

(317th Session)

SENATE SECRETARIAT

“QUESTIONS FOR ORAL ANSWERS AND THEIR REPLIES”

to be asked at a sitting of the Senate to be held on

Friday, the 7th January, 2022

DEFERRED QUESTION

[Question No. 6 was deferred on 22nd December, 2021 (316th Session)]

(Def.) *Question No. 6 **Senator Zeeshan Khanzada:**

(Notice Received on 26/11/2021 at 4:25 PM) QID: 38535

Will the Minister for Planning, Development and Special Initiatives be pleased to state:

- (a) the total amount spent on the National census in 2017;*
- (b) the number of formal complaints received against the results of the said census 2017 with requests for verification of the census figures, if any; and*
- (c) tentative dates for the next National census?*

Mr. Asad Umar: (a) The total amount spent on the National Census in year 2017 was Rs. **16.884** billion.

(b) Firstly, the Chief Minister Sindh made some observations/ recommendations on 10th March, 2017 for smooth field operations of Census 2017. Later after census activity observations were made on census 2017 results by the CM Sindh in the CCI meeting held on 13th November, 2017 and therein it was decided to conduct third party validation of 1% blocks. In the CCI meeting of 24th November, 2017 it was enhanced to 5% of the blocks.

Furthermore, the Chief Minister of Sindh opposed the approval of final results of Census-2017 in 45th meeting of CCI held on 12th April, 2021, however on the recommendation of Cabinet Committee the results were approved by CCI with the majority votes and directed to start process for the next census at the earliest, while adopting best international practices and technology usage.

The CM Sindh on 29th May, 2021 while using its constitutional right under Article 154 (7) submitted a reference to the Parliament on the above mentioned CCI's decision for its placement before the joint session and accordingly during joint session held on 17th November, 2021 the reference was considered wherein the CCI's decision was approved with majority votes.

(c) The process of 7th Population and Housing Census-2022 (1st Digital Census) has been initiated; a Pilot Census will be conducted *w.e.f.* 15th May, 2022 to 15th June, 2022 and complete Field Operation (Face to Face interviews) will be carried out from **1st August, 2022 to 31st August, 2022** tentatively.

***Question No. 26 Senator Ejaz Ahmad Chaudhary:**

(Notice Received on 8/12/2021 at 10:45 AM) QID: 38591

Will the Minister for Finance and Revenue be pleased to state:

- (a) *whether it is fact that food inflation ratio has increased substantially during the last two years, if yes, reasons thereof; and*
- (b) *steps taken by the Government to provide essential edible item at cheapest rate?*

Mr. Shaukat Fayaz Ahmed Tarin: (a) Food inflation rate has not increased substantially as given below:

Fiscal year/ Months	Food (Urban)	Food (Rural)
2019-20	13.6	15.9
2020-21	12.4	13.1
2021-22 (Jul-Dec)	10.6	8.4

Source: PBS

- Food inflation is dependent on the domestic supply/production of food items & the supply & prices of food items in global market. In global market, there was disruption in supply of commodities due to Covid-19 & high demand.
- The inflationary pressure is a global/regional phenomenon, as inflation is recorded in Iran 35.7% (Nov 21), Turkey 21.3% (Nov 21) and Kyrgyzstan 12.3% (Nov 21).
- Pakistan is a net importer of food items especially crude oil, edible oil, wheat, sugar and pulses. Hence, the food inflation is not a domestic phenomenon.

International Prices					
Months	Sugar (\$/mt)	Palm oil (\$/mt)	Soyabean oil (\$/mt)	Wheat (\$/mt)	Crude oil (\$/bbl)
Nov 2020	310.0	918.0	974.0	247.9	43.2
Nov 2021	430.0	1348.0	1440.0	334.5	80.8
% Change	38.7	46.8	47.8	34.9	87.0

Source: Pink sheet (World Bank)

- Present government has made difficult decisions of upward adjustment in overdue gas and electricity prices, market-based exchange rate adjustments etc. to correct the macroeconomic imbalances.
- The government has been effectively managing the required supply of all the essential items by bridging the demand supply gap with imports to ensure sufficient supply of food items in the country to control price escalation.

(b) To ease out the inflationary pressure, the Government is taking Administrative, Policy & Relief measures:

Administrative Measures:

- **Weekly National Price Monitoring Committee** meetings under the Chairmanship of the FM to ensure smooth supply of essential items and to monitor the prices by provincial and Federal organizations.
- Government is also expanding the network of Sasta Bazaars and Utility Store outlets for provision of smooth supply of daily use items.

- Competition Commission of Pakistan is taking proactive measures to control Cartelization and undue Profiteering.
- District Price Control Committees are actively monitoring the prices of essential items to ensure their availability at reasonable prices.

Policy Measures:

- Government is importing wheat (2.0 MMT) and sugar (0.3 MMT) to ensure their smooth supply at reasonable prices.
- Maintaining strategic reserves of wheat, sugar, ghee and pulses. M/o NFS&R and M/o Industries and Production are working on it to ensure their sufficient supply.
- Strategy for reducing profit margin between wholesale and retail price of essential items by analysing the value chain of these items is being worked out in consultation with provincial Chief Secretaries.
- Under the Prime Minister's comprehensive Agriculture Transformation Plan, the government is focusing on medium & long term strategy for raising production of essential imported food items including edible oil and pulses.
- Government is implementing National Agriculture Emergency Program amounting Rs. 277 billion to uplift agriculture and livestock sector on modern lines and to enhance the production level of major and minor crops.

Relief Measures:

- Government has decided to release wheat at the price of Rs. 1950 per 40 kg to ease out its price and ensure smooth supply in the market and flour mills would provide 20 kg bag for Rs. 1,100. All Provincial governments are releasing wheat at the government determined price.
- Government decided to set the price of sugar at Rs. 90/kg across the country.
- The pro poor allocations under BISP in 2018 amounts to Rs. 121 billion which has been enhanced to Rs. 260 billion in

FY 2022 under the EHSAAS program. Government has further decided to provide cash subsidy on wheat flour, ghee and pulses.

