

SENATE SECRETARIAT

“QUESTIONS FOR ORAL ANSWERS AND THEIR REPLIES”

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

Thursday, the 24th January, 2013

DEFERRED QUESTIONS

(Questions Nos. 95 and 97 were originally set down for answering on 20th December, 2012 (88th Session) but were deferred)

95. ***Col. (R) Syed Tahir Hussain Mashhadi:** (Notice received on 04-12-2012 at 09:15 a.m.)

Will the Minister for Commerce be pleased to state:

- (a) *the volume of trade between Pakistan and Sudan during the last three years with year-wise breakup; and*
- (b) *the steps taken by the Government to increase the said volume?*

Makhdoom Amin Fahim: (a) The volume of trade between Pakistan and Sudan during the last three years with year-wise breakup.

The volume of trade between Pakistan and Sudan during the last three years with year-wise break up is given as under:—

Value Million US\$

Year	Exports	Imports
2009-10	87.55	11.67
2010-11	60.12	5.55
2011-12	43.52	2.95

The trade volume between Pakistan and Sudan is very low, in the year 2011-12 exports of US\$ 43.52 million and import of US\$ 2.95 million took place. Pakistan exports rice, medical and pharmaceutical products, yarn and thread of synthetic fabrics, cotton fabric, light machinery and cement. Major imports from Sudan include carpets, handicrafts, items made of camel skin, sheep hides for making leather and edible oil.

(b) The following steps were taken by the government to increase the said volume:—

There is substantial potential of Pakistani products in Sudan specially rice, wheat, maize, fruits, poultry pharmaceuticals, textile products, marble items and products from steel sector. In the area of trade in services there are various opportunities in the sectors of IT & communication, educational services, health services and the Financial Sector. Interaction between the private sectors of both countries through various forums like JMC / JBC, participation in exhibitions and visits of delegations will help in enhancing the bilateral trade.

- (i) Pakistan and Sudan have a Joint Ministerial Commission established in July 1991, so far two rounds have been held, last session of the JMC was held in 1996. There is a need to frequently hold the JMC sessions to enhance cooperation different areas.
- (ii) TDAP regularly participate in Khartoum international Trade Fair.
- (iii) TDAP has included Sudan in the list of priority markets.
- (iv) Rawalpindi Chamber of Commerce and Industry (RCCI) is planning to hold a single country exhibition on their own expense in Sudan, for which TDAP has already made reference to the Mission and the issue is under active consideration.
- (v) BOI, Pakistan and its Counterpart in Sudan are negotiating an Agreement on promotion and protection of Investment.
- (vi) BOI Pakistan and Sudan Investment Promotion Authority are also negotiating an MOU on technical cooperation.
- (vii) A delegation of Lahore Chamber of Commerce and Industry (LCCI) visited Sudan from 3rd to 7th March, 2012. During the visit, the delegation held meeting with various ministries/organization, and business groups. As Pakistan and Sudan have very low level of Bilateral Trade, the visit would be helpful in enhancing trade cooperation and expansion. Following organization / Ministries etc were visited by the LCCI delegation in Sudan:—
 - 1. Sudan Cotton Company.
 - 2. High Council for Investment is Sudan
 - 3. Undersecretary for Industry

4. Sudanese Businessmen and Employers Federation.
5. Minister for Agriculture, Ministry of Agriculture, Khartoum.
6. Khartoum International Centre.
7. Garri Free Zone.
8. GIAD Engineering Factory.
9. Governor of Khartoum
10. MOU signing ceremony between LCCI and Business Federation of the State of Khartoum, at Governor House, Khartoum.
11. MOU Signing Ceremony between LCCI and Business Federation of the State of Khartoum at Governor House, Khartoum.

97. ***Mr. Heman Dass:** (Notice received on 06-12-2012 at 09:30 a.m.)

Will the Minister for Commerce be pleased to state:

(a) *the quantity of Urea Fertilizer imported through Gawader Port and Port Qasim during last three years; and*

(b) *the amount of subsidy provided on the said fertilizer?*

Makhdoom Amin Fahim: (a) The Urea Fertilizer was imported through International Tender and Saudi Basic Industries Corporation (SABIC) facility under Saudi Fund for Development (SFD), through Gwadar Port and Port Qasim, during last three years. The quantity of the said Urea is at Annex -A.

(b) Subsidy is provided to TCP on the Urea imported by International Tender only. The detail of subsidy provided on the said fertilizer imported during the past 3 years is as follows:

Port Wise Subsidy	Year 2009-10		Year 2010-11		Year 2011-12	
	Quantity	Subsidy	Quantity	Subsidy	Quantity	Subsidy
Urea discharged at Gwadar Port	908.395	17.109	393.936	14.8	1,117.39	44.566
Urea discharged at Port Qasim	191.473	3.606	106.644	4.004	171.049	6.820
Total	1,099.868	20.715	500.580	18.794	1,288.439	51.386

(Amount in Billion Rupees and Quantity in ThousandMT)

Source: TCP

@60. ***Mrs. Nuzhat Sadiq:** (Notice received on 27-11-2012 at 11:30 a.m.)

