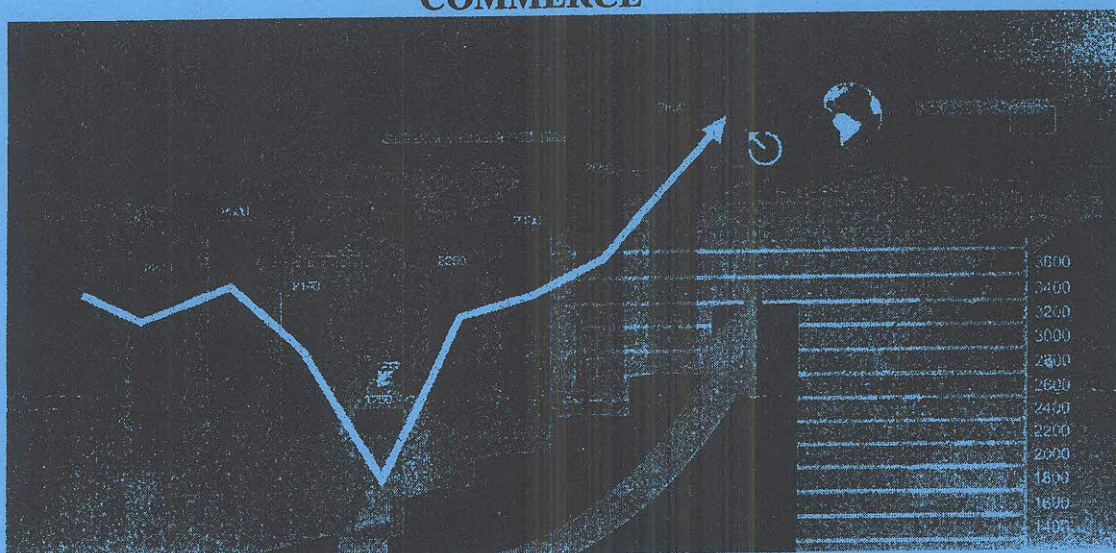


SENATE OF PAKISTAN



REPORT OF THE SENATE STANDING COMMITTEE ON COMMERCE



**ON STARRED QUESTION NO. 25 ASKED BY SENATOR MIAN
MUHAMMAD ATEEQ SHAIKH REGARDING IMPORT OF HUGE
QUANTITY OF POWDERED MILK, REFERRED BY THE HOUSE
ON 29TH SEPTEMBER, 2016**

**PRESENTED BY
SENATOR SYED SHIBLI FARAZ
CHAIRMAN**

SENATE SECRETARIAT

REPORT OF THE SENATE STANDING COMMITTEE ON STARRED QUESTION NO. 25 ASKED BY SENATOR MIAN MUHAMMAD ATEEQ SHAIKH REGARDING IMPORT OF HUGE QUANTITY OF POWDERED MILK, REFERRED BY THE HOUSE ON 29TH SEPTEMBER, 2016

I, Senator Syed Shibli Faraz, Chairperson of the Senate Standing Committee on Commerce have the honor to present the report, on behalf of the Committee, on the Question No. 25 asked by Senator Mian Muhammad Ateeq Shaikh on the floor of the House on 29th September, 2016, regarding import of huge quantity of powdered milk, and referred to the Committee for consideration and report.

2. The Agenda before the Committee was as follows:-

- i. Discussion on the starred question no. 25 asked by Senator Mian Muhammad Ateeq Sheikh regarding import of huge quantity of powdered milk.

3. The composition of the Committee is as under:-

1. Senator Syed Shibli Faraz,	Chairman
2. Senator Ilyas Ahmad Bilour	Member
3. Senator Mrs. Naseema Ehsan	Member
4. Senator Karim Ahmed Khawaja	Member
5. Senator Mufti Abdul Sattar	Member
6. Senator Dr. Muhammad Farogh Naseem	Member
7. Senator Saud Majeed	Member
8. Senator Muhammad Usman Khan Kakar	Member
9. Senator Ms. Rahila Magsi	Member
10. Senator Saleem Mandviwala	Member
11. Senator Mrs. Rubina Khalid	Member
12. Senator Haji Saif Ullah Khan Bangash	Member
13. Minister for Commerce	Ex-Officio Member

4. The following members attended the meeting:

1. Senator Syed Shibli Faraz,	Chairman
2. Senator Karim Ahmed Khawaja	Member
3. Senator Mufti Abdul Sattar	Member
4. Senator Muhammad Usman Khan Kakar	Member
5. Senator Ms. Rahiia Magsi	Member
6. Senator Mrs. Rubina Khalid	Member
7. Senator Haji Saif Ullah Khan Bangash	Member
8. Mian Muhammad Ateeq Shaikh	Mover

5. The committee addressed the matter referred to it in its meeting held on 07th December, 2016, and acknowledged the mover, Senator Mian Muhammad Ateeq Shaikh for raising an issue affecting the health of millions of Pakistanis. Senator Mian Muhammad Ateeq Shaikh apprised the committee that there were several varieties of powdered milk being consumed by all segments of society, including children. One of these categories was tea whitener. He apprised the committee that certain products being imported under the umbrella of powdered milk were carcinogenic, and could potentially cause cancer.

