highlight the importance of shift to skill development from academic degrees to ensure productive and effective participation of Pakistani talent in New Economy that is growing much faster and attracting capital globally.

Highlighting the potential for the IT export, OICCI President Haroon Rashid commented that “whereas IT exports from Pakistan are only US$ 1 to 2b, Philippines, with half the population of Pakistan exports IT services of about $ 30b, India IT exports are over $ 190b and many other Asian countries are also well ahead of Pakistan, which should be a cause of great concern to the authorities but at the same time could be a motivational factor as Pakistan has great potential to
boost its IT exports with focused short and medium term strategy and its delivery by the key stakeholders, as recommended in the OICCI Recommendations for Digital Economy report.” The OICCI report further highlights the importance of stable and inclusive regulatory practices to ensure effective participation of global players in Platform Economy to attract FDI, make a significant positive impact on GDP growth and also connects Pakistan to global e-commerce and creative economy opportunity. OICCI has appreciated the Special Technology Zones recently inaugurated by the PM, which hopefully will benefit the country in medium to longer term. However, for immediate gains, OICCI has recommended the need to establish a digital mechanism to provide Ease of Doing Business coverage in public private partnership to bring 5-10 million sq ft space quickly in utilization through Virtual Authority.

The OICCI report highlights the FDI potential by creating enabling environment for investment in Platform and High-Tech ecosystem so that Pakistan is able to attract global IT platform players and Venture Capital funding to accelerate innovation. The OICCI Digital recommendations cover six key areas i) Connectivity, ii) Digital Financial System, iii) Export Growth and Digital Skills, iv) Platforms & E-commerce Ecosystem, v) Innovation & Regulatory Environment, and vi) Digital Governance and Citizen Services. Other recommendations include the need to massively improve the quality and stability of connectivity by pushing fiberization drive in the country, accelerated focus on Digital Financial Services by removing existing friction, enabling the country to be integrated with global chains and improved citizen and business services, through digital governance, which can help significantly in terms of service efficiency and image of the country. With highly improved security environment, duly recognized by independent sources, and very attractive operating cost, in terms of hard currencies, following massive devaluation of the PKR, OICCI once again emphasized the need for sustained and structured efforts for improving the global image of Pakistan as an attractive destination for FDI, including for large international technology players.

DAWN
January 20, 2021

Border trade ranking improves to 111th: FBR

ISLAMABAD: Pakistan’s rank on the trading across border index jumped by 31 positions from 142nd to 111th due to considerably improved implementation of several measures, the Federal Board of Revenue (FBR) said on Tuesday. The improvement is linked with the ongoing reforms that led to huge improvements in trading across the borders index. The announcement of the FBR did not mention the year in which the index was calculated. An official announcement said the FBR made trading across borders easier by focusing three crucial areas: enhancing the integration of various agencies in the Web-Based One Customs (WeBOC) electronic system; reducing the number of documents required for import/export clearances; and enhancing capacities of Pakistan Customs officials for playing pro-active role in smoothly regulating border trade. Climbing up the ladder in Trading Across Border Index has enabled Pakistan in jumping up 28 places from 136th to 108th in World Bank’s Ease of Doing Business Index 2020 and securing a place among the top 10 countries that have done the most in the corresponding/past year to improve the ease of doing business in their countries.
This milestone has led Pakistan to be the sixth global reformer and first in South Asia that has brought ease in doing business for the national/international trade. It is important to note that border facilitation is amongst the top priority areas as per the comprehensive policy laid down by the government. Concerted efforts by Pakistan Customs led to impressive performance in terms of compliance to the provisions of World Trade Organisation’s Trade Facilitation Agreement; hence, complementing Pakistan’s rise in the border index. Pakistan Customs has pursued implementation of effective customs controls so that compliant trade is thoroughly facilitated, while lesser/non-compliant trade is diverted to detailed scrutiny. This strategy worked well and has gone a long way in reducing the dwell time (at the borders/ports) for imports/exports in Pakistan by increasing the percentage of clearances through Green Channel, the FBR noted. For instance, the time required for documentary compliance to effect exports has been reduced from 55 hours to 24 hours, and the time required for overall border compliance has also been reduced from 75 hours to 24 hours.

DAWN

January 20, 2021

Razak praises Bazaar Technology for raising $6.5m

KARACHI: What is seen as a breakthrough for the country’s emerging digitising industry and growing potential of e-commerce markets, a less than one year-old business startup has raised a $6.5 million pool of investment in one of the largest seed rounds in the region, a top official announced on Tuesday. The announcement came from Commerce Adviser Abdul Razak Dawood, who took to social media platform to share the major success of two young entrepreneurs who founded the company just eight months ago. Calling it an ‘impressive’ development, he asked the country’s youth to come forward and capitalise on the growing opportunity. ‘I congratulate Bazaar Technologies on successfully raising $6.5m in what is now being termed as one of the region’s larger seed rounds,’ tweeted Dawood.

