

# SENATE OF PAKISTAN



## **REPORT OF THE STANDING COMMITTEE ON COMMERCE**

for the period from  
March, 2018 to March, 2021

*Presented by*

**Senator Mirza Muhammad Afridi**

**Chairman**

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## Message from the Chairman Committee

The Ministry of Commerce has under its administrative purview very important organizations such as the Textile Division, the Trade Development Authority of Pakistan, the Intellectual Property Organization, the State Life Insurance Corporation, the Trading Corporation of Pakistan and the Directorate General of Trade Organizations. The sustainable development and enhancement of commerce and trade is a challenging task for any government, and has become increasingly difficult given the ongoing COVID 19 Pandemic. Keeping these realities in mind, and to help the government realize its true trade potential, the Senate Committee on Commerce remained vigilant about the working and performance of various organizations under the control of Ministry of Commerce.

During the period under report a number of meetings were held in which issues of public and national importance were taken up by the Committee and recommendations passed. The proceedings of the Committee meetings and important recommendations are included in this report for the perusal and record. I hope that these recommendations will act as a baseline for the upcoming Committee on Commerce (2021-24) so that it can build upon the work we have done so far.

During the three year tenure of the Committee, my colleagues and I addressed various issues relating to the Ministry of Commerce and Textile Industry, and its attached departments and divisions. We identified several structural and policy issues across all departments and divisions under the purview of the Committee.

The first and foremost issue was that of human resource capacity and leadership. In its initial meetings, the Committee noted that several institutions and organizations under the Ministry of Commerce lack professional human resource, vision, and leadership. These organizations are working in extremely technical fields, but are staffed or headed by unprofessional staff with little or no background of the industry they are operating in. This has not only leads to inefficient and poorly managed organizations, but in several cases, has resulted in institutions that have become a burden on the national exchequer.

Another issue identified in all government sector organizations is the tendency to opt for quick, short term solutions, instead of instituting policies that are sustainable and long-term. Though short term solutions are necessary, they are not sufficient to address the needs and requirement of

trade and commerce resulting in inordinate delays, incoherent policies, lack of continuity and failure to improve the balance of payments or improve trade.

The Committee also continued follow up on matters that my predecessor, Senator Syed Shibli Faraz had taken cognizance of. These included, but were not limited to discussions on the Geographical Indications Law and the issue of under-invoicing of I.T. equipment. We, the Committee realized that such important matters of national and public interest cannot be overlooked or put aside whenever the Chairmanship of the Committee changes. Keeping this in mind, and to ensure that institutional memory is maintained, the Committee continued to address these issues taken up by the former Chairman Committee. As a result, the Committee, after years of efforts was finally able to deliberate on the Geographical Indications Law, which was subsequently passed. This is one of the greatest achievements of the Committee, as passage of the GI law allowed Pakistan to get GI Tag for its Basmati Rice, and counter India's claim for an exclusive tag for basmati.

The Committee also addressed the issue of under-invoicing of I.T. equipment being imported into Pakistan. After several hours of meetings, the Committee was able to guide the Government, which subsequently led to a marked decrease in under-invoicing, increasing the revenue being collected by the Government. I thank Senator Shibli Faraz for his efforts in this regard.

I am also thankful to my colleagues in the Committee who participated in the Committee proceedings in a very effective manner. I am also grateful to the representatives of the relevant departments/organizations who have been cooperative with the Committee.

I deeply appreciate the contributions made by Ms. Iffat Mustafa, Secretary Committee, my Private Secretary, and the Committee Branch of the Senate Secretariat who had rendered valuable support to the Committee and its meetings.

**(Senator Mirza Muhammad Afridi)**  
Chairman Standing Committee on Commerce

## **INTRODUCTION**

This report of the Senate Standing Committee on Commerce pertains to the period from March, 2018 to March, 2021.

