

# SENATE OF PAKISTAN



## REPORT OF THE SENATE STANDING COMMITTEE ON COMMERCE AND TEXTILE INDUSTRY



## RECCOMENDATIONS AND GUIDELINES OF THE SENATE STANDING COMMITTEE ON COMMERCE AND TEXTILE INDUSTRY ON THE COMPLETION OF ITS TENURE (2015-18)

PRESENTED BY  
SENATOR SYED SHIBLI FARAZ  
CHAIRMAN



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## Message from the Chairman Committee

During the last three years, we got an opportunity to interact and review the performance of Ministry of Commerce and its constituent organizations. The Senate Standing Committee on Commerce and Textile Industry saw through three Federal Secretaries and two Ministers, all having a unique approach towards the subject of trade and commerce.

From the outset, the Committee observed that the Ministry was involved in day to day activities and issues which needed immediate response but it clearly lacked a road map, vision, and critical thinking as an institution.

The last two Strategic Trade Policy Frameworks (STPF) 2012-15 and 2015-18, and their partial implementation achieved very little, if at all. The upcoming STPF (2018-2023) which aims to take Pakistan's exports to \$60 billion is as wishful as the STPF (2015-18) envisaged exports to touch \$ 35 billion by 2018. Our exports squeezed to \$ 20 billion by 2018. There is gap of \$ 15 billion to bridge the trade deficit expected to grow to \$ 22 billion by June 2018, unprecedented in Pakistan's history. The Committee, throughout its tenure, showed concern and pin-pointed policy gaps and internal flaws in the overall structure and business procedures in the implementation of STPF.

According to the Rules of Business 1973, the responsibility of the Ministry of Commerce includes trade promotion, regulatory and trade policy formulation and functions. However, the responsibility of the fundamental drivers of exports lies in different Ministries and across Provinces. This suggests that the Ministry of Commerce is working in isolation rather than in an integrated manner. There is dire need to develop and implement a coherent policy framework to support an export strategy with a whole of government approach.

The question arises: do we produce enough to export? The answer most surely is No. GSP+ is a clear example of that. Concentration of export products (70%) (cotton, rice, leather) makes our exports basket highly vulnerable to ever changing and highly competitive international markets. This vulnerability widens the scope and redefines the concept of National Security. This Committee has been clamoring for the last one year, the badly negotiated FTA's and PTA's particularly with China and Malaysia.

Inefficient economies produce expensive products. Being an agro based economy our crop yield is far lower than the best of the world. Cotton, sugar cane and wheat yield is at an average of 45%. Soil treatment, quality seeds, fertilizer, new farming techniques and water management should be top priority. Crops like sugar and wheat are produced at almost double the price compared to international prices. This has to be reversed.

Engineering goods comprise of almost 1% of the total exports. This is highly alarming. If Pakistan has to take a quantum leap to increase its exports, this sector has to be given top most priority.



Role of higher education is pivotal as the country has not produced quality researchers and experts in the field of Mathematics and Engineering. Intellectual property safeguards are non-existent and the Intellectual Property Organization, a lame organization recently associated with Ministry of Commerce, needs to take on an aggressive role. Patents and trademarks registration has to be formalized and scientifically broken down to determine the direction and trends of our business in various sectors. The Geographical Indication (GI) law is yet to see the light of day. Its delay is causing tremendous loss to the economy and is not justified.

E-commerce has tremendous potential but its legislation and corresponding laws have to be finalized by Parliament and State Bank of Pakistan respectively. Any further delay in this regard would be criminal negligence.

In terms of Economic Diplomacy, South Asia is concentrated as one of the least integrated region, where intra-regional trade accounts for a meager 5%, whereas European Union trade stands at 58%, NAFTA at 52%, and ASEAN at 26%. The South Asia region accounts for 37% of the world's poor, nearly half of world's mal-nourished children with serious development and infrastructure gaps. Economic benefits related to regional integration of South Asia do not exist. CEPEC and rising China are an opportunity. Our foreign policy has to prioritize and aggressively pursue trade promotion of Pakistani products and economic interest keeping in view the geo strategic limitations Pakistan has. South America and Africa are almost virgin territories, open to Pakistan products. This Committee has been consistently reminding on the issue to the Ministry of Commerce for the last three years with little progress made.