- A relief package of Rs. 120 bn announced to provide 30 percent discount on ghee, wheat flour and pulses to 130 million people for the next six months.
- Ehsaas Emergency Cash Program: the government has disbursed Rs. 179.3 billion to 14.8 million beneficiaries to provide immediate cash relief of Rs. 12,000 whose livelihood has been severely affected by the pandemic.
- The Panagahs for jobless and poor has been extended across the country to provide meals and shelter for unemployed.

***Question No. 27 Senator Mushtaq Ahmed:**

(Notice Received on 8/12/2021 at 10:55 AM) QID: 38470

Will the Minister for Finance and Revenue be pleased to state reasons for current increase in the value of US Dollar against Pakistani rupees, indicating also the steps being taken by the Government of Pakistan to stabilize/ depreciate Pakistani rupees against US Dollar?

Mr. Shaukat Fayaz Ahmed Tarin: The value of Pakistani Rupee has depreciated against the US Dollar during the current fiscal year from PKR 157.54 per US Dollar as of end June 2021 to PKR, 175.73 per US Dollar as on 12th November 2021, reflecting a depreciation of 10.3%. This is in contrast to PKR appreciation of 6.7 percent in FY21. The movement in PKR is primarily a reflection of the balance of payment position of the country. During first quarter of the current fiscal year (FY22), the current account has recorded a deficit of US\$ 3.4 billion compared to a surplus of US\$ 865 million in the same period last year. Rising international commodity (including oil) prices and incremental imports because of import of Wheat, Sugar and COVID vaccines, are major contributors towards the current account deficit.

2. It may be noted that since May 2019, Pakistan has adopted a market based flexible exchange rate system, where the exchange rate is determined by market demand and supply conditions and trend in the exchange rate is generally a reflection of external balance of payment

position of the country. The flexible exchange rate system itself act as a first line of defense against the external shocks.

3. SBP has already and proactively taken measures to manage the impact of the rising imports. As these measures would help constrain imports, one source of the pressure on the PKR in the FX market would be checked. These measures include:

- a. Increase in policy interest rates by 0.25 percent in September 2021;
- b. Changes in prudential regulations for auto financing in particular and consumer financing in general. (Reason: automobile and cell phone imports are rising and contributing to the current account deficit);
- c. Imposition of 100 percent cash margin requirement on 114 mostly consumer-oriented import items in September 2021. These items include consumer electronics (microwaves, LCD TVs, refrigerators, washing machines), construction-related items (ceramics, tiles), and transport-related goods (tyres, body parts), among others. These items are also produced locally, and the country can save valuable foreign exchange by discouraging their imports;
- d. In October 2021, the SBP has undertaken efforts to curb unnecessary Cash foreign exchange outflows, especially via exchange companies. These include limiting the amount of cash FX that can be purchased by people visiting Afghanistan; biometric verification for all cash FX transactions over US\$ 500; and use of banking channels for cash FX purchases over US\$ 10,000.

3. Further, in the budget estimated for FY-22, Government of Pakistan has planned foreign exchange inflows from various multilateral/bilateral sources. Realization of these inflows shall improve foreign exchange liquidity in the country and thus support build-up of foreign exchange reserves of the country.

***Question No. 30 Senator Mohsin Aziz:**

(Notice Received on 9/12/2021 at 2:45 PM) QID: 38603

Will the Minister for Finance and Revenue be pleased to state:

- (a) *the year-wise and tax-wise revenue collected by the Government during the last three years; and*
- (b) *the steps taken or being taken by the Government to increase tax revenue of the country?*

Mr. Shaukat Fayaz Ahmed Tarin: (a) Year-wise and tax-wise revenue collected by the FBR during last three years is as under:

Net Revenue Collection

(Rs.Billion)

Years	2018-19	2019-20	2020-21
Direct Tax	1,445.5	1,523.4	1,731.3
Sales Tax	1,459.2	1,596.9	1,988.3
FED	238.2	250.5	277.0
Customs Duty	685.6	626.6	748.4
Total	3,828.5	3,997.4	4,745.0

(b) Following steps have been taken by the Government to enhance the tax revenue:

Inland Revenue:

1. Point of Sales (POS) Integration of Tier-1 retailers
2. High Net-Worth Individuals (action through third party data utilization) obtained from DISCOs & Gas Companies, Banks etc.
3. Tax Asaan a mobile application introduced to facilitate taxpayers
4. IREN established in 2019 to combat illicit trade
5. Operationalization of Track & Trace System
6. Providing facility of e-payments, greater induction of technology to improve trade /logistic performance indicators; such as development of e-payments platform
7. Risk based Audit

8. Transformation of traditional audit processes into e-Audits
9. Automation of audit monitoring system
10. Follow up on high value cases for early decisions.

Customs:

- Collection of customs duty and related Sales tax, Withholding tax and Federal Excise Duty depends upon quantity of goods imported into the country. This collection mainly relies on valuation / assessment of imported goods. For proper valuation / assessment of goods, following steps have been taken:-
 - (i) Revamping of Valuation Ruling (VRs).
 - (ii) Utilization of Electronic Data Exchange (EDE) data of China for deep analysis.
 - (iii) Use of “structured description” in Customs Computerized Clearance System.
- Following legal provisions have been made in Customs Act to determine correct value of imported goods and increase in revenue:—
 - (i) Rationalization of penalties.
 - (ii) Introduction of Master Bill of Lading for Shipping / freight forwarding agents.
 - (iii) Use of international references and accredited international publications like Reuters (Palm fatty acids etc.), IHT market (Hydrogen Peroxide), ICIS, LME etc. for assessment. These publications provide up-to-date and real time data/value of imported goods.
- Rationalization of customs tariffs through active collaboration with Ministry of Commerce, National Tariff Commission and different trade bodies etc. to promote trade and investment.