The Nation

January 21, 2021

Italian envoy visits Italy-Pakistan Footwear Technological Center

Lahore-Italian Ambassador H.E Andreas Ferrarese paid a visit to first of its kind Italy-Pakistan Footwear Technological Center (IPFTC). The project is a joint venture of Pakistan & Italian Government initiative through Pakistan Footwear Manufacturers Association collaboration. IPFTC is equipped with a CAD-CAM Pattern Grading / Cutting and a Mechanical Physical Tests Laboratory for footwear. All the machinery and technical assistance for this project have been provided by the Italian Government and from Pakistan side PFMA have provided Managerial support, premises, paid costs of transportation and customs duty on equipment imported for this facility. PFMA Chairman Mr Imran Malik welcomed Honorable Italian Ambassador for his gracious visit and briefed about the current working progress and project success. On this occasion, while sharing his views he stated that “I’m grateful to Italian Ambassador whose personal efforts has made this project successful and PFMA would always remember the
concerted efforts by Pakistan Customs, under FBR, led to impressive performance in terms of the top priority areas as per the comprehensive policy laid down by the government, adding that this trend continues to improve as we progress further. Italian Government wholeheartedly committed to strengthened its ties with Pakistan and help Industry to explore better opportunities in each other country. I’m overwhelmed to see its progress under PFMA management and hopeful that this trend continues to improve as we progress further. Italian Government committed to strengthened its ties with Pakistan Government on other venues wherever we find an opportunity”. He underlined that the youth of Pakistan is full of high potential. If utilised properly by enhancing their skills we can make them productive. Indeed the project of IPFTC aims to train the youth innovatively to take full advantage of the footwear industry and to earn their livelihood gracefully. IPFTC will offer a complete environment for the footwear industry to adapt to most advance techniques to develop quality products and enhance their existing skills to meet the ever-changing demand of the International market. Our cooperation will continue to thrive upon with more business opportunities. This innovative project which will be a stepping stone toward the betterment of Pakistan Footwear Industry in a long run and help to provide support to Local footwear industry to better equip themselves with latest techniques and skills of the contemporary footwear art.

Italian Ambassador H.E. Andreas Ferrarese lauded the project progress and praised PFMA chairman on successful running it. “I hold in high esteem the commitments of PFMA Mr Imran Malik to turn this project into reality. IPFTC state of the art machinery will enable PFMA and its members to tackle every changing need of this industry. This cooperation will strengthen our conventional brotherhood ties with Pakistan and help Industry to explore better opportunities in each other country. I’m overwhelmed to see its progress under PFMA management and hopeful that this trend continues to improve as we progress further. Italian Government wholeheartedly committed to strengthened its ties with Pakistan Government on other venues wherever we find an opportunity”. He underlined that the youth of Pakistan is full of high potential. If utilised properly by enhancing their skills we can make them productive. Indeed the project of IPFTC aims to train the youth innovatively to take full advantage of the footwear industry and to earn their livelihood gracefully. IPFTC will offer a complete environment for the footwear industry to adapt to most advance techniques to develop quality products and enhance their existing skills to meet the ever-changing demand of the International market. Our cooperation will continue to thrive upon with more business opportunities. This innovative project which will be a stepping stone toward the betterment of Pakistan Footwear Industry in a long run and help to provide support to Local footwear industry to better equip themselves with latest techniques and skills of the contemporary footwear art.

The Nation

January 22, 2021

FBR reforms improve Pakistan’s ranking of Trading Across Borders Index

ISLAMABAD - In a major achievement towards ensuring ease of doing business, Pakistan has improved 31 positions, from 142nd to 111th, on the rank of Trading Across Border Index, Federal Board of Revenue (FBR) said here. The board had made trading across borders easier by focusing three crucial areas including enhancing the integration of various agencies in the Web-Based One Customs (WEBOC) electronic system; reducing the number of documents required for import/export clearances; enhancing capacities of Pakistan Customs officials for playing proactive role in smoothly regulating border trade. Climbing up the ladder in Trading Across Border Index has enabled Pakistan in jumping up 28 places – from 136th to 108th – in World Bank’s (WB)’s ‘Ease of Doing Business 2020’ and securing a place among the top 10 countries have done the most in the corresponding / past year to improve the ease of doing business in their countries. This milestone has led Pakistan to be the sixth global reformer and first in South Asia that has brought ease in doing business for the national / international trade, said FBR in a statement. The statement said that it was important to note that border facilitation was amongst the top priority areas as per the comprehensive policy laid down by the government, adding that concerted efforts by Pakistan Customs, under FBR, led to impressive performance in terms of
Pakistan Customs has pursued implementation of effective customs controls so that compliant trade was thoroughly facilitated, while lesser / non-compliant trade was diverted to detailed scrutiny. This strategy worked well, as conceived by Pakistan Customs, and had gone a long way in reducing the dwell time (at the borders/ports) for imports/exports in Pakistan by increasing the percentage of clearances through Green Channel. For instance, the statement added, the time required for documentary compliance to effect exports had been reduced from 55 hours to 24 hours, and the time required for overall border compliance to effect exports had also been reduced from 75 hours to 24 hours. Similarly, the time required for documentary compliance to effect imports was reduced from 143 hours to 24 hours, and the time required for overall border compliance to effect imports had also been reduced from 120 hours to 24 hours. In order to further improve Pakistan’s position in Trading Across Border criterion, Federal Board of Revenue is pursuing simultaneous completion of Regional Improvement of Border Services (RIBS) and Pakistan Single Window. The Regional Improvement of Border Services (RIBS) is being implemented at Torkham, Chaman, and Wahga and is the Flagship program that aims at improving border-crossing facilities which are key transit points to Afghanistan and India. Pakistan Single Window, on the other hand, would integrate online at least 46 departments / agencies in Pakistan and would make trading across border a hassle free and seamless operation.

DAWN
January 23, 2021

Pakistan offers ample investment opportunities, says PM

ISLAMABAD: Prime Minister Imran Khan on Friday said that Pakistan offered ample investment opportunities in diverse sectors and the government will extend all possible facilities to foreign investors. The government, in order to facilitate foreign investment companies, is also taking various measures under one-window operation and the policy of ease of doing business, the prime minister said during a meeting with a delegation of the Dhabi Group which had called on him. On the occasion, the premier said that Pakistan also had ample opportunities for investment in the tourism sector. The Dhabi Group delegation was led by its CEO Tanvir Hussain Awan and included its Director Salman Nasir Abdulla Albadi and Country Head in Pakistan Muhammad Shehbaz Khan.