Policy makers have no choice but to address a wide range of national issues including creating an enabling business environment (competition, investment, institutions providing competitive access to infrastructure like energy, communications, transport, etc.) facilitating reliable and efficient movement of goods to destination markets and ensuring product compliance with quality, sanitary and phyto-sanitary standards.

It is suggested that various specialized working groups be constituted to address the inherent and structural problems faced by our Trade and Textile sectors. Whether we have the political will and national self-respect to undertake these initiatives is yet to be seen.

I would especially like to thank both the Ministers for Commerce, Mr. Khurram Dastagir Khan and Mr. Muhammad Pervaiz Malik for regularly attending Committee meetings and responding to the concerns of the members. It would be unfair to not recognize the role of the Secretary Commerce, Mr. Younus Dagha who is a hard-working and competent leader of his team.

I would also like to thank and acknowledge the pivotal role played by the Secretary Committee who diligently did her job, as well as my personal staff. Last but not the least; I would like to thank my fellow Senators without whom the Committee would not have been effective.



### Introduction to the Committee

I, Senator Syed Shibli Faraz, Chairperson of the Senate Standing Committee on Commerce and Textile Industry have the honor to present the report, on behalf of the Committee, on the completion of its tenure (2015-2018).

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

<b>I. Senator Syed Shibli Faraz,</b>	<b>Chairman</b>
II. Senator Ilyas Ahmad Bilour	Member
III. Senator Mrs. Naseema Ehsan	Member
IV. Senator Hilal Ur Rehman	Member
V. Senator Mufti Abdul Sattar	Member
VI. Senator Dr. Muhammad Farogh Naseem	Member
VII. Senator Mir Kabir Ahmed Muhammad Shahi	Member
VIII. Senator Muhammad Usman Khan Kakar	Member
IX. Senator Ms. Rahila Magsi	Member
X. Senator Saleem Mandviwala	Member
XI. Senator Mrs. Rubina Khalid	Member
XII. Senator Haji Saif Ullah Khan Bangash	Member
XIII. Minister for Commerce	Ex-Officio Member

3. The Senate Standing Committee on Commerce and Textile Industry held regular meetings during its tenure on a number of matters. The Committee held 72 meetings, with an average sitting time of 2.5 hours. Which translates into roughly 180 hours, and set out to addressing factors that led to the deteriorating condition of trade and commerce in Pakistan, the efficiency of the various departments and divisions of the Ministry of Commerce, and their respective budgetary allocations. Since its constitution, the Committee observed that there were several structural and policy inadequacies that needed to be addressed if the trade and commerce is Pakistan was to be enhanced, though an export driven economy and export led growth. For this purpose, the Committee called on the Ministry of Commerce and its attached divisions and departments to proactively address issues of national and international importance.

### Achievements of the Committee

4. During its tenure, the Committee deliberated upon and proposed changes to several pieces of legislation. All stakeholders were invited to the meetings in which these Bills were to be discussed, to ensure a holistic, all inclusive legislation. The following legislation was considered, and passed by the Committee with amendments:



- The Anti-Dumping Duties Bill 2015 (Ordinance No. IV of 2015)
- The Countervailing duties Bill 2015 (Ordinance No. III of 2015)
- The Safeguard Measure (Amendment) Bill 2015 (Ordinance No. II of 2015)
- The National Tariff Commission Bill, 2015 (Ordinance No. V of 2015)
- State Life Insurance Corporation (Reorganization and Conversion) Bill, 2016
- Pakistan Tobacco Board (Amendment) Bill, 2017
- Marine Insurance Bill, 2017

5. The committee made a total of 92 concrete recommendations to the Ministry of Commerce, during its tenure 2015-18. The same were forwarded to the Ministry of Commerce, out of which 72 recommendations, after thorough deliberations, were complied with. As a result of these recommendations, an Export Development Plan for the traders of Balochistan was developed, under which seminars were held for capacity building and for business match making by the Trade Development Authority of Pakistan.