- Introduction of National Single Window (WINPAK) for increased efficiency, timely/informed decision making and integrating all stakeholder *i.e.* private sector and government.
- Providing facility of e-payments, greater induction of technology to improve trade/ logistic performance indicators, a recent example is deployment of e-payments platform.

***Question No. 31 Senator Mushtaq Ahmed:**

(Notice Received on 9/12/2021 at 4:20 PM) QID: 38615

Will the Minister for Industries and Production be pleased to state the name of the incumbent Chief Executive Officer of Pakistan Industrial Development Corporation indicating criteria and procedure of appointment adopted thereof?

Makhdoom Khusro Bukhtiar: Mr. Rizwan Ahmed Bhatti has been appointed as the incumbent CEO-PIDC *vide* Notification dated 13-12-2019.

PIDC is a public sector company registered under Section 32 of the Companies Act-2017 (erstwhile Companies Ordinance-1984). Accordingly, the criteria and procedure laid down in Public Sector Companies (Appointment of Chief Executive) Guidelines-2015 was adopted for appointment of the incumbent CEO-PIDC.

In terms of guideline 4 and guideline 6 of the said Guidelines, the Board of PIDC recommended a panel of three candidates in its meeting held on 19-09-2019 (**Annex-I**) for the post of CEO, after evaluation of the candidates as per the Fit and Proper Criteria delineated in Schedule-II (**Annex-II**) of the Appointment of Chief Executive Guidelines-2015. Mr. Rizwan Ahmed Bhatti was recommended as the principal candidate by the Board of Directors.

Subsequently, Federal Cabinet approved the appointment of Mr. Rizwan Ahmed Bhatti as CEO-PIDC (**Annex-III**) for a period of three (03) years subject to termination on one month's notice, *vide* the Case dated 19-11-2019.

Annex-I**ITEM # 02 To review / consider the Recommendations of HR Committee held on 19th September, 2019.**

The Board was apprised that in response to advertisement published in dailies "Dawn", "Jang" and "The Frontier Post" dated 11th August, 2019 for the position of CEO, PIDC, Thirty-one (31) applications of Candidates applied for the post of CEO, PIDC were received. The matter was placed before the HR Committee in its 23rd meeting held on 13th September, 2019 and the Committee after thorough review of all applications of the candidates applied for the post of CEO, PIDC short listed the following Six (6) out of total Thirty One (31) Candidates, found suitable/eligible for Interview for the post of CEO, PIDC:-

Sr. No.	Name
01	Mr. Muhammad Alamgir Chaudhary
02	Mr. Muhammad Ali Khan
03	Mr. Muhammad Arif Shaikh
04	Air Commodore ® Saad Hussain
05	Mr. Rizwan Ahmed Bhatti
06	Mr. Muhammad Younus

The HR Committee directed to call the following 06 short listed candidates for interview on 19th September, 2019 at MOI&P Committee Room, Block-A, Pak Secretariat, Islamabad

Following five (5) candidates appeared for interview out of above Six (6) short-listed candidates except the candidate at S.No.3. The HR Committee in its 24th meeting conducted interviews and evaluated the candidates based on relevant criteria and awarded points/marks out of 100 to each one of them:

Sr. No.	Name	Marks
1.	Mr. Muhammad Alamgir Chaudhary	72
2.	Mr. Muhammad Ali Khan	64
3.	Mr. Saad Hussain	68
4.	Mr. Rizwan Ahmed Bhatti	86
5.	Mr. Muhammad Younus	59

The HR Committee unanimously recommended the following panel of top three (3) candidates to the Board in the order of merit for the

appointment of the Chief Executive Officer, PIDC, for onward recommendation to the Ministry of Industries & Production for the approval/concurrence of the Government under the relevant SECP Rules.

Sr. No.	Name	Marks
1.	Mr. Rizwan Ahmed Bhatti	86
2.	Mr. Muhammad Alamgir Chaudhary	72
3.	Air Commodore ® Saad Hussain	64

Decision:

The Board considered the recommendations of the HR Committee of the Board and unanimously adopted and approved the same. It further authorized the Chairman of the Board to forward the panel of top three candidates to the MoI&P in the order of merit to obtain approval/concurrence of the Government

There being no other business, the meeting was concluded with vote of thanks to and from the chair.


COMPANY SECRETARY

SCHEDULE-II**[See paragraph 3]****Fit and Proper Criteria for Appointment as Chief Executive of a
Public Sector Company**

1. In order to determine whether a candidate proposed to be appointed as a chief executive of a public sector company is fit and proper for the position, the following factors shall be taken into consideration:

- (1) **Competence and capability** – he must have the necessary skills, experience, ability and commitment to carry out the role efficiently and effectively.
- (2) **Probity, personal integrity and reputation** – he must possess personal qualities such as honesty, integrity, diligence, independence of mind and fairness, and has the ability to represent a cohesive vision and strategy to all.
- (3) **Financial Integrity** – he must be capable to manage his debts or financial affairs prudently.

2. The Board of the public sector company shall also ensure that that the person is not ineligible to act as a chief executive pursuant to section 201 read with section 187 of the Companies Ordinance, 1984.

3. The assessment of the above criteria shall have regard to the considerations set out below:

- (1) **Competence and Capability:**
 - (a) Competence and capability are demonstrated by a person who possesses the relevant competence, experience and ability to understand the technical requirements of the business, the inherent risks and the management process required to perform his role effectively as a chief executive.
 - (b) In assessing a person's competence and capability, the appointing authority shall consider matters including, but not limited to the following:
 - (i) whether the person has the appropriate qualification, training, skills, practical experience and commitment to effectively fulfill the role and responsibilities of the position; and

- (ii) whether the person has satisfactory past performance or expertise in the nature of the business being conducted.
- (c) To undertake the aforesaid assessment effectively, the following parameters are prescribed for consideration:
 - (i) He must
 - I. Possess a graduate degree from a well-reputed institute or such other professional qualification relating to the principle line of business of the public sector company, including manufacturing, mining, science, technology, agriculture, social science, or any other field commensurate to the job, or
 - II. Be a member of a recognized body of professional accountants, or
 - III. Be a recognized businessman or professional with a postgraduate degree in business administration or public administration or finance or commerce or marketing or equivalent; and
 - (ii) He must possess demonstrated experience of not less than ten years:
 - I. in governance or business administration or public administration or finance or commerce or marketing or any other field commensurate to the job in significant organizations with a commercial orientation, or
 - II. as chief executive or at a senior management level in similar organizations that have commercial attributes, or
 - III. at senior positions in relevant professional areas including, inter-alia, science, technology, finance, law, business, agriculture, social sciences, etc., or
 - IV. in community or professional organizations; or
 - V. at the level of member of governing body of a professional institute or as a head of department.