Will the Minister for Science and Technology be pleased to state:

- (a) *the steps taken by the Government so far for preparation of interferon for Hepatitis B and C and results achieved there from;*
- (b) *whether it is also a fact that the said project has been abandoned, if so, its reasons; and*
- (c) *whether there is any proposal under consideration of the Government to revive the said project, if so, when?*

. **Mir Changez Khan Jamali:** (a) The Ministry of Science and Technology had sponsored a research project “Cloning and Expression of selected Human Genes for the Production of Recombinant Human Pharmaceuticals” in 2004 directly related to Research on Hepatitis “C” and interferon production, at a cost of Rs. 37.00 million. The research project was completed in 2008. Later on Center of Excellence Molecular Biology (CEMB) of University of Punjab initiated steps for indigenous production of Interferon however Ministry of Health has not yet approved their product for want of safety studies and other requirements before trial on Humanbeing.

(b) The project sponsored by MoST was not abandoned but completed in 2008.

(c) The Sub Committee of Public Accounts Committee of National Assembly has constituted an Interferon Project Steering Committee (IPSC) under the Chairmanship of Mr. Shahid Hamid to manage, supervise and guide applications of Molecular Biological research for large scale production of Interferon. In the committee there is no representation of Ministry of Science & Technology, however Director Center for Applied Molecular Biology (CAMB) is member of the Committee and has held its first meeting on 22nd December 2012 and chalked out future programme for commercial production of Interferon.

18. ***Begum Najma Hameed:** (Notice received on 08-01-2013 at 10:20 a.m.)

Will the Minister for Commerce be pleased to refer to the Senate starred question No.7, replied on 17th January, 2012 and state:

- (a) *the progress made to grant Most Favoured Nation (MFN) status to India; and*

(b) *the benefits that will be achieved due to the new status?*

Makhdoom Amin Fahim: (a) Cabinet in its meeting held on February 29, 2012 accorded approval for transition to the Negative List for trade with India and its phasing out by December 2012 subject to the provision of level playing field to Pakistani exporters. Ministry of Commerce notified the Negative List *vide* its SRO NO. 280 dated 20th March, 2012. Since notification of the Negative List, various steps have been taken by Pakistan to ensure level playing field in order to grant MFN to India. Following progress has been made in this regard:

- Contribution of sixteen sectoral Committees for consultations with the Stakeholders.
- Identification of sensitive and vulnerable sectors by the Ministry for further in-depth consultations and necessary in-depth research studies for policy direction
- Steps being taken for strengthening the Trade Defense Laws as well as the institutional capacity building of the National Tariff Commission (NTC).
- Signing of three Agreements in September 2012 between Pakistan and India for countering the Non-Tariff Barrier Issues being faced by Pakistani exporters.
- New Visa regime
- Awareness related Seminars.

(b) 1. Trade costs will be reduced due to availability of raw materials, machinery at cheaper rates as well as lowering of freight charges. As major multi-national firms have production/manufacturing facilities in India, sourcing /procuring goods from India will reduce the time of procurement and lower the business cost for Pakistani manufacturers. This will have a positive impact on the overall competitiveness and productivity of the industry.

2. Consumers will gain access to goods at competitive rates thus increasing purchasing power.

3. Pakistani domestic industry will gain access to a large Indian market.

4. Linkages with Indian market will improve the competitiveness of the domestic producers with access to better entrepreneurial , marketing, distribution and production practices;

5. At various multilateral economic forums, India would not be able to use the argument of Pakistan being non-compliant to World Trade Organization (WTO) agreements in terms of holding back MFN status from a WTO member state.

19. ***Mrs. Nuzhat Sadiq:** (Notice received on 10-01-2013 at 10:45 a.m.)

Will the Minister for Commerce be pleased to state:

- (a) *the funds, given to the Ministry for strategic interventions, viz-a-viz promotion of domestic commerce and accelerating exports during the last 4½ years along with details of its utilization;*
- (b) *whether post assessment of the utilization of such funds was made in order to identify the ultimate results on the promotion of domestic commerce and accelerating exports; if so, the detail thereof along with impact of the utilization of such funds on domestic commerce and accelerating export; and*
- (c) *whether it is fact that strategic trade policy framework (STPF) 2012-15 was initiated by the ministry; if so, the detail thereof?*

Makhdoom Amin Fahim: (a) Under the Strategic Trade Policy Framework (STPF) 2009-12 initiatives, a total amount of Rs. 3 billion was allocated to the Trade Development Authority of Pakistan (TDAP), a trading arm of Ministry of Commerce, for promotion of exports in various sectors. The break up is delineated below:—

S.No	Title of TP Initiative	Expenditure from grant of Rs. 1000 (in million)	Expenditure from grant of Rs. 2000 (in -million)
1.	Opening Exporters Offices Abroad	78.14	130.59
2.	Opening Retail Outlets Abroad	171.29	329.82
3.	Warehousing abroad	170.08	3.78
4.	Freight Subsidy on Export of Live Sea Food	510.25	
5.	6% R&D on export of Processed Food		824.5
6.	Inland Freight Subsidy		274.29
7.	Adhoc Relief 1%		271.86
8.	Compliance Certification		
9.	Halal Certification		
S.No	Title of TP Initiative	Expenditure from grant of Rs. 1000 (in million)	Expenditure from grant of Rs. 2000 (in -million)
10.	Markup Subsidy on Cool Chain Projects		6.73