6. In addition, the long standing recommendation of the Senate Standing Committee on Commerce and Textile for setting up of a Chromite's testing laboratory in Balochistan was also approved. The relevant trade association in Balochistan was contacted to submit a formal proposal, following which a summary for funding of the laboratory from the Export Development Fund will be moved by the Ministry of Commerce.

7. The Committee was also able to directly contribute to the increase in export of Dates, and as a direct result of the Committees' efforts and its recommendations, the export of dates reached \$150 billion, doubling for the year 2016-17.

8. The Committee also observed that one reason for declining exports was a lack of market/product diversification, and lack of or poor market access. To address this issue, the Committee directed the Ministry of Commerce to prepare a research paper on potential, non-traditional markets for Pakistani exports, and provide incentives for export these non-traditional markets. The Committee succeeded in not only securing improved market access for existing markets, but also was able to achieve market access to new, non-traditional markets in Africa and Latin America was. To institutionalize this newly achieved market access, a 2% incentive for exports to these new markets was also incorporated into the upcoming STPF 2018-23.

9. The Committee was also able to reorganize the STPF structure, and as a result, the upcoming STPF 2018-23 would extend over five years, instead of the previous five. On the recommendations of the Committee, initiatives for the SME sector, gender parity, services sector, export investment and tariff rationalization were incorporated into the upcoming STPF 2018-23. In addition, the import of hazardous foods, the development of a culture of exports, addressing structural and policy issues, attracting investment and devising long term sustainable



solutions for trade improvement would also be addressed in the STPF 2018-23. On the insistence of the Committee, incentives for E-Commerce, engineering industry, I.T. industry and pharmaceutical industry are now also a part of the STPF 2018-23.

10. Another factor for falling exports and a poor balance of trade identified by the Committee was the lackluster performance of trade officers of the Ministry of commerce posted abroad. The committee recommended that to ensure that these officers contribute towards export promotion, Key Performance Indicators (KPI's) are developed, and a regular review of performance be conducted. Subsequently, KPI's were developed, presented to the Committee, and now, a monthly performance review of every trade officer posted abroad is conducted. In addition, returning officers share their experience with not only the Ministry, but also outgoing trade officers.

11. The Committee identified Pakistan as one of the top 10 economies in terms of mobile phone and internet users in the world. As a result, the chances of online business have also increased many times and online sellers and buyers are growing and playing a central role in evolving a digital economy. E-commerce is growing at a fast pace in Asia, and several online businesses are flourishing in Pakistan. As a result, postal deliveries have also increased, while deliveries of small packets, parcels and packages have recorded a double digit increase. In light of this, the Committee noted that a concentrated policy approach was required to take maximum advantage of this upward trend, and facilitate e-commerce businesses in Pakistan. The Committee held dedicated meetings to address this policy gap, and subsequently, a draft of the e-commerce policy was drafted by the Ministry of Commerce and finalized by the Committee. A presentation to the Prime Minister of Pakistan in this regard has been scheduled, following which the policy will be notified.

12. The Senate Standing Committee on Commerce and Textile Industry routinely called on the Pakistan Standards and Quality Control Authority (PSQCA) to address the issues of import of hazardous foods and items. Though not under the direct jurisdiction of the Senate Committee on Commerce and Textile, the Committee felt that it needed to address the issue of non-implementation of import standards, as thousands of standards had been notified, however, only a few were being implemented. The efforts of the Committee bore fruitful results, and a summary was submitted for the meeting of the Economic Coordination Committee (ECC). Meanwhile, an S.R.O has been issued for the implementation of all standards, and further standards were being developed. To address the issue of implementation due to lack of human resource and capacity issues, the Committee has recommended hiring of a third party for standards implementation.