(2) Probity, Personal Integrity and Reputation:

- (a) Probity, personal integrity and reputation are values that are demonstrated over time. These attributes demand a disciplined and on-going commitment to high ethical standards.
- (b) In assessing a person's level of probity, integrity and reputation to hold a position of a chief executive, the appointing authority shall consider matters including, but not limited to the following:

- (i) whether the person is or has been subject to any adverse findings or any settlement in civil/criminal proceedings particularly with regard to investments, formation or management of a company or body corporate, or the commission of financial business misconduct, fraud, financial crime, default in payment of taxes or statutory dues, etc.;
- (ii) whether the person is or has been removed/dismissed in the capacity of an employee, director/chairman or from a position of trust, fiduciary appointment or similar position because of issues arising on account of his misconduct;
- (iii) whether the person is or has, directly or indirectly, i.e. through his spouse or minor children, been engaged in any business which is of the same nature as and directly competes with the business carried on by the company of which he is the chief executive or by a subsidiary of such company;
- (iv) whether the person has contravened any of the requirements and standards of a regulatory body, professional body, government or its agencies;
- (v) whether the person, or any business in which he has a controlling interest or exercises significant influence, has been disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately;
- (vi) whether the person has been engaged in any business practices which are deceitful, oppressive or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on his professional conduct;
- (vii) whether the person has been associated as a partner or director with a company, partnership or other business association that has been refused registration, authorisation, membership or a license to conduct any trade, business or profession, or has had that registration, authorisation, membership or license revoked, withdrawn or terminated;
- (viii) whether the person has been a director, partner or chief executive of any company, partnership or other business association which is being or has been wound up by a court or other authority competent to do so within or outside Pakistan, or of any licensed institution, the license of which has been revoked under any law;
- (ix) whether the person is free from any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of his judgment when acting in the capacity of a director or chief executive or member of a governing body which would be disadvantageous to the interest of the public sector company; and

- (x) whether the person is a Pakistani citizen or a foreign national or both.

(3) Financial Integrity:

- (a) Financial integrity is demonstrated by a person who manages his own financial affairs properly and prudently.
- (b) In assessing a person's financial integrity, the appointing authority shall consider all relevant factors, including but not limited to the following:
 - (i) whether such person's financial statements or record including wealth statements or income tax returns or assessment orders are available;
 - (ii) whether the latest Credit Information Bureau report of the person shows no overdue payments or default to a financial institution;

Provided that such a person will be treated as a defaulter if he has failed to repay his loan exceeding one million rupees to a financial institution or is a defaulter of a stock exchange.
 - (iii) whether the person has been and will be able to fulfil his financial obligations, whether in Pakistan or elsewhere, as and when they fall due; and
 - (iv) whether the person has been the subject of a judgment debt which is unsatisfied, either in whole or in part, whether in Pakistan or elsewhere.
- (c) The fact that a person may be of limited financial means does not in itself, affect the person's ability to satisfy the financial integrity criteria.

4. While making appointment of chief executive to a public sector company, the appointing authority shall conform to a merit-based selection procedure and shall also give due consideration to the following:

- (a) Sectoral expertise
- (b) Organizational awareness;
- (c) An understanding of the role of the government as a shareholder;
- (d) Financial literacy and business acumen, irrespective of the professional background;
- (e) A knowledge of the statutory responsibilities of a chief executive;
- (f) The capability for a wide perspective on issues; and
- (g) Leadership qualities.

Secret

Case No. 949/43/2019 Dated: 19.11.2019	Appointment of Chief Executive Officer (CEO), Pakistan Industrial Development Corporation (PIDC).
Presented by: Industries & Production Division	

DECISION

The Cabinet considered the summary titled '**Appointment of Chief Executive Officer (CEO), Pakistan Industrial Development Corporation (PIDC)**' dated 8th November, 2019, submitted by Industries & Production Division, and approved the candidate at Sr.No.1, in the order of merit, Mr. Rizwan Ahmed Bhatti, for appointment as Chief Executive Officer, PIDC, for a period of three years.

***Question No. 32 Senator Mushtaq Ahmed:**

(Notice Received on 9/12/2021 at 4:20 PM) QID: 38419

Will the Minister for Commerce be pleased to state:

- (a) *whether it is a fact that first quarter of current fiscal year (July -Sep 2021) posted a rise of more than 100% in trade deficit, if so, the reasons thereof; and*
- (b) *steps taken by the Government to reduce the trade deficit?*

Minister for Commerce: (a) The trade figures for 1st quarter (July to September) for FY 2020-21 and FY 2021-22 are given below:

(value in Million US Dollars)

Category	July to September 2020-2021	July to September 2021-2022	Percent change
Imports	11,286.11	18,746.83	66.11
Exports	54,71.81	6,996.75	27.89
Trade deficit	5,814.3	11,750.08	102.08

Trade deficit during the first quarter of current fiscal year (July – September 2021) stood at US\$ 11.75 billion, compared to US\$ 5.81 billion during the same period in FY 2020-21, registering an increase of 102.1%. While exports from Pakistan increased by 27.89% during the first quarter, imports also recorded an increase of 66.11%.