11.	Enhancing Sophistication in Leather Apparel On Floor Expert Advisory/Consultancy Matching Grant for Design Centers or Design Studios R&D Centers by PLGMEA at Sialkot & Karachi		
12.	Improving Supply Chain of Leather Sector Exports— Sharing 25% Financial Cost of Setting up of Design Centers & Labs in individual Tanneries Matching Grant for Setting up of Effluent Treatment Plant in Individual Tanneries		44.05
13.	Pharmaceutical Support for Hiring Medical Reps Abroad Support for Registration of Pharmaceutical Products Abroad Support for Bio-Equivalence/Bio Availability Studies	20	24.37
14.	Compliance with Safety Standards UL		
15.	Matching Grant for Installation of Flaying Machine Payment made to Horticulture Development & Export Company	50	90
TOTAL		999.77	2,000.00

(b) During the exercise to finalize Export Development Initiatives (EDI) 2012-15, TDAP was asked to carry out evaluation of the effectiveness of STPF 2009-12 Initiatives. According to TDAP, the export of live sea food and processed food (*i.e.* the two initiatives on which bulk of release STPF funds were used) have shown increase.

(c) This is true that STPF 2009-12 was initiated by Ministry of Commerce which was finally approved by the Cabinet in its meeting held in July, 2009. However, STPF, 2012-15 is in process of formal approval from the Cabinet. After the approval, its details will be made public.

20. ***Mrs. Nuzhat Sadiq:** (Notice received on 10-01-2013 at 10:45 a.m.)

Will the Minister for Industries be pleased to state:

(a) *whether it is a fact that the Competition Commission of Pakistan (CCP) has submitted a report pertaining to the price hike of urea in the country, if so, its details; and*

(b) *the steps being taken by the Government in view of the said report?*

Ch. Pervez Ellahi: (a) Competition Commission Pakistan has not submitted this report to Ministry of Industries rather it is available on web site of CCP.

(b) The Ministry of Industries directly is not empowered to regulate the market prices. The price of urea is slightly high because of closure of fertilizer plants as gas is not being provided to four units as such the production of urea of these plants is restricted . The Ministry has taken the following steps to control the prices:—

- (i) A meeting was held on 25-10-2012 under the co - chairmanship of Deputy Prime Minister / Senior Minister for Ministry of Industries and Adviser to Prime Minister on Petroleum to discuss Demand Supply Situation for Rabi 2012-13. In the meeting fertilizer industry ensured that increase in urea prices can be decreased if gas was supplied / restored to the fertilizer industry in accordance with Fertilizer Policy.
- (ii) Further to control the price and for adequate supply of urea, the ECC of the cabinet has allowed to import 0.2 million tons of urea for Rabi 2012-13 to retain sufficient stock of urea to counter hoarding and artificial price hike.

21. ***Mr. Muhammad Talha Mehmood:** (Notice received on 11-01-2013 at 08:30 a.m.)

Will the Minister for Production be pleased to state:

- (a) *the quantity and value of raw material purchased by Pakistan Steel Mills locally during the last three years including also the names of suppliers; and*
- (b) *the quantity and value of raw material imported by Pakistan Steel Mills during the said period?*

Mr. Anwar Ali Cheema: (a) During last 03 years (*i.e.* 2010-2011-2012), Pakistan Steel has purchased 5,83,267 MTN of local iron ore valuing Rs. 4,567,295,795/- from local mine owners / suppliers. The detailed information is enclosed as **Annex-A**.

(b) Pakistan Steel during last three years has procured/imported 571,198 MT of Iron Ore Fine, 225,428 MT of Iron Ore Lump and 1,133,271 MT of Coal valuing US\$ 78,599,271, US\$ 27457801 and US\$ 273,847,059 respectively. The detailed information is enclosed as **Annex-B**.

22. ***Col. (R) Syed Tahir Hussain Mashhadi:** (Notice received on 11-01-2013 at 10:45 a.m.)

Will the Minister for Industries be pleased to state:

- (a) *the names of vehicles being manufactured by Pak Suzuki Motor Company Ltd. at present; and*

(b) whether there is any proposal under consideration of the Government to decrease the prices of those vehicles, if so, when?

Ch. Pervez Ellahi: (a) The names of vehicles being manufactured by Pak-Suzuki Motor Company Ltd., are as under:—

- Suzuki Mehran
- Suzuki Cultus
- Suzuki Liana
- Suzuki Swift
- Suzuki Bolan
- Suzuki Ravi Pick-up
- Suzuki Cargo Van

(b) All car/ automobile manufacturers are in the private sector as such prices are governed by market mechanism only and government has no role in fixing prices. Government's role is to provide policy framework including tariff and non-tariff policy measures.

ISLAMABAD :
The 23rd January, 2013.

IFTIKHAR ULLAH BABAR,
Secretary.