Commerce Adviser Abdul Razak Dawood, Special Assistant to the PM Syed Zulfikar Abbas Bukhari, Chairman Kashmir Committee Shehryar Khan Afridi and Chairman Board of Investment (BoI) Atif Bukhari were also present. The delegation appreciated PM Khan’s vision of promoting investment and taking measures for the facilitation of foreign investment companies. The delegates expressed deep interest in enhancing their company’s investments in the country. Awan said the present government’s investment friendly policies had helped restore the confidence of international companies regarding investment in Pakistan. The delegation noted that Dhabi Group’s Mubarak Centre in Lahore, a great project which was facing delays for the last 15 years, has been restarted.
The UAE-based Dhabi Group of Companies is a major investor in Pakistan and emerging markets. The group is owned by Sheikh Nahyan Mubarak alNahyan and deals in financial sector, agriculture and hospitality. Dhabi Group owns and operates Bank Alfalah.

January 23, 2021

**ICT exports jumps 40pc in first half of FY21**

ISLAMABAD: The export of telecommunication and information technology grew 40 per cent to $958 million in the first half-year of the current fiscal year from $684m over the corresponding period of last year, reflecting a higher boost in the post-Covid-19 period. ‘The ICT exports will soon become a very important sector in Pakistan’s total exports of services and I am optimistic that these would cross the $2 billion mark in the current financial year, Commerce Adviser Abdul Razak Dawood said on Friday. On a monthly basis, exports of ICT and telecommunication services grew by 43pc to $194m in December 2020 as compared to $135m in December 2019. ‘ICT exports now constitute 33pc of our total export of services, which is an encouraging development’, the adviser noted. A consultative meeting was held at Ministry of Commerce to discuss Pakistan’s global trade in services for the first half of the FY21. The country’s total export of services stood at $2.844bn in the first half of FY21 as compared to $2.835bn in the corresponding period last year. On the other hand, the import of services declined by 15.7pc year-on-year to $3.821bn. The trade balance in services improved significantly as it decelerated 42pc to $977m during first half of FY21 as compared to $1.697bn in the same period last year.

Further data analysis shows that growth has been seen in financial services by 26pc followed by insurance and pension 21pc, and other business services (like consultancies) by 2pc. The meeting was informed that because of the Covid-19 pandemic, travel and transport services exports were adversely affected showing negative growth of 28pc and 18pc, respectively. However, these sectors are likely to improve once the pandemic subsides. Mr Dawood said in a statement that
Pakistan’s services exports have finally turned around and started to show positive growth. He said that services have a central place in both domestic and international economies and account for the bulk of global foreign direct investment and trade. Services connect countries to the international trading system by facilitating supply chains and e-commerce, he remarked. The adviser was informed that all over the world, the workers’ remittances are included in the export of services as they come under the Mode 4 of the World Trade Organisation classification of services exports, which relates to the presence of natural persons of a member in the territory of any other member. He was informed that the true impact of services export can be conceived completely workers’ remittances were also included in the export of services as per the WTO practice.

**DAWN**

January 23, 2021

**SECP urges investors to set up house finance companies**

ISLAMABAD: The Securities and Exchange Commission of Pakistan (SECP) on Friday called upon investors including the banking sector to establish Housing Finance Companies (HFCs) for availing benefits of the sector. As part of its initiative to promote affordable housing in country, the SECP urged investors to play a forefront role in establishing housing mortgage and housing loan businesses. At an SECP webinar, organised in collaboration with the Pakistan Mortgage Refinance Company (PMRC) and International Finance Corporation (IFC), SECP Commissioner for Specialised Companies Farrukh Sabzwari pinpointed major challenges being faced by the sector. ‘The commission would provide handholding to potential investors willing to form HFCs under the Non-Banking Finance Companies (NBFC) regulations,’ Mr Sabzwari said. He highlighted the significance of the housing finance sector, its overarching link with more than 40 ancillary industries and discussed the opportunities presented by the underserved housing finance market for potential new players. The SECP had notified amended NBFC regulations in 2020. HFCs are established by the NBFCs. Under the regulations, an NBFC will determine the housing finance limit, both in urban and rural areas, in accordance with its internal credit policy, credit worthiness and loan repayment capacity of the borrowers.

While in case of ‘Housing Finance’ to an individual, the NBFC has to ensure that the total monthly amortisation payments of all finance inclusive of housing finance cannot exceed 50 percent of the net disposable income of the prospective consumer. The income of co-borrower can be clubbed after his/her written consent. The webinar participants were informed that the NBFC shall take a realistic construction schedule from the borrower before allowing disbursement of the initial loan limit for the purchase of land or the plot. The HFC was also responsible for arranging the insurance and takaful of mortgaged property up to full value of finance in case of apartment and up to construction cost in case of house from approved insurance and takaful companies. PMRC CEO Mudassir H. Khan discussed the role of his company in developing the housing mortgage market. On the occasion, N K Rupan, an international expert on housing from Malaysia, shared an analysis of the regional markets and highlighted the importance of HFCs in the growth of affordable housing.
Pakistan’s services exports reach $2.844b in first half, Razak Dawood informed

ISLAMABAD-Advisor to Prime Minister on Commerce and Investment, Abdul Razak Dawood Friday held a consultative meeting at Ministry of Commerce to discuss Pakistan’s global trade in services for the first half of the financial year (FY) 2020-21. The advisor was informed that during the period July to December 2020, Pakistan’s total export of services stood at USD 2.844 billion as compared to USD 2.835 billion during the same period in the previous year. He was also informed that the import of services declined by 15.7% to USD 3.821 billion during July to December 2020 as compared to July to December 2019. He was informed that significant growth has been seen in Insurance & Pension services which grew by 21%, Financial Services by 26%, “Telecommunication & ICT” services by 40% and Other Business Services (like Consultancies) by 2%. He was also informed that because of the COVID-19 pandemic, Travel and Transport Services exports were adversely affected, showing negative growth of 28% and 18% respectively. However, these sectors are likely to improve once the pandemic subsides.