13. The Senate Standing Committee on Commerce and Textile Industry also took notice of the poor performance of textile exports. After detailed deliberations, it was observed that insufficient incentives were being given to the textile sector, which had not only discouraged



investment in the textile industry, but had shifted investment from the textile industry to other sectors, especially real estate. To address this issue, the Committee issued directives for release of export refunds and duty drawbacks. As a result, Rs. 20.24 billion in refunds, and Rs. 2.6 Billion in duty drawbacks were released to exporters. Non-performing loans were another issue, and to address this, a focal person within the State Bank of Pakistan has been designated on the insistence of the Committee. A meeting has been scheduled with the heads of all commercial banks, the State Bank of Pakistan and the Textile Ministry to resolve this issue. In addition to this, a research center has been established in the National Textile University in Faisalabad, as the textile industry demands on-going technological up-gradation and investment.

14. Anti-smuggling measures were also discussed by the Committee, and as a result of its recommendations, tangible improvement had been made in terms of anti-smuggling measures. Rs. 10.5 billion worth of seizures was made during the six months from July 2017 to December, 2017, as compared to Rs. 9.6 billion in the all twelve months of 2014. In addition, new officers have been posted at Torkhum and Taftan, and seizures at these points have increased from Rs. 2.5 billion annually to Rs. 2 billion in the first 6 months of FY 17-18. Furthermore, 272 inspection officers have also been recruited to address the issue of smuggling.

15. Another mentionable achievement of the Committee was the recommendation to update and modernize the I.T. and accounting structures of SLIC, which is currently one of the most profitable public sector enterprises in Pakistan. Despite its performance, the Committee saw several structural inadequacies and set out to reform the institution. As a result of the efforts and as proposed by the Committee, the implementation of Enterprise Resource Planning (ERP) in several zones of the SLIC commenced in the second half of 2017. This was considered a necessity given the outreach and size of the institution, and also due to its obsolete and outdated accounting and I.T. structures. These not only caused accounting discrepancies, but also paved the way for financial scams, and poor customer services.

16. Likewise, on the continued insistence of the Committee, work on SLIC Tower began with renewed vigor, and at an increased pace. The Committee repeatedly recommended completion of the tower, as it was resulting in rental loss of millions to the organization. Several bottlenecks and issues existed, and caused delays in the completion of the SLIC Tower. The Committee continued its oversight of the matter, and subsequently, work was expedited.

17. A great disparity was observed between the figures of the State Bank of Pakistan and the Pakistan Business Council. This issue was resolved by the Committee, and on its recommendations, the Ministry of Commerce is now connected with WEBOC and PRAL, for live data access.

18. Free Trade Agreements (FTA) and Preferential Trade Agreements (PTA) also remained at the center of the Committee's focus, as the Committee believed that the FTA's/PTA's entered into by Pakistan were in fact detrimental to the country. The Committee called dedicated



meetings to address these issues, and directed that professional, technical human resource be hired to revise the existing FTA's. The Committee placed an increase focus on the Pak-China FTA, as it demanded the highest focus in light of the CPEC. The Committee succeeded in making the Ministry of Commerce realize the negative impact of FTA's on trade. The Committee, through its efforts, was able successfully identify shortcomings in the Pak-China FTA, which is now under the process of being revised.

19. In addition, the Committee was also successful in bringing the Intellectual Property Organization (IPO) brought under the Control of the Ministry of Commerce. This had been a long standing demand of the Committee, and the Committee opined that an institution as important as the IPO must remain under the Ministry of Commerce's purview. The IPO was revitalized, and an advertisement for the post of Chairman IPO was advertised, so that the organization may start working. Additionally, on the insistence of the Committee, a public awareness campaign was also initiated by the IPO, and several seminars were held to raise awareness about intellectual property rights, patents, and trademarks at various universities and academic institutions.