2. The following Senators were elected as members of the Standing Committee on Commerce:

1. **Syed Shibli Faraz**
2. **Senator Nuzhat Sadiq**
3. **Senator Haroon Khan**
4. **Senator Rana Mahmood Ul Hassan**
5. **Senator Dilawar Khan**
6. **Senator Muhammad Tahir Bizinjo**
7. **Senator Atta-ur-Rehman**
8. **Senator Islamuddin Shaikh**
9. **Senator Saleem Mandviwala**
10. **Senator Nauman Wazir Khattak**
11. **Senator Aurangzeb Khan**
12. **Senator Ahmed Khan**

3. The Standing Committee on Commerce, in its first meeting held on 7<sup>th</sup> May, 2018, and elected Senator Syed Shibli Faraz as its Chairman. Senator Syed Shibli Faraz resigned from the Chairmanship of the Committee on 28<sup>th</sup> February, 2019 after having been appointed as Federal Minister for Information and Broadcasting. Senator Mirza Muhammad Afridi was elected as the new Chairman of the Committee.

4. The Committee deals with subjects assigned to the Ministry of Commerce and their attached departments/organizations, or any other matter referred to it by the Senate, under the rules of the allocation and transaction of business of government. The attached departments/organizations of the Ministry of Commerce are as follows:

1. State Life Insurance Corporation of Pakistan
2. National Insurance Company.
3. National Tariff Commission.
4. Pakistan Reinsurance Company
5. Pakistan Institute of Trade and Development.
6. Pakistan Tobacco Board.
7. Trading Corporation of Pakistan
8. Trade Development Authority of Pakistan
9. Directorate General of Trade Organization
10. Intellectual Property Organization of Pakistan

## **IMPORTANT AGENDA ITEMS**

### **1) Meeting held on 07-05-2018**

Election of the Chairman

### **2) Meeting held on 16-05-2018**

- i. Detailed briefing on the overall functioning and performance of the Ministry of Commerce along with necessary update of all the departments which fall under Ministry of Commerce.
- ii. Detailed briefing on functions and performance of Textile Industry.
- iii. Any other item with permission of the Chair.

### **Meeting held on 27-06-2018**

- i. Briefing by the new Head of Intellectual Property Organization about his vision and road-map on the functioning and effectiveness of this organization.
- ii. Briefing by Ministry of Commerce about FTAs with China, Turkey and Thailand.
- iii. Briefing/discussion on the upcoming STPF 2018-23 and National Tariff Policy.
- iv. Any other item with permission of the Chair.

### **Meeting held on 19-07-2018**

- i. Discussion on the Point of Public importance raised by Senator Mian Muhammad Ateeq Shaikh in the Senate sitting held on 25<sup>th</sup> May, 2018, and referred to the Standing Committee on Commerce and Textile Industry regarding **"Collapse of Power looms sector in Faisalabad"**.
- ii. Compliance status of the recommendations of the Committee from March, 2015 till date, regarding the National Insurance Corporation Ltd. (NICL).
- iii. Briefing on the issue of transfer of rupees one billion to the Sindh Revenue Board by the NICL.
- iv. Any other item with permission of the Chair.

### **Meeting held on 07-08-2018**

- i. Further discussion on the Point of Public importance raised by Senator Mian Muhammad Ateeq Shaikh in the Senate sitting held on 25<sup>th</sup> May, 2018, and referred to the Standing Committee on Commerce and Textile Industry regarding **"Collapse of Power looms sector in Faisalabad"**.
- ii. Briefing on midterm correction on FTA's with China.
- iii. Briefing on different license issuing procedures by Ministry of Commerce.
- iv. Any other item with permission of the Chair.

### **Meeting held on 27-09-2018**

**Briefing By The New Advisor To The Prime Minister On Commerce And Textile Industry & Investment On:-**

- i. Trade Policy inconsistencies and reasons of lack of implementation of previous STPF's.
- ii. New Policy initiatives to correct the gaps existing on the institutional level as well as policy level.
- iii. Short-term steps to be taken by the Government to narrow the trade deficit.
- iv. Any other item with permission of the Chair.