Dawood noted with satisfaction that during the period July to December 2020, Pakistan’s services exports have finally turned around and have started to show positive growth. He said that services play an important role in everyday life. They have a central place in both domestic and international economies and account for the bulk of global foreign direct investment (FDI) and trade. He said that services connect countries to the international trading system by facilitating supply chains and e-commerce. He was of the view that the most significant increase in exports of services was in “Telecommunication & ICT” services which increased by 40% to USD 958 million during July to December 2020 as compared to USD 684 million in the same period the previous year. “The ICT exports will soon become a very important sector in Pakistan total exports and I am optimistic that these would cross the USD 2 billion mark in the current financial year”, he said.

Dawood noted with satisfaction that the trade balance in the services sector has improved significantly during the first six months of the current financial year. The trade balance stood at USD -977 million during July to December 2020 as compared to USD -1,697 million during the same period in the previous year, thereby showing an improvement of 42%. He said that this would contribute significantly to the improvement of Current Account Deficit. He was also told that all over the world, workers’ remittances are included in the export of services as they come under the Mode 4 of the World Trade Organisation (WTO) classification of services exports which relates to the presence of natural persons of a Member in the territory of any other Member. He commended the presentation of the facts and figures relating to services trade by the relevant officials of the Ministry of Commerce. He urged them that in order to increase the services exports of Pakistan, new markets have to be found for our exports of services. He also advised the Trade Development Authority of Pakistan (TDAP) to focus on export promotion of services. He was of the view that the market access and export promotion of services has to go hand-in-hand in a synchronised manner. He also advised the MOC and TDAP to go an extra mile for facilitation of the export of ICT services.
Pakistan’s trade with US increases 17.34 per cent in 1st half

ISLAMABAD-Pakistan’s goods and services trade with United State of America (USA) witnessed an increase of 17.34 percent during the first half of ongoing financial year (2020-21) as compared to the corresponding period of last year. The trade surplus was recorded at $1286.735 million during July-December (2020-21) against $1096.551 million during July-December (2019-20), showing growth of 17.34 percent, the State Bank of Pakistan (SBP) data revealed. The overall exports to USA also increased by 9.94 percent from $2074.080 million last year to $2280.318 million during the period under review. Meanwhile, on year-to-year basis, the exports to USA during December 2020 also increased by 28.86 percent from $394.486 million against the exports of $424.754 million. On month-on-month basis, the exports to US rose by 7.67 percent during December 2020 as compared to the exports of $394.486 million in November 2020, the SBP data revealed. Overall Pakistan’s exports to all countries witnessed decline of 4.75 percent in six months, from $12.392 billion to $11.803 billion, the SBP data revealed.

On the other hand, the imports from US during the period under review were recorded at $993.583 million against $977.529 million last year, showing nominal increase of 1.64 percent in six months of this year. Meanwhile, on year-to-year basis, the imports from USA during December 2020 however decreased by 22.30 percent, from $248.413 million last year to $192.996 million. On month-on-month basis, the import from USA also declined by 6.18 percent during December 2020 as compared to the import of $205.729 million in November 2020, the SBP data revealed. The overall imports into the all countries increased by 4.83 percent, from $22.136 billion to $23.207 billion, according to the data.

Razak Dawood promises sharp cut in duties on raw materials

LAHORE - Advisor to Prime Minister on Commerce & Investment Abdul Razak Dawood has said that regulatory duty and additional duty will be abolished on raw materials not produced locally. He was talking to the LCCI president Mian Tariq Misbah, senior vice president Nasir Hameed Khan, LCCI former presidents Mian Misbah-ur-Rehman and Ch. Zafar Iqbal during an informal meeting at the Lahore Chamber of Commerce & Industry. The advisor said that that custom duty on those raw materials will also be reduced to make Pakistani products more competitive. He said that banking agreements with Afghanistan and Uzbekistan are well on the way. Trade with these countries will be regularized and smooth once these agreements are finalized. Abdul Razak Dawood said that councils are being established to give quantum jump to the exports of leather, mango, potato, kinnow and dates. He was optimistic that this step would yield good results for the economy of Pakistan. “Prime objective of the government is economic
stability of the country and all out efforts are being made to achieve the desired goal”, the advisor added.

LCCI President Mian Tariq Misbah said that the issue of a steep rise in trade deficit needs urgent attention of the government. Our trade deficit in the period July-December 2020 stood at 12.36 billion dollars which is around 6% higher than the trade deficit of 11.67 billion dollars in the period July-December 2019. Councils are being established to give quantum jump to exports of leather, mango, potato, kinnow and dates. The LCCI president said that the process of refunds for our exporters needs to be streamlined. Recently due to a technical error in the refunds system which resulted in wrong issuance of refunds, notices were issued to the members of business community and false cases were registered. He asked the PM Advisor to play a supporting role in this matter so that the business community is not wrongly victimized. Government should focus on fixing the technical problems in Sales Tax e-Refund system so that swift and transparent issuance of refunds to the exporters can be assured.