#### Critical Observations of the Committee

20. One of the first steps taken by the Committee upon its constitution was addressing the **Strategic Trade Policy Framework Order (STPF) 2012-15 and 2015-18**, to assess their potential in improving the exports of Pakistan. Following an in depth analysis, the Committee observed that both frameworks were failures, and had done little or nothing to improve the trade situation of Pakistan. Even the ongoing STPF 2015-18, which saw a delay of 18 months before being implemented, failed to arrest falling exports, or improve the balance of payments.

21. The Committee also took notice of the various projects under the aegis of the **CPEC**, and their impacts on the local industry, and balance of payments. The Committee observed that no linkages had been established between the STPF and CPEC, which would adversely affect the local industry, and subsequently cause the exports of Pakistan to fall even further. It will also adversely affect local producers, causing exports to fall further, and imports to rise.

22. In addition, the Committee also opined that the various **Special Economic Zones (SEZ's)** to be notified under the CPEC would adversely affect the local industry, causing local exports to become uncompetitive. In addition, the Committee also took notice of the fact that no dispute resolution framework existed in the CPEC, which would further add to the plight of exporters and traders of Pakistan.



23. The Committee repeatedly observed that **Free Trade Agreement's and Preferential Trade Agreements** were finalized and notified without any parliamentary oversight, and without taking the relevant Senate Standing Committees on board. This has resulted in policies detrimental the local industry of Pakistan. In addition, no professional or technically sound human resource is taken on board while drafting and entering into FTA's. The Pak-China FTA especially has been detrimental to Pakistan's economy, and an increased level of parliamentary oversight is required in all future FTA's/PTA's.

24. The **State Life Insurance Corporation (SLIC)** is one of the largest insurance providers in the country, with a large number of employees and field staff, and assets of worth Rs. 800 billion. It is making a profit of over Rs. 100 Billion annually, and is one of the few public sector organizations to do so.

25. However, SLIC possesses the potential and infrastructure to grow in size, improve the quality of its products, and diversify both products and market share. Its potential has been limited because it has confined itself to conservative investments, and this conservative approach has resulted in SLIC becoming uncompetitive, especially with regards to its private sector competitors.

26. SLIC's investment portfolio requires a thorough review, and its treasury management and investment management needs to be brought in line with international standards. This can be gauged by the fact that the property portfolio and acquisitions by SLIC have stagnated, and it has not purchased any new property since 1995. In addition, the existing properties owned by SLIC have not been maintained properly, resulting in a loss of millions of rupees in lost rental income and profit.

27. The SLIC tower located in the heart of Islamabad's business district has also been delayed due to poor contract negotiations, frequent changes in design, resulting in cost escalations and loss of rental income. Despite repeated recommendations by the Committee, no progress has been made on either completion of the SLIC tower, or on the renovation of SLIC Building No. 5. In light of this, the Committee had also recommended that standard contract agreements be drawn up and submitted to the committee for perusal, as inefficient and poor contract negotiations and contract agreements have failed to account for maintenance and legal aspects of renting out the property.

28. SLIC has been using outdated software and accounting structures, dating back to the 1970's, without any up-gradation or modernization. This has subsequently hindered SLIC's growth, and its ability to become a competitive insurance company. It also adversely affects customer services, transparency, and accountability. On the repeated recommendations of the Committee, implementation of Enterprise Resource Planning (ERP) was initiated, but has



remained sluggish so far. The need of the hour is the immediate preparation of an implementation strategy, with timelines and targets.

29. In addition to outdated systems, SLIC has also been plagued with several human resource issues. A frequent change of the Chairman SLIC has denied the institution the continuity and coherence of policies and projects required for it to become competitive and enhance its business. During the three year tenure of the Senate Standing Committee on Commerce and Textile alone, the position of the Chairman SLIC has been held by three different individuals. In light of this, the Committee proposed that the tenure of Chairman SLIC be set at three years, and be filled by individuals with a proven skill-set and technical knowledge of the Insurance Industry. These policy gaps in the appointment of Chairman SLIC must be addressed if its performance is to be improved.