**Meeting held on 17-10-2018**

- i. Discussion on Point of Public Importance raised by Senator Mir Kabeer Ahmed Muhammad Shahi in the Senate sitting held on 30th August, 2018, and referred to the Standing Committee on Commerce and Textile Industry regarding "Concerns of farmers in Balochistan regarding import of vegetables"
- ii. Any other item with permission of the Chair.

**Meeting held on 14-12-2018**

- i. Briefing on the recent trip to China, and subsequent FTA negotiations held during the trip.
- ii. Status update regarding STPF 2018-23.
- iii. Briefing on commodity wise import and export performance of Pakistan for the 1st and 2nd quarter of FY 2018-19.
- iv. Briefing on the issue of under invoicing with particular reference to I.T. Products.
- v. Any other item with permission of the Chair.

**Meeting held on 23-01-2019**

- i. Briefing on the issue of under invoicing with particular reference to I.T. products.
- ii. Any other item with permission of the Chair.

**Meeting held on 31-01-2019**

- i. Briefing on current performance of Textile Sector.
- ii. Any other item with permission of the Chair.

**Meeting held on 06-03-2019**

- i. Briefing on current performance of Textile Sector.
- ii. Briefing on current performance of IPO and status update of Geographical Indication Laws.
- iii. Briefing on sector wise trademarks registered over the past 5 years.
- iv. Any other item with the Permission of the Chair.

**Meeting held on 21-03-2019**

- i. Bi-annual review of the budgetary allocation and its utilization by the Textile Division, under sub- rule (4) of Rule 166 of the Rules of Procedure and Conduct of Business in the Senate 2012.



- ii. Review of the Textile Policy 2014-2019 and 2019-2024.
- iii. Review of the National Tariff Policy 2019-2024.
- iv. Any other item with the Permission of the Chair.

#### **Meeting held on 28-03-2019**

- i. Consideration of Public Petition PP-2627 for Review Authorization Policy for Import Of duty free cars by "Disabled Persons on Humanitarian Grounds" Sro-6(1)2009-Import-II.
- ii. Consideration of Public Petition PP-2637 regarding the State Life Insurance Corporation Ltd.
- iii. Briefing by SLIC on the unclaimed policies under the law.
- iv. Briefing by TDAP regarding details of all the foreign delegation and trips taken by the TDAP for the promotion of business. Plus the costs and relative revenue generated from these trips along with the members of each trip and the merit upon which they were selected, be disclosed to the Committee.
- v. Any other item with the Permission of the Chair.

#### **Meeting held on 23-04-2019**

- i. Briefing by TDAP on quantification of its role in increasing exports and enhancing trade with other countries.
- ii. Briefing by TDAP on efforts to revamp/reform TDAP, if any.
- iii. Consideration of Starred Question No. 167 asked by Senator Mir Kabeer Ahmed Muhammad Shahi in the sitting of the Senate held on 7th March, 2019 regarding "the number of persons working in Textile Division its attached departments, authorities, corporations, autonomous/semi-autonomous bodies and organizations etc."
- iv. Any other item with the Permission of the Chair.

#### **Meeting held on 06-05-2019**

- i. Discussion on the Petition submitted by Mr.Ijaz Hussain Khan Kehra on the issue of field workers of State Life Insurance Corporation Ltd (SLIC).
- ii. Briefing on the CPFTA-II by the Ministry of Commerce and Textile Industry and the duty free access granted by China to Pakistan.
- iii. Briefing on current status and performance of the National Insurance Corporation Ltd (NICL).
- iv. Briefing on redressal of grievances / restoration of increases in pension of retired employees of National Insurance Company Limited (NICL) discontinued from the monthly pension.
- v. Briefing by the "FPCCI" on its role and functions.
- vi. Any other item with permission of the Chair.