“To increase our export competitiveness across diverse sectors, the incentives which are currently provided to the export-oriented sectors should also be provided to other export sectors e.g. pharmaceuticals, rice, halal meat, engineering etc. The refunds of these sectors should also be processed through the new faster system”, Mian Tariq Misbah added. He said that engineering sector holds great importance in world economy as its share in global trade is around 52%. In Pakistan, however no tax incentives are given to engineering sector. Pharmaceutical sector also holds great importance in world economy as its global trade is in excess of 600 billion dollars (3% of global trade). Majority of the tax incentives in Pakistan are given to textile sector whose share in world trade is just around 4%. He said that there is a great need to improve our infrastructure in Testing Laboratories and Standard Certification to enhance our export competitiveness. He said that the rate of 17% Sales tax on the inputs of various export oriented industries is extremely high and needs to be brought down.

The LCCI president further Pakistan’s export products are heavily concentrated in textiles, rice and a few other items. There is a need to diversify our exports, especially focusing on potential sectors like pharmaceuticals, engineering industry, halal food and information technology etc. He said that all raw materials not manufactured locally must attract zero Custom Duties. Government must also eliminate regulatory duties and 2% additional custom duty on raw materials not manufactured locally to increase the competitiveness of our products. He said that Clean Room Panels are imported for use in pharmaceuticals sector and should be exempted from Sales Tax. “It should be made sure that electricity tariff for the export oriented industries remains competitive as any tariff increase results in increasing the cost of doing business exorbitantly”, he concluded.

The Nation
January 24, 2021

Govt considering formation of Potato Development and Export Council

ISLAMABAD - The government is considering formation of Potato Development and Export Council. Matters pertaining to its constitution were discussed at a meeting chaired by Adviser on
Commerce Abdul Razaq Dawood in Islamabad. In his tweet, the adviser said that the meeting discussed all matters relating to quality control, grading, storage and export of potatoes. Razaq Dawood said the Council will have representation from all the stakeholders within the government, farmers, traders and storage company representatives. He said anybody who has expertise and is willing to give time to contribute to the development of this sector may contact the Ministry of Commerce. It is worth mentioning here that the government is committed to expedite the establishment of a Potato Development Council, under the forthcoming Strategic Trade Policy Framework (STPF). The council under STPF will formulate a long-term vision and policy for this sector. In last month, December, the ministry of commerce had held consultative session with the farmers and exporters of potatoes at the Ministry of Commerce. “We discussed problems facing the exports of potatoes and also negotiated on the way forward,” Razak Dawood said in his tweet last month. He said “I would soon visit the potato growing areas to meet the farmers and also see the storage facilities”.

The Nation
January 24, 2021

Pharmaceutical exports increase 23.62pc in 1st half of FY2020-21

ISLAMABAD - The exports of pharmaceutical products from the country witnessed an increase of 23.62 percent during the first half of ongoing financial year (2020-21) as compared to the exports of corresponding period of last year. The pharmaceutical exports were recorded at $138.751 million during July-December (2020-21) as against the export of $112.238 million during July-December (2019-20), showing growth of 23.62 percent, according to the Pakistan Bureau of Statistics (PBS). In terms of quantity, the exports of pharmaceutical products also increased by 31.61 percent by going up from 7,428 metric tons to 9,776 metric tons, according to the data. Meanwhile, on year-on-year basis, the pharmaceutical goods export increased by 26.53 percent during the month of December 2020 as compared to the same month of last year.

The pharmaceutical exports in December 2020 were recorded at $24.700 million against the export of $19.521 million in December 2019, the PBS data revealed. On month- on- month basis, the exports of pharmaceutical witnessed nominal increase of 1.07 percent in December 2020 when compared to $24.438 million in November 2020. It is pertinent to mention here that the country’s trade deficit witnessed an increase of 5.93 percent during the first six months of financial year 2020-21 as compared to the corresponding period of last year. The exports witnessed increase of 5.09% and reached $12.110 billion against the exports of $11.524 billion of the same period of last year. On the other hand, the country’s imports also rose by 5.51% and went up from $23.195 billion last fiscal year to $24.473 billion of same period of fiscal year 2020-21.
Bovines’ meat

Export refinance facility allowed

KARACHI: The State Bank of Pakistan (SBP) has allowed export refinance facility under the Export Finance Scheme for the export of meat of bovine animals. The SBP has made some changes made in the negative list and in this regard, the SBP has advised that exports of meat of bovine animals, fresh or chilled (HS Code 0201), and meat of sheep or goats, fresh, chilled or frozen (HS Code 0204) have been made eligible for export refinance facility under the Export Finance Scheme.

The Nation

January 25, 2021

IT exports register 40 percent increase

ISLAMABAD - Country’s IT exports has registered 40 percent increase during period from July to December 2020 as comparing to corresponding period of financial year 2019-20, said the performance report of Pakistan Software Export Board (PSEB), the attached department of the Ministry of IT and Telecommunication. According to the report, Information and Communication Technology (ICT) export remittances including export of Telecommunication, computer and information services, have surged to US $958 million at a growth rate of 40% during July-December of FY 2020-21, in comparison to US $684 million during July-December of FY 2019-20. Lauding the increase in IT exports, Federal Minister for IT and Telecommunication Syed Amin Ul Haque said this is the highest growth rate for the FY 2020-21 (July-December). He directed making special efforts to increase IT exports and encourage IT companies.
**Profit repatriation jumps 26pc in July-December**

KARACHI: Repatriation of profits was 26 per cent higher than the inflow of foreign investment during the first half of the current fiscal year. The State Bank of Pakistan (SBP) reported on Tuesday that the total outflow of profits and dividends was $892 million while the total foreign investment was $708m during the July-December period of 2020-21. Moreover, the profits on foreign direct investment (FDI) during the first half was $840m, higher than the outflow of $743m. Payments on portfolio investment dropped to $52m against the payment of $93m in the same period of last year. The country received a total foreign investment of $708m in the period under review against $1,376m in the same period last year. The total foreign investment declined due to net outflow of $244m from portfolio investment. The inflow of FDI during the first six months of FY21 was $952m, higher than the total foreign investment $708m due to net outflow of $244m portfolio investment. The details showed that food sector recorded the highest outflow of $171.5m during the first half of the current fiscal year compared to an outflow of $53m in the same period last year. The outflows from the financial sector (banks) was $122.5m during the period under review almost the same as of last year’s $125.5m.