30. Similarly, the appointment of the Board of Directors of SLIC is vague and unclear. The terms of reference and the prerequisites for appointment to the board have been kept secret from the Committee, despite repeated inquiries. In addition to this, the size of the Board of SLIC, which comprises only three members, is insufficient given the size of the organization. This has resulted in quorum issues.

31. These Human Resource issues can be addressed through the formation of an **Insurance Training Academy**, similar to NIBAF, and improving insurance education. This is an imperative if the lack of professional portfolio and investment management staff is to be addressed. This has resulted in a very conservative investment strategy. In addition to developing professional insurance human resource, it is also important that the general public be informed and educated regarding the insurance sector, insurance products, and remove any ambiguities about insurance products being un-Islamic or against the tenants of Islam.

32. In terms of customer service delivery, the claims management department of SLIC must be streamlined, and updated along modern lines. The Committee also observed a lack of involvement of the SECP in the matters of SLIC. SECP, being the regulatory authority for SLIC must play an increased and more proactive role in its operations.

33. The **Trade Development Authority of Pakistan (TDAP)** has, over the three year tenure of the Committee, remained a serious concern. Despite several recommendations, the role of TDAP in contributing to the exports of Pakistan remained non-existent. This passiveness on the part of the TDAP, despite being generously staffed and sufficiently funded is unacceptable. It has lost both its relevance, and trust of the exporters and traders by focusing only on superficial activities such as seminars and exhibitions. The TDAP Act needs to be revisited, and significant amendments need to be made to rationalize the scope and functions of the department.

34. The Committee repeatedly observed that the CEO TDAP was a political appointee, and the organization did nothing but waste taxpayers money. It was unable to contribute, even



minutely, to export promotion, and had on several occasions, denied exporters any coordination or facilitation.

35. The issues faced by TDAP can be traced to a lack of leadership, professional human resources, and a dearth of research and development. Unless these three key areas are not focused on, TDAP will continue to be a passive, inefficient organization.

36. On numerous occasions, the Committee recommended that packaging and branding of Pakistani goods must be focused on. TDAP must develop packaging standards and design to make Pakistani goods more attractive to international markets. The Committee unanimously recommended that the Head office of TDAP be shifted to ISB, as the first step in its restructuring.

37. The **Intellectual Property Organization (IPO)** is a relatively new and unknown organization under the control of the Ministry of Commerce and Textile. It still lacks the vision, leadership, will and staff to turn it into a dynamic and contributing organization. Its performance and institutional legacy is non-existent. The Committee did not have sufficient time to address all the issues related to it. However, it is an extremely important organization, and must be staffed with qualified, professional and competent human resource, researchers, and analysts. An increased emphasis must be placed on the IPO to make it fully operational at par with international standards. The IPO must also develop a database in order to analyze trends of Pakistani businesses.

38. The **National Tariff Commission (NTC)** was another organization repeatedly discussed by the Committee. However, at the end of the Committee's tenure, the NTC remained a non-performing organization of the Government of Pakistan, with minimal involvement in setting of tariffs and regulatory duties. The Committee observed that like other organizations under its purview, the NTC too, lacked leadership and professional staff. Even though the Committee perused, debated, and passed four pieces of legislation proposed and relating to the NTC, performance of the NTC remained unsatisfactory.

39. The Committee was largely satisfied with the performance of the **Pakistan Institute of Fashion and Design (PIFD)**. However, the Committee observed that it had the potential and resources to become one of the leading fashion Institutes in the country. To achieve this, the PIFD must improve its visibility, and establish linkages with its national and international counterparts to become a modern, state of the art, and vibrant institution.

40. The **Pakistan Horticulture Development and Export Company (PHDEC)** was revived towards the end of the Committees tenure. The Committee was satisfied with the revised setup, and opined that it could not only contribute greatly towards horticulture development in Pakistan, but could also become the source of increased exports for Pakistan. However, it must remain a focus of the Committee if it is to function as per its mandate.