#### **Meeting held on 17-06-2019**

- i. Discussion on the Starred Question No.233 asked by Senator Mian Muhammad Ateeq Shaikh regarding "the details of UN conventions/treaties, which are being implemented



by the Treaty implementation cell of the Cabinet” in the Senate sitting held on 8th May, 2019.

- ii. Discussion on the Starred Question No.230 asked by Senator Muhammad Talha Mahmood regarding “the names, places of domicile and place of posting of the Commercial counselors, commercial secretaries and Trade Minister posted in Pakistan’s mission abroad” in the Senate sitting held on 8th May, 2019.
- iii. Briefing on withdrawal of facility given to 5 zero rated industry and its impact on exports.
- iv. Detailed briefing by Ministry of Commerce and Textile industry on trade with Afghanistan.
- v. Discussion on the Public Petition PP-2692 regarding export of Pakistan pink rock salt.
- vi. Any other item with permission of the Chair.

#### **Meeting held on 26-07-2019**

- i. Discussion on the Starred Question No.233 asked by Senator Mian Muhammad Ateeq Shaikh regarding “the details of UN conventions/treaties, which are being implemented by the Treaty implementation cell of the Cabinet” in the Senate sitting held on 8th May, 2019.
- ii. Further discussion on the Starred Question No.230 asked by Senator Muhammad Talha Mahmood regarding “the names, places of domicile and place of posting of the Commercial counselors, commercial secretaries and Trade Minister posted in Pakistan’s mission abroad” in the Senate sitting held on 8th May, 2019.
- iii. Briefing on current status of Geographical Indications Law (GI Law).
- iv. Broader framework pertaining to investment and industrial policy focused towards growth in exports.
- v. Briefing by the Ministry of Commerce and Textile Industry on order worth \$ 1 Billion received from China for import of sugar, yarn and rice.
- vi. Any other item with permission of the Chair.

#### **Meeting held on 08-08-2019**

- i. Briefing by the Ministry of Commerce and Textile Industry on order worth \$ 1 Billion received from China for import of sugar, yarn and rice.
- ii. Briefing by the Ministry of Commerce and Textile Industry on the draft E-Commerce Policy of Pakistan.
- iii. Briefing by the Ministry of Commerce and Textile Industry on current status of trade with Afghanistan with special focus on trade composition.
- iv. Detailed briefing on wire saw cutting project in Buner by TDAP with PASDEC.
- v. Any other item with permission of the Chair.

#### **Meeting held on 11-09-2019**

- i. Consideration of the Bill to amend the Trade Organizations Act, 2013, (The Trade Organizations (amendment) Bill, 2019).
- ii. Briefing by Ministry of Commerce on concrete steps taken to diversify exports of Pakistan in particular engineering goods.
- iii. Impact of Infrastructure Cess imposition by Govt. of Sindh and Govt. of Punjab on importers/imports.

- iv. Any other item with permission of the Chair.

#### **Meeting held on 03-10-2019**

- i. Discussion on the issue of imposition of huge taxes on import of apple from Taftan, district Chagai, Balochistan and smuggling of apple and fruits via Mashkel and Panjgur.
- ii. Briefing by the FBR regarding the under invoicing of IT equipment and subsequent loss to the exchequer.
- iii. Follow-up on the direction of the Committee regarding encouraging the production and export of the value added salt products and discouraging the exports of raw salt.
- iv. Briefing on problems faced by local manufacturers, spinners, weavers, traders, especially with regard to input tax, GST mechanism for local, turnover tax, ID Card payment issues and the additional 10% tax over the 17% GST imposed on traders.
- v. Any other item with permission of the Chair.