The communication sector witnessed a sharp growth in outflow at $119.3m compared to $33m in the same period of last year. Telecommunications saw an outflow of $105m reflecting the higher use due to the Covid-19. However, a big fall was noted in the profit outflow from the transport and oil & gas exploration sectors as it fell to $74m and $69m, respectively, during July-December compared to $139m and $112m in the same period of last year. Profit outflow from tobacco and cigarettes also noted sharp increase as it rose to $76.5m in the first half against an outflow of $35m during the same period last year. The United Kingdom earned the highest profit of $304m doubled from $156m in the same period of last year. The other top profit earners were United States and Malta with $134m and $92m respectively. China which has been investing heavily in the country and the largest trade partner of Pakistan, could earned a profit of $36m during the first half of FY21. In fact, the profits declined this year as it was $92m in the same period of last fiscal. The details also showed that the foreign investment (mostly FDI) proved profitable in Pakistan despite the Covid19 pandemic which affected businesses in and outside the country.

**Pakistan gets GI tag for basmati**

LAHORE: Pakistan on Tuesday received the Geographical Indicator (GI) tag for its Basmati, paving the way for creating a local registry for this particular strain of rice and making a case in the world markets for its protection as a Pakistani product. "I am glad to inform that Pakistan has registered Basmati Rice as Geographical Indication (GI) under Geographical Indications Act 2020. Under this Act, a GI registry has been formed which will register GIs and maintain the basic record of proprietors & authorised users of GI, Commerce Adviser Abdul Razak Dawood
said in a thread on Twitter. 'This will provide protection of our products against misuse or imitation & hence will guarantee that their share in int’l market is protected. I encourage you to send your suggestions of products that can be registered as GIs to Intellectual Property Organization of Pakistan. Mr. Dawood added.

According to the Rice Exporters Association of Pakistan (Reap), registration of basmati as a GI in the country required cooperation between the public and private sector. The Trade Development Authority of Pakistan (TDAP) was designated as a Registrant of Basmati by the federal government. TDAP made an application to register Basmati to Intellectual Property Organisation (IPO). In this regard, IPO sought assistance from Rice Research Institute Kala Shah Kaku and Reap. Regions where Basmati is grown was mapped by the IPO following recommendations from all provinces. The process followed by the IPO has been an inclusive one and brought all the stakeholders on one table, Reap said. Through intra-provincial and public-private cooperation, Pakistan has obtained the GI tag for its basmati which will strengthen the country’s case against India in the European Union. Since basmati rice fetch higher prices than non-basmati rice in international markets, India has attempted to block Pakistan’s trade in the EU by declaring that this particular strain is the geographically original one. Pakistan has challenged this claim and by registering the GI for basmati, the country will claim the same protection of its basmati in EU as India.

The Nation
January 28, 2021

Denmark keen to invest in cold storage facilities for milk, other dairy products

ISLAMABAD-Danish Ambassador Lis Rosenholm on Wednesday said her country was keen to invest for establishing cold storage facilities for milk and other dairy products in Pakistan in order to save milk from wastage, besides promoting value addition of products to enhance local farm income. The ambassador was talking to Minister for National Food Security and Research Syed Fakhar Imam, on whom he called on here at his office. The two sides discussed ways and means for further strengthening the bilateral relations between the two countries, said a press release. Fakhar Imam said Pakistan attached great value to developing relations with Denmark and efforts would be made for further cementing the ties through enhanced foreign directed investments between the two countries. The minister stressed the need for technological advancements, genetic engineering and enhanced cooperation in the fields of research and development to exploit full potential in livestock and dairy production. The ambassador noted that Pakistan had the milk and dairy potential and emphasised to focus on promoting value addition of the products. He highlighted the significance of research, especially in the agriculture sector, and discussed student exchange programme among universities and vocational training institutes. Both the sides realized that the student exchange programme was Ltd. and decided to further expand it as it would help in further strengthening relationship between Denmark and Pakistan.
Basmati rice registered as GI

LAHORE: Pakistan has registered Basmati Rice as Geographical Indication (GI) under Geographical Indications Act 2020. The registration of Basmati as GI in Pakistan will strengthen the case against India in the European Union, said an announcement by the Rice Exporters Association of Pakistan (REAP) here on Wednesday. The geographical indications registry certificate was issued by the Intellectual Property Organisation (IPO) in the name of Trade Development Authority of Pakistan (TDAP) on Tuesday. Advisor to the Prime Minister on Commerce Razzak Dawood in a tweet also announced his pleasure that Pakistan has registered Basmati Rice as Geographical Indication (GI) under Geographical Indications Act 2020. Under this Act, a GI registry has been formed which will register GIs and maintain the basic record of proprietors & authorised users of GI. This will provide protection of our products against misuse or imitation and it will guarantee that their share in international market is protected, his tweet added. The registration of Basmati as a GI in Pakistan required the cooperation between the public and private sector.