41. Though the **Director General Trade Organization (DGTO)** is an important organization, it has been purposefully kept secluded and mysterious, despite repeated attempts of the Committee. It only seems to become operational or come into the limelight during the elections of trade organizations. The Committee feels that a great deal of effort must be placed in perusing and revising the governing law of the DGTO, its rules, and election procedures to ensure that it is inoculated from nepotism and political influence.

42. The **Pakistan Tobacco Board (PTB)** is another redundant, passive organization that seems to be operating on auto-pilot. The importance of the PTB is magnified by the size of the tobacco industry in Pakistan. However, the board has failed to live up to its mandate, and only does the bare minimum. Like many other public sector organizations, the PTB also lacks leadership, vision, and research and development. It seems to be a complacent organization, and exists merely on paper, without any involvement in either proactively addressing or resolving the issues of growers, farmers and producers of tobacco.

43. The Committee took serious notice of the performance of the **National Insurance Corporation Limited (NICL)**, especially in light of the financial scams that had plagued the organization. The Committee has observed that these scandals are now a part of the image of NICL, and as such, it requires rebranding and image building. The NICL also needs to move away from its captive clientele and diversify its approach.

44. The Committee is satisfied with the performance of **EXPO Center Lahore**, and appreciated its performance. However, the committee recommended that work on the EXPO Center Peshawar, which was approved during the tenure of the Committee, be expedited.

45. The **Export Development Fund (EDF)** and the **EXIM bank** both have been at the center of the Committees focus, as both are instrumental in improving trade and commerce. However, both the EXIM Bank and the EDF have been kept under the control of the Ministry of Finance. This has created an impediment to export promotion, and the working of the Ministry of Commerce. This has also caused delays in operationalization of the EXIM Bank, which as part of the STPF 2012-15. It has still failed to become active, despite a delay of more than 6 years, and repeated attempts of the Committee.

46. The Committee observed an acute shortage of trained and equipped officers in the Ministry of Commerce as per the requirement of highly competitive and advanced trade world. The Committee remains highly skeptical about the performance of **Pakistan Institute of Trade and Development (PITAD)** in addressing this issue, as during the Committees' three year tenure, no practical or significant contribution by PITAD was highlighted by the Ministry of Commerce.

47. In addition, the Committee also noted that certain organization only existed on paper and contributed nothing to the national exchequer. If anything, they were a financial burden on the



government and its funds. These organizations include the **Trading Corporation of Pakistan (TCP)**, and the **Trade Dispute Resolution Organization (TDRO)**.

**Advice/Guidance for the Upcoming Senate Standing Committee on Commerce and Textile Industry (2018-2021)**

10. The Committee believes that institutional memory should be maintained, to allow the process of oversight and legislation to continue. In light of this, the Committee is sharing its experience with the next Senate Standing Committee on Commerce and Textile Industry. This may not only allow the next committee to continue the work done by this Committee, but will also prevent duplication and repletion of efforts. The Committee has attempted to categorize various departments and divisions of the Ministry of Commerce, in order of highest priority.

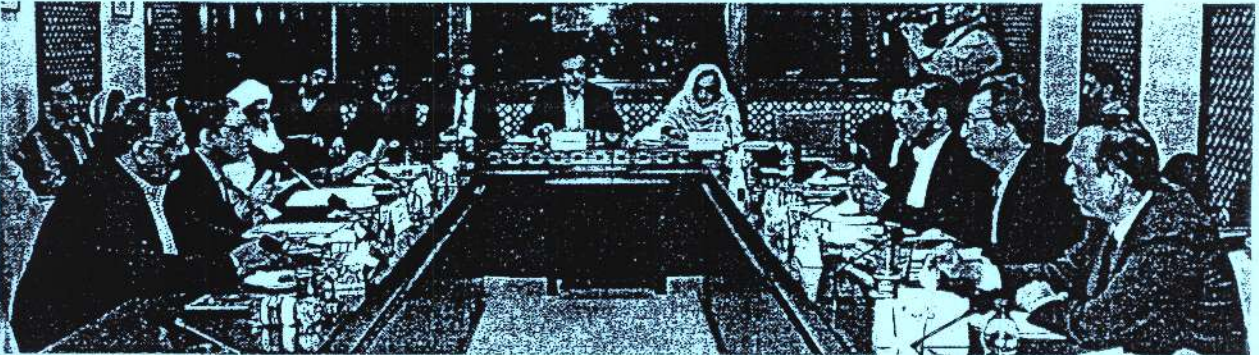
S.No.	Ministry/Division/Department	Specific Issues	Priority
1.	Ministry of Commerce	<ul style="list-style-type: none"> <li>Upcoming STPF 2018-23 be presented to the Committee before notification</li> <li>FTA's/PTA's not routed through SSC Commerce</li> <li>EXIM Bank not operational, and not under the administrative control of the Ministry of Commerce</li> </ul>	High
3.	Trade Development Authority of Pakistan	<ul style="list-style-type: none"> <li>Capacity building and restructuring of TDAP required</li> <li>Shifting of TDAP Office to ISB</li> </ul>	High



