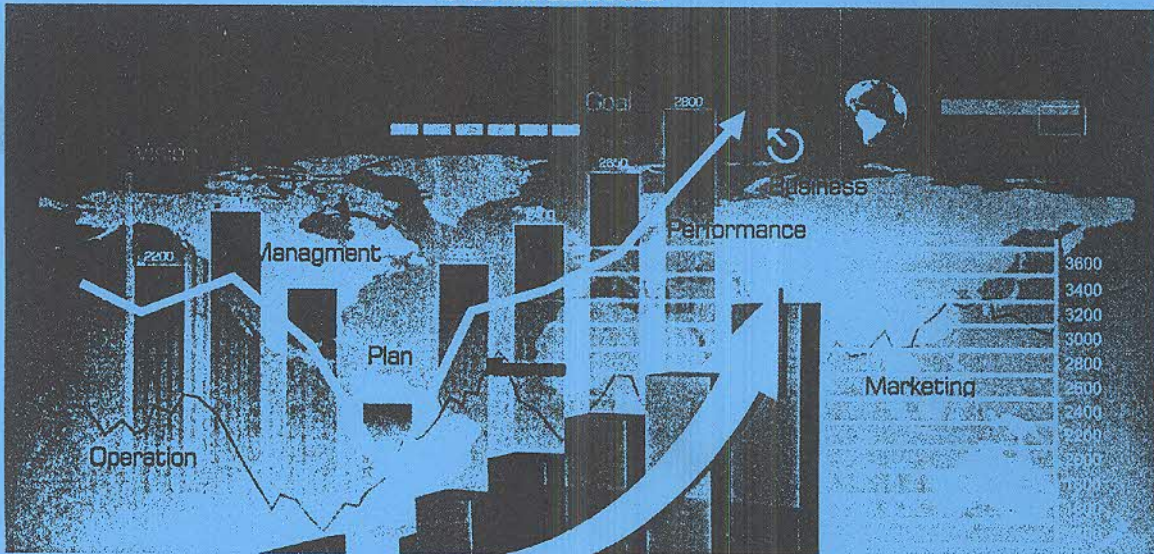


REPORT NO. 10

SENATE OF PAKISTAN



REPORT OF THE SENATE STANDING COMMITTEE ON COMMERCE



UNDER PROVISIO TO SUB-RULE (4) OF RULE 166 OF THE RULES OF
PROCEDURE AND CONDUCT OF BUSINESS IN THE SNEATE, 2012

PRESENTED BY
SENATOR SYED SHIBLI FARAZ
CHAIRMAN

SENATE SECRETARIAT

REPORT OF THE SENATE STANDING COMMITTEE ON COMMERCE UNDER PROVISO TO SUB-RULE (4) OF RULE 166 OF THE RULES OF PROCEDURE AND CONDUCT OF BUSINESS IN THE SENATE, 2012

I, Senator Syed Shibli Faraz, Chairman Senate Standing Committee on Commerce, have the honor to present the report, on behalf of the Committee, on the budgetary allocation and its utilization in respect of the following divisions/departments of the Ministry of Commerce, under proviso to sub-rule (4) of rule 166 of the Rules of Procedure and Conduct of Business in the Senate, 2012:-

- 1) National Tariff Commission, Islamabad
- 2) Main Secretariat (Ministry of Commerce)
- 3) Export Development Fund, Islamabad
- 4) Pakistan Institute of Trade and Development, Islamabad
- 5) Directorate General of Trade Organizations, Islamabad
- 6) Trade Dispute Resolution Organization, Islamabad.
- 7) Trade Development Authority of Pakistan, Karachi
- 8) Liaison Office Afghan Transit Trade, Chaman
- 9) Trade Missions abroad

2. The composition of the Standing Committee on Commerce is as under:-

- | | |
|---|-------------------|
| 1) Senator Syed Shibli Faraz | Chairperson |
| 2) Senator Dr. Muhammad Farogh Naseem | Member |
| 3) Senator Mufti Abdul Sattar | Member |
| 4) Senator Naseema Ehsan | Member |
| 5) Senator Karim Ahmed Khawaja | Member |
| 6) Senator Haji Saifullah Khan Bangash | Member |
| 7) Senator Muhammad Usman Khan Kakar | Member |
| 8) Senator Mrs: Rubina Khalid | Member |
| 9) Senator Ilyas Ahmed Bilour | Member |
| 10) Senator Saleem Mandviwalla | Member |
| 11) Senator Rahila Magsi | Member |
| 12) Senator Saud Majeed | Member |
| 13) Engr. Khurram Dastgir Khan, Minister for Commerce | Ex-Officio Member |