The TDAP was designated as a Registrant of Basmati by the federal government. It moved an application to register Basmati to Intellectual Property Organization (IPO) which sought assistance from Rice Research Institute Kala Shah Kaku and REAP. The IPO mapped the regions where Basmati is grown by taking recommendations from all provinces. The process followed by the IPO has been an inclusive one and it brought all the stakeholders on one table. Through intra-provincial and public-private cooperation, Pakistan has obtained the GI tag for its Basmati which will strengthen the case against India in the European Union. Meanwhile, the REAP claimed that it made major contributions in preparing the Book of Specifications for Basmati laying down the criteria of characteristics for Basmati which needs to be followed by any producer or operator in Pakistan if they desire to obtain the license to use this name. Since Basmati Rice fetch higher prices than non-Basmati rice in international markets, India has attempted to block Pakistan’s trade in the EU by declaring that its Basmati is the geographically original one. Pakistan has challenged this claim and by registering its own GI for Basmati it will claim the same protection of its Basmati in EU as India.

Regional exports plunge by over 25pc in July-December

ISLAMABAD: Pakistan’s exports to the region in the first half of the current fiscal year declined 25.4 per cent from a year ago due to the impact of Covid-19. Exports to Afghanistan, China, Bangladesh, Sri Lanka, India, Iran, Nepal, Bhutan and the Maldives fell to $1.671 billion in the first half of FY21, from $2.240bn the previous year, according to the latest data compiled by the State Bank of Pakistan. On the other hand, the country’s trade deficit with the region narrowed
Participation in Khartoum fair helped enhance Pak-Sudan trade: TDAP

LAHORE - Pakistan’s participation in an international trade fair in Khartoum (Sudan) from January 21 to 28, 2021, through the platform of the Trade Development Authority Pakistan (TDAP), country’s embassy in Sudan, and the Ministry of Commerce opened up new avenues for trade and economic relations between the two countries. TDAP Deputy Director Zufiqar Langah disclosed this to the media on Thursday. He said that the event helped generate business of around US$2 million. Agricultural machinery, pharmaceutical, glass industry and fruit processing sectors received big orders. Deals worth US$3 million were under process and would soon mature between the Pakistani exporters and Sudanese buyers. New exporters from PVC, PPEs and beauty products also received very encouraging response, he said and added that half a dozen companies from Pakistan were able to select new distributors and partners for registration of products and their local distribution in the Sudanese market.

The TDAP and the Embassy of Pakistan arranged extensive B2B (business-to-business) meetings and networking sessions between Pakistani and Sudanese businessmen during the event. In addition, representatives of Pakistani companies visited local markets and superstore for networking and business linkages. Zulfiquar Langah said the Sudanese businessmen and employers invited Pakistani companies on January 25 for business forum wherein detailed briefing on export potential of Pakistan was given to the hosts. Pakistan’s Ambassador to Sudan,
director general of the TDAP, joint secretary (Africa) Ministry of Commerce and additional secretary (Africa) Ministry of Foreign Affairs of Pakistan apprised the Sudanese side that Pakistan had great potential to cater to import needs of Sudan and under the ‘Look Africa policy’, Pakistan is looking for economic and trade relations with regions of Africa including Sudan which shares common bond of faith and friendship with Pakistan. However, despite this, volume of bilateral trade was far below the actual potential. TDAP and Embassy of Pakistan in Sudan arranged a networking dinner at Al Salam Hotel Khartoum on January 26, 2021 for Pakistani companies and leading Sudanese business houses, government officials and members of Pakistani community of Sudan attended the dinner.

The Ambassador of Pakistan welcomed the guests and informed them that Pakistan was producing quality goods and services at very competitive price. He added that 17 leading companies from various export sectors of Pakistan have come to participate in International Fair of Khartoum to explore Sudanese market through platform of TDAP and Ministries of Commerce and Foreign Affairs of Pakistan. He apprised the guests that TDAP was also organizing first ever virtual Texpo from February 1-5 2021 and Sudanese companies may participate in this 24/7 event to interact with leading textiles companies of Pakistan. On the last day of event, SEZ Sudan invited Pakistani companies and TDAP representative for business forum wherein Sudanese buyers were apprised about the level of participation in the event and role of TDAP in export development of Pakistan. The briefing was followed by B2B session between business communities of both the countries. The ambassador of Pakistan also visited the business forum and interacted with the business community.

DAWN
January 30, 2021

Exports of tractors rising, says PM’s aide

ISLAMABAD: Export of tractors has posted an impressive growth in the first half of the current fiscal year from a year ago, said Commerce Adviser Abdul Razak Dawood. Taking to Twitter on Friday, the adviser said that even more encouraging news was that exports by Millat Tractors grew by 68 per cent in value to $6.9 million compared to $4.1m in the previous year. In terms of quantity, Millat exported 850 tractors during the first half of FY21 as compared to 500 tractors in the previous year. ‘I congratulate the tractor manufacturing industry for this outstanding performance and encourage them to strive even harder to increase their footprint in the international market’ the adviser further said.

The Nation
January 31, 2021

African region contains immense potential for trade, investment: Razak Dawood

ISLAMABAD-Advisor to Prime Minister on Commerce and Investment, Abdul Razak Dawood on Saturday said that African region has immense potential for trade and investment including...
engineering and pharmaceutical products. He expressed these views while holding a consultative meeting with the officials of the Trade Development Authority of Pakistan (TDAP) on the trade promotion measures being taken under the Ministry of Commerce (MOC)’s Look Africa Policy initiative, launched in 2017. He visited the headquarters of the Trade Development Authority of Pakistan (TDAP) head office, said a press release issued by Ministry of Commerce. He advised the TDAP to strive even harder to promote exports of Pakistan in new geographies like Africa so that the geographic basket of markets for Pakistan should be diversified. Razak Dawood was of the view that although the numbers are small but the products are in a right direction. He appreciated the role played by TDAP in export promotion and appreciated the fact that despite the logistical difficulties created by the coronavirus pandemic, the TDAP has been able to successfully participate in the Sudan Trade Fair. Being the marketing arm of the Ministry of Commerce, he said the role of TDAP in implementation of the Look Africa Policy initiative of the Ministry of Commerce was crucial. The Advisor was also briefed on “Look Africa Policy” launched by the ministry of commerce.