4.	State Life Insurance Corporation	<ul style="list-style-type: none"> <li>• Renovation and up gradation of façade of State Life Building in Blue Area, Islamabad.</li> <li>• Completion and subletting of State Life Tower, Islamabad. Undertaking given by Chairman SLIC that SLIC Tower Islamabad will be completed by December, 2018.</li> <li>• Sluggish Implementation of ERP</li> </ul>	High
5.	IPO	<ul style="list-style-type: none"> <li>• Appointment of Chairman IPO</li> </ul>	High



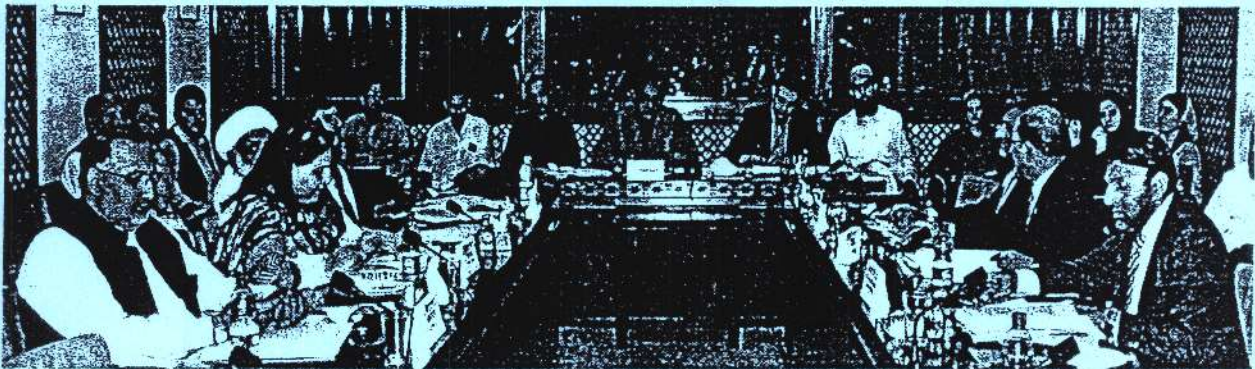
## SITTINGS OF THE COMMITTEE




SENATOR SYED SHIBLI FARAZ, CHAIRMAN SENATE STANDING COMMITTEE ON COMMERCE AND TEXTILE INDUSTRY PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE ISLAMABAD ON DECEMBER 07, 2017.




SENATOR SYED SHIBLI FARAZ, CHAIRMAN SENATE STANDING COMMITTEE ON COMMERCE PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE ISLAMABAD ON JULY 27, 2017.



SENATOR SYED SHIBLI FARAZ, CHAIRMAN SENATE STANDING COMMITTEE ON COMMERCE AND TEXTILE INDUSTRY PRESIDING OVER A MEETING OF THE COMMITTEE AT PARLIAMENT HOUSE ISLAMABAD ON OCTOBER 19, 2017.

  
(Ms. Iffat Mustafa)  
Secretary Committee

  
(Syed Shibli Faraz)  
Chairman