The main reason for the relative increase in imports has been increase in imports of raw materials, food items, Covid-19 vaccines, telecommunications equipment, and transportation goods, as well as the high prices of food related goods in the international market. Import of machinery and industrial raw material also increased substantially as a result of investment by the local industry. The sharp increase in the energy prices has resulted in increase of import of petroleum products by 97.28%. Similarly, import of palm oil and sugar has also increased substantially.

Source: PBS

(b) The following export enhancement measures has been taken by the Government to increase export and thus reduce trade deficit:

i. PM PACKAGE OF INCENTIVE FOR EXPORTERS:

In 2018, Pakistan's export had been adversely affected due to high energy costs, exchange rate appreciation and high import tariffs on inputs. To arrest this declining trend of exports, the Economic Coordination Committee (ECC) of the Cabinet approved Prime Minister's Package of Incentives of PKR 180 billion for exporters of Textile and Non-Textile sectors on shipments made from 16th January, 2017 to 30th June, 2018, which was specifically aimed at improving competitiveness of the export sector. As a result of this incentive, country's export competitiveness showed signs of positive growth. Hence, to keep up the momentum of this growth trajectory, the Package, with the approval of the ECC of the Cabinet, was further extended for three consecutive years. The Drawback schemes expired on 30th June 2021. The MoC has conduct an impact assessment study of the schemes and is in the process of formulation of a new scheme to replace the previous one.

ii. TARIFF RATIONALIZATION THROUGH NATIONAL TARIFF POLICY:

The first ever National Tariff Policy (NTP) 2019-2024 was approved by the Federal Government on 19th November, 2019. In order to

meet the objectives of the NTP and to remove distortions in the tariff structure, in line with the requests received from the public and the private sectors, tariffs were rationalized as per details given below:

- **Implementation of National Tariff Policy 2019-24 (FY 2020-21 Performance)**
 - (a) ACD on 1623 Tariff Lines, consisting of basic raw materials, was removed.
 - (b) CD on 90 Tariff Lines, consisting of intermediate goods/inputs, not manufactured locally, was reduced from 11% to 3% and 0%.
 - (c) In order to implement the ~~“Make in Pakistan Initiative”~~ of the Government, tariffs were rationalized on 112 Tariff Lines.
 - (d) RD on 36 Tariff Lines of Iron & Steel Sector was reduced.
 - (e) ACD and RD on 164 Tariff Lines of Textile Sector, not locally manufactured, were removed in order to increase the share of Man-Made Fiber (MMF) in textile exports.
 - (f) In order to meet the demand of value-added Textile Sector, 5% CD and 5% RD on import of Cotton yarn was removed till 30th June, 2021.
 - (g) ACD on 152 tariff lines pertaining to raw materials, mostly chemicals, used by the local manufacturing sector was removed.
- **Implementation of National Tariff Policy 2019-24 (Budget FY 2021-22 Performance)**
 - (a) Reduction of ACD from 7% to 6% in 20% slab.
 - (b) Tariff Rationalized of Tourism Industry as per request of Pakistan Tourism Corporation Development (PTDC).
 - (c) Tariff Rationalization of the Textile sector as per study conducted by Tariff Policy Centre.
 - (d) Individual tariff rationalization requests, received from various industries, have been taken into account by the

Tariff Policy Board in line with the objectives of the NTP.

- (e) Customs Duty reduction from 11% to 3% & 0% on items not locally manufactured.
- (f) Tariff Rationalization of Pharmaceutical sector as per request of MoNHSR&C and Pakistan Pharmaceutical Manufacturers Association.
- (g) Tariff Rationalization of flat products of Iron and steel sector as per recommendations of Tariff Policy Centre.
- (h) Reduction of Customs duty from 3% to 0% on items not locally manufactured.
- (i) Duties on raw materials, used by the manufacturers of Covid-19 related items, have been removed at the request of MoNHSR&C.
- (j) RDs on non-essential items, as per recommendations of FBR, have been increased.
- (k) Tariff rationalization of Auto Sector as per recommendations of Ministry of Industries and Production.

iii. **e-COMMERCE POLICY:**

Pakistan announced its first ever e-Commerce Policy, prepared by Ministry of Commerce, on 1st October, 2019. The Policy aims to provide a launching pad to Pakistan's e-Commerce market and its exports, while proving to be a driver of youth empowerment and employment generation, export development and increase investment/FDI in Pakistan through digital connectivity. An e-Commerce business facilitation hub will be created, by ensuring facilitation for free-lancers, e-Commerce initiatives and startups through effective coordination with SECP, FBR and SBP. Pak e-SME program will be initiated to identify, train, enable and connect 50,000 e-SMEs of the remote areas of Pakistan to online market places for promoting e-Commerce. An e-Commerce Aggregator will be developed with Public Private Partnership to show-case e-Commerce companies of Pakistan to the world. Moreover, Pakistan has been added officially in the sellers list of Amazon on 21st May, 2021 – one of the world's largest e-Commerce platform.

iv. **ENACTMENT OF GI LAW AND NOTIFICATION OF GI RULES:**

The Geographical Indications (GI) Law was finalized after consultation with public and private sector stakeholders and forwarded to the Ministry for enactment by the Parliament. Accordingly, the Geographical Indications (Protection and Registration) Act, 2020 was passed by the Parliament in March 31, 2020. GI Rules there under were notified on 28th December, 2020. Pakistan received the geographical indication (GI) tag for its Basmati rice on January 26, 2021. GI tag will provide protection to Pakistani Rice against misuse or imitation, hence, will guarantee that its share in the international market is protected. Chounsa Mango, Sindhri Mango and Kinnow have been approved by the Cabinet on 13th April, 2021 to be registered as Pakistan's Geographical Indication (GI). Geographical Indication (GI) registration has been processed for ~~Pink Salt~~".