During the meeting, he was informed that TDAP participated in the International Trade Fair at Khartoum, Sudan from January 21- 28, 2021. This participation has opened up new avenues for trade and economic cooperation between Pakistan and Sudan, he briefed. He was informed that the event generated business of around $ 2 million as agriculture machinery, pharmaceutical, glass Industry and fruit industry received big orders. He was further informed that deals worth $3 million are under process and shall very soon be matured between the Pakistani exporters and Sudanese buyers. New exporters from PVC, corona-related Personal Protection Equipment (PPEs) and beauty products also received very encouraging responses. He was briefed that the TDAP arranged extensive Business to Business and networking sessions between Pakistani and Sudanese businessmen during the event. In addition, representatives of Pakistani companies visited local markets and superstores for networking and business linkages. TDAP and the Embassy of Pakistan facilitated local visits and meetings for the Pakistani companies.

He informed that about half a dozen companies from Pakistan were able to select new distributors and partners for registration of products and their local distribution in the Sudanese market. A business forum was also held on 25th January where the Sudanese Businessmen and Employers’ Federation invited Pakistani companies to give a detailed briefing on export potential of Pakistan to the audience. Salient features of the Look Africa Policy of the Ministry of commerce were explained and the forum was apprised that Pakistan has great potential to cater to import needs of Sudan and it is looking for economic and trade relations with all regions of Africa including Sudan, which shares a common bond of faith and friendship with Pakistan. He was informed that TDAP also arranged a networking dinner for Pakistani companies and leading Sudanese business houses and government officials.
**The Nation**

January 31, 2021

**Pakistani companies receive orders worth $2m at Int’l trade fair held in Sudan**

ISLAMABAD-Pakistani companies have received orders worth two million dollars at international trade fair held in Sudan last week. In a tweet, Adviser on Commerce and Investment Abdul Razak Dawood said as part of the government’s Look Africa Policy initiative, Pakistan successfully participated in international trade fair held in Khartoum from 21st to 28th of this month. He congratulated the companies from automobile, agro-machinery, pharma, glass and fruit sectors for securing orders despite of difficulties created by COVID-19. The Adviser said orders worth three million dollars are under process.

**Rice exports grow by 18.02%, reach $232.722 million**

ISLAMABAD -Rice exports from the country during month of December, 2020 witnessed about 18.02 percent growth as compared the exports of the corresponding month of last year. About 459,714 metric tons of rice valuing $232.722 million exported during the month of December, 2020 as compared the exports of 409,757 metric tons worth $197.188 million of same month of last year. During the period under review about 63,449 metric tons of Basmati rice worth $66.192 million also exported as compared 84,078 metric tons valuing $65.547 million of same period last year, according the data of Pakistan Bureau of Statistics. The exports of Basmati rice witnessed about 0.98 percent growth during last month as against the exports of corresponding month of year 2019-20, it revealed. In December 2020, country fetched $166.530 million by exporting about 396,265 metric tons of rice other then Basmati as compared the exports of 325,676 metric tons $131.641 million of same month of last year. The exports of others rice recorded about 26.50 percent increase during the period under review as against the exports of same month last year, the data revealed. However, exports of rice from the country during first half of current financial year registered negative growth of 6.74 percent as compared the exports of same period last year. From July-December, 2020, 1,824,638 metric tons of rice worth $963 million was exported as compared the exports of 2,038,052 metric tons costing $1.0333 billion of same period last year. In first half of current financial year, exports of Basmati rice decreased by 31.03 percent, where as exports of rice other then Basmati grew by 7.45 percent. It is worth mentioning here that food group exports from the country during the month of December, 2020 recorded growth of 11.83 percent as compared the exports of same month of last year.
FBR abolishes 2pc ACD on import of 152 items

ISLAMABAD: The Federal Board of Revenue (FBR) has abolished two percent Additional Customs Duty (ACD) on the import of 152 items, mostly raw materials including iodine, sulphur, acetic acid, magnesium hydroxide, bentonite, and machinery for making or repairing footwear. The FBR has issued a notification to amend SRO 572(1)/2020 (levy of additional customs duty) here on Friday.

The FBR has included items in the list on which ACD would not be applicable under SRO 572(1)/2020. The ACD would not be applicable on the import of sulphur of all kinds, other than sublimed sulphur, precipitated sulphur and colloidal sulphur; natural uranium and its compounds; alloys, dispersions (including cermets), ceramic products and mixtures containing natural uranium or natural uranium compounds; spent (irradiated) fuel elements (cartridges) of nuclear reactors; heptenes; iodides and iodide oxides; benzene; tall oil, whether or not refined; lecithins and other phosphoaminolipids; cyclohexane, natural uranium and its compounds; alloys, dispersions (including cermets), ceramic products and mixtures containing natural uranium or natural uranium compounds and other items specified in the list of SRO 572(1)/2020.

The Economic Coordination Committee (ECC) of the Cabinet had approved the removal of additional two percent customs duty on 152 tariff lines, mostly raw material, under the National Tariff Policy 2019-24. The Ministry of Commerce had presented a summary regarding removal of additional two percent customs duty on 152 tariff lines, mostly raw material.

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