3. The Committee considered the budgetary allocation and its utilization in respect of the divisions/departments mentioned in para 1 above, in its meeting held on 17th January, 2017. The meeting of the Committee was attended by the following members:-

1) Senator Syed Shibli Faraz	Chairperson
2) Senator Muhammad Usman Khan Kakar	Member
3) Senator Mrs. Rubina Khalid	Member
4) Senator Ilyas Ahmed Bilour	Member
5) Senator Rahila Magsi	Member
6) Senator Saleem Mandviwala	Member
7) Senator Saud Majeed	Member

4. The Additional Secretary, Ministry of Commerce gave a detailed briefing on the budget and expenditure of the Ministry of Commerce, and its various attached departments and divisions for the period July-December, 2016. He informed the Committee that the total budgetary allocation for the year 2016-2017 was Rs. 4,550,435,000 /-, as compared to Rs 4,710,187,772/- in 2015-16. This represented a decline of Rs. 159,652,772/-. In addition, a supplementary grant of Rs. 1,577,000,000/- was also received for procurement and gift of Rice to Cuba through the Trade Corporation of Pakistan. The Additional Secretary also presented a break-up of the non-developmental budget for the various attached departments/divisions of the Ministry of Commerce and budget allocations of each department/division independently under the various heads of accounts.

5. The Committee has always placed great emphasis on export promotion projects and subsequently held several meetings to discuss issues pertaining to the Trade Development Authority of Pakistan (TDAP), trade missions abroad, and Free Trade Agreements / Preferential Trade Agreements signed by Pakistan, as these possess the greatest potential in terms of export promotion and for increasing the exports of Pakistan. In lieu of this, the Committee also took up the matter of the Export Development Fund (EDF), and showed great concern regarding retention of the EDF by the Ministry of Finance, and noted that this fund comprised of money collected from exporters under the export development surcharge, which is levied on all exports. As such, the retention of this fund by the Ministry of Finance was unjustified. The members unanimously recommended that the EDF should be transferred to the Ministry of Commerce in and should be used for export development, as set out in the EDF Act, 19919.

6. The Chairman Committee also observed that there had been a significant increase in the budget allocations for the commercial sections at Moscow and Kuala Lumpur for the year 2016-17, and directed the Ministry to clarify the reasons for the same in writing. The Ministry of Commerce, in its letter No. 6(1)2016-Budget dated 27-January-2017 apprised the Committee that the post of Commercial Counselor at Kuala Lumpur, and the post of Minister Trade at Moscow, which had been lying vacant had now been filled. In the previous financial year, i.e. 2015-16, and due to non-posting of the Trade Minister and Commercial Counselor, Rs. 18.39 Million and Rs. 9.656 Million respectively were surrendered. The increase in budget allocation to both foreign missions for the financial year 2016-17 was due to filling of the aforementioned posts, and the additional budget was allocated for the same.

7. After detailed deliberations and analysis, the Senate Standing Committee on Commerce;

- Recommended that the Export Development Fund, in its entirety, be transferred to the Ministry of Commerce, and be utilized for export development and export promotion activities.
- Confirmed the important role the Export Development Fund (EDF) played in the export promotion, and decided to continuously follow up on the matter of the Export Development Fund (EDF) and its retention by the Ministry of Finance in its future meetings.
- Decided to take up the issue of the EDF in its future meetings, and also decided that following the detailed briefing on the EDF, the Senate Standing Committee on Commerce will give recommendations for the effective working of the EDF Secretariat.

8. The Committee adopted this report in its meeting held on 7th February, 2017, and approved its presentation to the House.



(Iffat Mustafa)

Dir. (R) / Secretary Committee



(Senator Syed Shibli Faraz)

Chairperson

Islamabad, the
7th February, 2017