Accession to Madrid Protocol: Pakistan joined the Madrid system of international registration Trademarks, on 24th February, 2021. With the accession to the Madrid system, the Trademark holders of Pakistan will be able to protect their trademarks in more than 100 countries by filing a single application at WIPO via IPO Pakistan. The business community of member countries will also be able to get protection of their Trademarks in Pakistan by using Madrid route. It is win-win situation for traders of both Pakistan and its trading partners to get protection of Intellectual Property Rights to promote genuine businesses in their markets as well as instilling confidence in potential foreign investors.

v. **STRATEGIC TRADE POLICY FRAMEWORK 2020-2025:**

The upcoming Strategic Trade Policy Framework (STPF) 2020-25 aims to enhance export competitiveness of Pakistan through a framework of interventions having an impact across the value chains. The STPF intends to make the policy implementation unidirectional by correcting the chronic policy fragmentation related issues that have undermined the effective implementation of previous Trade Policy Frameworks. The ECC of the Cabinet in its meeting held on 31st March, 2021 has approved the formulation of National Export Development Board (NEDB) envisaged under the STPF to oversee its implementation. The NEDB has been notified on 8th July 2021. ECC of the Cabinet in its meeting held on 04-11-2012 has also approved Strategic Trade Policy Framework 2020-25.

vi. TEXTILE POLICY 2020-2025:

In tandem with STPF, the 3rd Textile Policy 2020-25 is also being launched by the Ministry of Commerce. The Policy is aimed at utilizing the potential of home-grown cotton augmented by Manmade Fiber / Filament to boost value-added exports and become one of the major players in global textile supply chain. The Textile sector will provide a conducive business environment; consistent, predictable and foreseeable measures will be taken to create a level playing field for the domestic and export-oriented textiles value chains.

vii. IMPROVED EFFICIENCY OF TRANSIT THROUGH PAKISTAN AND REGIONAL CONNECTIVITY:

New border points opened for trade with Afghanistan and Iran Ghulam Khan BCP opened for ATT, Kharlachi notified as rebatable BCP to enhance exports, Customs & banking facilities being established at all BCPs. The Protocol No. 6 for extension of Afghanistan-Pakistan Transit Trade Agreement (APTTA-2010) for the period of six months was signed on 8th July, 2021. Furthermore, National Trade and Transport Facilitation Committee (NTTFC) has been reactivated and the meetings are being held regularly to ensure progress on TIR and other trade related transport and logistics issues). TIR Rules being rationalized, ATT bulk shipments allowed thru Gwadar port, Joint Check Posts of all agencies established at BCPs to reduce clearance time, scanning regime rationalized and removal of transshipment restrictions.

Moreover, Pakistan-Uzbekistan Transit Trade Agreement finalized. Preferential Trade Agreements (PTAs) with Uzbekistan & Afghanistan under advanced stage of negotiations; Negotiations have been resumed with Gulf Cooperation Council (GCC) for Free Trade Agreement (FTA) after 13 years. MoU on Establishment of Border Sustenance Marketplaces with Iran was signed on 21st April, 2021 in Tehran.

viii. MARKET ACCESS INITIATIVES:

The Ministry of Commerce has been in the continuous process of formulating market penetration strategies in collaboration with TDAP and Trade Missions for Potential / Non-Traditional Markets *i.e.*, South Asia, Central Asia, Africa, South America, Russia and South East Asia etc. to

promote and facilitate exports to the untapped markets which hold immense potential for Pakistan to enhance its market share.

To have better market access for Pakistani products, the Government has taken the following initiatives:

Pak China FTA Phase-II: Pakistan has signed the second phase of Pak-China FTA, effective from 1st January, 2020, under which duty on 313 Tariff Lines will be reduced to zero by China. The enhanced market access will further diversify Pakistan's export in these Tariff Lines.

Implementation of Phase-II of the China-Pakistan Free Trade Agreement from 1st January 2020 followed by awareness campaign through ten seminars to apprise the business community of Pakistan about the benefits of this Agreement. Moreover, holding of Trade & Investment Conference in November-2018 in Shanghai-China and in April 2019 in Beijing during visits of the Prime Minister of Pakistan.

Settlement of mutual financial claims with Russia: An Agreement was signed between the Government of the Islamic Republic of Pakistan and the Government of the Russian Federation on settlement of mutual financial claims and the obligations on operations of the former USSR. A 39-year-old trade dispute has been settled in which it was decided that Pakistan would return US\$ 93.5 million within 90 days of the signing of the agreement. NBP has been instructed to complete all codal formalities and to disperse the amounts as per Cabinet's decision.

Pakistan Turkey Business and Investment Forum: The first ever Pakistan Turkey Business and Investment Forum was held on 13-14th February, 2020 to promote trade and investment opportunities in Pakistan for the Turkish side. 40 Turkish companies participated and around 450 meetings were held for possible Joint Ventures and to explore avenues of cooperation.

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Re-entry of Pakistani Kinnow into UK market: Due to the continuous efforts of this office, Pakistan Secured re-entry of Pakistani Kinnow into UK market.

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Export of Medical services Mode IV: Italian authorities agreed to allow as well as review and accommodate Pakistani Doctors and paramedics on long term basis, thus opening of export of Medical services Mode IV allow Pakistani Doctors and paramedics to practice in Italy.

Adventure tourism: Italian climbers, skiing, trekking and rafting clubs were approached to promote adventure tourism in Pakistan. Italian Team of climbers Headed by Ms. Tamara Lunger was sent to Pakistan for winter ascent of K2 in Dec 2020.

Market Access by China on Yarn, Rice and Sugar: The Chinese Government has granted one-time duty-free buying arrangement of US\$ 01 billion access to Pakistan in yarn, sugar and rice.

Enhanced Market Access offered by Indonesia: As a result of concerted negotiations, Ministry of Commerce has been able to get market access from Indonesia on additional 20 tariff lines. Exports in these 20 tariff lines will further diversify Pakistan's exports to Indonesia, for Pakistan's global export in these lines amount to US\$ 4 billion.