6. The Joint Secretary, Ministry of Commerce apprised the Committee that imported powdered milk has to meet the same quality standards as locally produced powdered milk, and held to compulsory standards of the PSQCA, which fell under the umbrella of the Ministry of Science and Technology. Furthermore, the FBR, Under the Ministry of Finance, was the standards implementing agency for conducting random checks on a sample of the shipment, in addition to checks on shipments against which complaints are received. A certificate is then issued against which the shipment is released.

7. The Ministry of Commerce also apprised the members that during the development and finalization of the Import Policy Order by the Ministry of Commerce, all stakeholders were consulted. No objection, or any study suggesting that whey powder contains carcinogenic properties had been presented to the Ministry during this process.

The Secretary, Ministry of Commerce requested the Committee and its members to kindly convey any report or study that categorizes whey powder as containing carcinogenic properties so that the import of whey powder could be reviewed.

8. The Chairman Committee showed great concern over the issue raised by Senator Ateeq Shaikh, as it pertained to the health of all people, especially infants. He reiterated the need to remove the confusion between different categories of milk powder and whey powder, as whey powder is allegedly hazardous for human consumption. He directed the Ministry of Commerce to take on board the Ministry of Science and Technology, Ministry of Health, FBR and PSQCA, and submit a complete report on the import of whey powder, its varieties, its health benefits and drawbacks, and a technical analysis to the Committee within one week.

9. In light of the directions of the Senate Standing Committee on Commerce, an inter-ministerial meeting was held on 15th December, 2016, with the M/O Science and Technology, M/O National Food Security and Research, M/o Industries and Production, and the Federal Board of Revenue to discuss the import of powdered milk.

10. During the inter-ministerial meeting, the M/O Science and Technology informed that import of powdered milk is subject to National Quality Standard No. 363, and random samples are drawn from each consignment and sent to the PSQCA Lab or PCSIR Lab for testing. Only once a certificate is issued, is the consignment released. 1,055 consignments had been checked by the PSQCA in 2016.

11. The M/o of National Food Security and Research stated that a regulatory duty of 25% had also been imposed on import of powdered milk/whey powder in the Finance Act 2016-17 to protect domestic farmers/dairy sector. However, there was a possibility that products are misused, mishandled, incorrectly stored or used in non-prescribed ways once imported.

12. The Ministry of Commerce, in its report to the Senate Standing Committee on Commerce, has stated the following facts:

- There is no known policy gap in the import of powdered milk, as the same is included in the list of compulsory items to meet Pakistan Standards at import stage.
- The conformity with prescribed quality standards is ensured by the Ministry of Science and Technology / PSQCA and Customs at the time of import.
- At the import stage, it is ensured that those items which are imported for human consumption are fit for human consumption as per standards/shelf life. However, the chances of misuse while manufacturing of goods cannot be ruled out.
- Misuse of the item arises out of its post-import usage in the making of non-prescribed products through unapproved methods.
- There may be an implementation gap to check the quality before usage of powdered milk in making various food products.

13. The Ministry of Commerce also reported that as a matter of fact, there are no policy gaps in the import of powdered milk and samples are drawn for testing from accredited laboratories before clearance of consignments by Customs. Moreover, the mechanisms for monitoring of powdered milk after import are very few and far between in the remote areas which do not fall within the domain of Federal Ministries / Departments. The Ministry of Commerce forwarded the following recommendations for consideration of the Senate Standing Committee on Commerce:

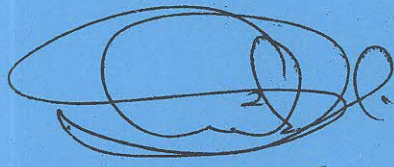
- The enforcement gap may be bridged by the provincial governments through monitoring/checking the usage of powdered milk, its storage facilities, shelf life and non-prescribed usage etc.
- The mal practices, adulteration, manufacturing of sub-standard food items may be checked thorough strict implementation of the Provincial Food Authority Act and the Pure food Act.

RECOMMENDATION

1. The Senate Standing Committee on Commerce directed that the Ministry of Commerce, in coordination with the Ministry of Science and Technology and the Ministry of Finance should revisit the Import Policy Order to ensure the standards for import of powdered milk.
2. The Committee also recommended that the category of whey powder should be separate from milk powder.



(IFFAT MUSTAFA)
Secretary Committee



(SENATOR SYED SHIBLI FARAZ)
Chairman Committee