Enhanced Market Access offered by Sri Lanka: In Dec, 2019, three new varieties namely, PK 385 and or Super Kernel grade, 1121 Kianat Rice, PK 198/D 98 Basmati Rice have been added to the list of Rice having duty free access to Sri Lankan market.

New Markets: To further diversify Pakistan's exports to non-traditional markets, the Ministry of Commerce has launched the ***“Look Africa”*** policy to promote and facilitate exports to the untapped markets of African region, which hold immense potential for Pakistan to enhance its market share.

Enhanced engagement with top 10 African Economies: The Ministry of Commerce has enhanced interaction with African Ambassadors/High Commissioners based in Pakistan, and directed the trade officers posted in African countries to intensify engagement with respective Governments and business leaders.

- a. **6 new commercial sections:** in Egypt, Tanzania, Ethiopia, Sudan, Algeria, and Senegal have been opened. Moreover, accreditation has been granted to four existing Trade Officers as follows:
 - i. Commercial Councilor Kenya (Uganda, Rwanda, Burundi, Eritrea)
 - ii. Commercial Secretary South Africa (Botswana, Lesotho, Namibia, Swaziland)
 - iii. Commercial Councilor Morocco (Tunisia, Mauritania)
 - iv. Commercial Secretary Nigeria (Niger, Chad, Cameroon, Ghana, Benin)
- b. **Arrangement of Look Africa Trade Forums in Major Cities:** “Look Africa Trade Forum” was organized on the sidelines of EXPO Pakistan-2017 at Karachi, attended by hundreds of businessmen from 18 African countries, all African Ambassadors/ High Commissioners in Pakistan,

diplomats, government officials and over two hundred Pakistani businessmen. Trade Forums were also arranged in Karachi, Lahore, Peshawar and Islamabad, with the help of the chambers of commerce.

- c. **Negotiations on Bilateral/Multilateral Trade Agreements:** Trade Negotiation Committees have been formed/reactivated with major African countries. Joint Working Groups (JWGs)/JTC with Tunisia and Kenya have been established, while Egypt has agreed to the establishment of a JWG between the two countries. Bilateral Trade Agreements (BTAs) are in process with Nigeria, Rwanda and Ethiopia. Under these BTAs, JWGs will also be established. Engagement with SACU, ECOWAS and EAC is being initiated.
- d. **Enhanced Subsidy for Africa:** TDAP provides special subsidy (80-90%) to companies/delegations to encourage their participation in exhibitions in Africa. After the launch of “Look Africa Policy Initiative”, 12 exhibitions in Egypt, Morocco, South Africa, Nigeria, Kenya, Tanzania and Ethiopia etc. and 1 delegation of Surgical, Pharma and Sports Goods to Algeria and Tunisia have been sponsored by TDAP under the policy.
- e. **Pakistan-Africa Trade Development Conference:** The event was held in Nairobi, Kenya, on 30-31 January, 2019, with an aim to promote trade and to further strengthen existing trade linkages with the African region.

TDAP has arranged 13 international trade delegations despite lockdown and organized First Virtual International Textile Exhibition in 2020. Multiple Webinars have been arranged by the Commercial Section at the High Commission in London to promote Roshan Digital Account (RDA), and Naya Pakistan Certificate (NPC) in UK. Trade promotion activities has been planned through usage of virtual platforms.

ix. **EXPORT FINANCE SCHEMES TO INCENTIVES EXPORTS:**

State Bank of Pakistan (SBP) has been undertaking a wide range, of development finance activities besides, its core functions, to promote

export led growth in the country. For this purpose, SBP consistently formulates and reviews its various short- and long-term refinance schemes to facilitate banks in meeting credit needs of their borrowers primarily exporters and export led industrialist. The SBP offers following financing support schemes to the exporters:

- a. Export Finance Scheme (EFS)
- b. Islamic Export Refinance Scheme (IERS)
- c. Long Term Financing Facility (LTFF) for Plant & Machinery
- d. Islamic Long-Term Financing Facility (ILTFF) for Plant & Machinery

x. EXPORT FACILITATION SCHEMES:

The Government has taken steps to facilitate exporters and increase competitiveness of country's exports in the international markets by promoting ease of doing business and exempting duties and taxes on imported inputs for manufacturing of exports under certain conditions. In this regard the following schemes are offered by FBR:

- a. The Export Oriented Units (EOU) and Small and Medium Enterprises Rules, 2008
- b. Manufacturing Bond Rules - SRO 450(1)/2001
- c. Duty and Tax Remission for Exports (DTRE) Scheme
- d. Temporary Importation Scheme - SRO 492(1)/2009
- e. Export Processing Zone (EPZ) Rules
- f. Determination of Materials and Fixation of Rates

xi. SUBSIDIZED ENERGY FOR EXPORT ORIENTED SECTORS:

In order to maintain the competitiveness of Pakistani exports, the five export-oriented sectors textile, surgical goods, carpets, leather and sports goods, are provided subsidized electricity at the rate of 7.5 cents (all inclusive) per unit (kwh) and the mix of local and RLNG at a fixed rate of \$ 6.5 per million British thermal unit.

***Question No. 33 Senator Syed Ali Zafar:**

(Notice Received on 22/12/2021 at 10:36 AM) QID: 38261

Will the Minister for Commerce be pleased to state:

- (a) *the details of increase in the exports of the country during the last two years; and*
- (b) *the steps taken / being taken by the Government to enhance the exports of the countries including the incentives given to the exporters for the purpose?*

Minister for Commerce: (a)

Increase in Exports in USD Terms:

Year	Exports (in Million USD)	Increase from previous year
2018-19	22,958	-
2019-20	21,394	6.8%
2020-21	25,268	18.1%
2021-22	12,364 (July to November)	26.89% (Compared to July – November period FY 2020-21)

Source: PBS

(b) The following export enhancement measures have been taken by the Government of Pakistan:

i. PM PACKAGE OF INCENTIVE FOR EXPORTERS:

In 2018, Pakistan's export had been adversely affected due to high energy costs, exchange rate appreciation and high import tariffs on inputs. To arrest this declining trend of exports, the Economic Coordination Committee (ECC) of the Cabinet approved Prime Minister's Package of Incentives of PKR 180 billion for exporters of Textile and Non-Textile sectors on shipments made from 16th January, 2017 to 30th June, 2018, which was specifically aimed at improving competitiveness of the export sector. The ECC of the Cabinet, extended the package for three consecutive years which expired on 30th June 2021. The MoC is conducted an impact assessment of the scheme and is in the process of formulation of a new scheme

ii. TARIFF RATIONALIZATION THROUGH NATIONAL TARIFF POLICY:

The first ever National Tariff Policy (NTP) 2019-2024 was approved by the Federal Government on 19th November, 2019. In order to

meet the objectives of the NTP and to remove distortions in the tariff structure, so far 6248 Tariff Lines (85%) have been rationalized. The Tariff Lines rationalized are majorly raw materials and intermediate goods for textile sector, chemical, iron and steel, pharmaceutical, auto and tourism sector.

iii. **e-COMMERCE POLICY:**

The Ministry of Commerce introduced e-Commerce Policy on 1st October, 2019. The Policy aims to provide a launching pad to Pakistan's e-Commerce market and its exports. Under the policy an e-Commerce business facilitation hub will be created for facilitation of free-lancers and startups. Similarly, Pak e-SME program will identify, train, enable and connect 50,000 e-SMEs of the remote areas of Pakistan to online market places. An e-Commerce Aggregator will be developed to show-case e-Commerce companies of Pakistan to the world. Pakistan has successfully been added in the sellers list of Amazon on 21st May, 2021 – one of the world's largest e-Commerce platform.

iv. **ENACTMENT OF GI LAW AND NOTIFICATION OF GI RULES:**

The Geographical Indications (Protection and Registration) Act, 2020 was passed by the Parliament in March 31, 2020. GI Rules there under were notified on 28th December, 2020. Pakistan received the geographical indication (GI) tag for its Basmati rice on January 26, 2021. GI tag will provide protection to Pakistani Rice against misuse or imitation, hence, will guarantee that its share in the international market is protected. Chounsa Mango, Sindhri Mango and Kinnow have been approved by the Cabinet on 13th April, 2021 to be registered as Pakistan's Geographical Indication (GI). Geographical Indication (GI) registration has been processed for "Pink Salt". So far the Federal Government has notified 65 Geographical Indications (GIs) of Pakistan under section 11(2) of the Geographical Indications (Registration & Protection) Act, 2020.

Accession to Madrid Protocol: Pakistan joined the Madrid system of international registration Trademarks, on 24th February, 2021. With the accession to the Madrid system, the Trademark holders of Pakistan will be able to protect their trademarks in more than 100 countries by filing a single application at WIPO via IPO Pakistan. The business community of member countries will also be able to get

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- d. Temporary Importation Scheme - SRO 492(I)/2009
- e. Export Processing Zone (EPZ) Rules
- f. Determination of Materials and Fixation of Rates
- g. Export Facilitation Scheme 2021 - SRO. 957(I)/2021

***Question No. 34 Senator Faisal Saleem Rehman:**

(Notice Received on 22/12/2021 at 3:35 PM) QID: 38637

Will the Minister for Finance and Revenue be pleased to state:

- (a) the criteria laid down for collection of various taxes from provinces with tax/head wise and provinces wise break up; and*
- (b) the amount of taxes collected under various heads of taxes during the last three years from provinces with head wise and province wise break up?*

Mr. Shaukat Fayaz Ahmed Tarin: (a) The provincial taxes are collected by the relevant provincial authorities. However, FBR collects the Federal level taxes through its field formations in all the four provinces and Gilgit Baltistan (GB).

(b) FBR collects the Federal level taxes through its field formations in all the 04 provinces and GB. A statement indicating the taxes collected under various heads by the FBR's field formations across the country during the last three years is placed at **Annex-I**.

Annex-I

**PROVINCE-WISE AND HEAD-WISE BREAK-UP OF FBR'S NET TAX COLLECTION FOR THE
LAST THREE YEARS**

(Rs in Million)

S.No.	PROVINCE	Taxes	YEARS		
			2018-19	2019-20	2020-21
1 .	PUNJAB	Direct Taxes	623,742	750,640	637,273
		Sales Tax	469,371	536,166	464,585
		FED	145,845	164,332	188,435
		Customs	89,248	85,474	89,618
Sub Total :			1,328,206	1,536,612	1,379,911
2 .	SINDH	Direct Taxes	758,495	687,851	893,219
		Sales Tax	949,306	1,012,740	1,444,424
		FED	79,347	68,068	75,810
		Customs	564,883	515,068	624,715
Sub Total :			2,352,031	2,283,727	3,038,168
3 .	KPK	Direct Taxes	46,374	62,655	147,665
		Sales Tax	20,204	23,556	33,290
		FED	12,438	17,824	12,492
		Customs	8,251	7,710	12,912
Sub Total :			87,267	111,745	206,359
4 .	BALOCHISTAN	Direct Taxes	16,332	21,291	53,049
		Sales Tax	18,871	21,881	45,949
		FED	556	250	309
		Customs	21,459	16,077	21,083
Sub Total :			57,218	59,499	120,390
5 .	GILGIT-BALTISTAN	Direct Taxes	566	1,008	48
		Sales Tax	1,462	2,534	61
		FED	0	0	0
		Customs	1,734	2,283	62
Sub Total :			3,762	5,825	171
ALL PAKISTAN		Direct Taxes	1,445,509	1,523,445	1,731,254
		Sales Tax	1,459,214	1,596,877	1,988,309
		FED	238,186	250,474	277,046
		Customs	685,575	626,612	748,390
GRAND TOTAL			3,828,484	3,997,408	4,744,999

ISLAMABAD,
the 6th January, 2022

MOHAMMAD QASIM SAMAD KHAN,
Secretary.