#### **Meeting held on 22-10-2019**

- i. Follow up on the problems faced by local manufacturers, spinners, weavers, traders, especially with regard to input tax, GST mechanism for local turnover tax, ID card payment issues and the additional 10% tax imposed on traders. Status of Refunds under new system and problems in submission of annexure-H
- ii. Follow-up on the issue of imposition of huge taxes on import of apple from Taftan, district Chagai, Balochistan and smuggling of apple and fruits via Mashkel and Panjgur.
- iii. Briefing on;
  - i. Allowing traders of Balochistan to temporarily import onions and tomatoes from neighboring countries as is allowed to importers of KPK via Torkham Border, and waiving the condition for import permit of dry/fresh fruits and vegetables till the establishment of quarantine office at Taftan and Panjgur Border, by FBR/Customs.
  - ii. Allowing import of re-rollable scrap, mutilation of scrap, and petroleum products such as white spirit and hydrocarbon.
  - iii. Stoppage/ seizure of already assessed/ cleared vehicles by Federal/Provincial agencies.
- iv. Any other item with permission of the Chair.

#### **Meeting held on 12-12-2019**

- i. Briefing on the recent appointment process of Trade Ministers/Councilors along with the details of all applicants and process through which final selections were made.
- ii. Briefing on Trade Policy with a clear road map and the role of Special Economic Zones (SEZs) to enhance exports of Pakistan.
- iii. Briefing on the Cotton crop failure due to poor quality of seeds and inappropriate use of pesticides.
- iv. Any other item with permission of the Chair.

#### **Meeting held on 16-01-2020**

- i. Bi-annual review of the budgetary allocation and its utilization by Ministry of Commerce and Textile Industry, under sub- rule (4) of Rule 166 of the Rules of Procedure and Conduct of Business in the Senate. 2012.
- ii. Briefing on Export Promotions Zones along with their current status.
- iii. Steps taken by Ministry of Commerce regarding the under invoicing of I.T products.
- iv. Any other item with the Permission of the Chair.

#### **Meeting held on 23-01-2020**

- i. Consideration of the Bill **"The Geographical Indications (Registration and Protection) Bill 2019"** introduced by Senator Muhammad Azam Khan Swati in the Senate sitting held on 1<sup>st</sup> January 2020 and referred to the Senate Standing Committee on Commerce and Textile Industry for consideration and report.
- ii. Deferred agenda item "Bi-annual review of the budgetary allocation and its utilization by ministry of Commerce and Textile Industry, under sub-rule (4) of Rule 166 of the Rules of Procedure and Conduct of Business in the Senate. 2012".
- iii. Any other item with the permission of the Chair.

#### **Meeting held on 28-01-2020**

- i. Further consideration of the Bill **"The Geographical Indications (Registration and Protection) Bill 2019"** introduced by Senator Muhammad Azam Khan Swati in the Senate sitting held on 1<sup>st</sup> January 2020 and referred to the Senate Standing Committee on Commerce and Textile Industry for consideration and report.
- ii. Any other item with the Permission of the Chair.

#### **Meeting held on 13-02-2020**

- i. Discussion on the Starred Question No.169 asked by Senator Muhammad Talha Mahmood in the sitting of the Senate held on 21<sup>st</sup> January, 2020 regarding "the names and designation of the officers of the M/O Commerce, its attached departments, corporation and other public entities under its administrative control who went abroad on official visits since July, 2015 indicating also name of the country visited, purpose of visit and amount spent in each case".
- ii. Discussion on the Point of Public Importance raised by Senator Nauman Wazir Khattak in the sitting of the Senate held on 14<sup>th</sup> January, 2020 regarding "Performance of Commercial Counselors posted in Embassies especially other than the commerce and trade group".
- iii. To discuss the matter relating to anti-dumping duties levied on duplex board imported from China, Indonesia and Korea even on import under DTRE.
- iv. Briefing on the Issue of clearance of containers at port Qasim, as per release order by Sindh High Court.
- v. Any other item with the permission of Chair.

### **Meeting held on 17-07-2020**

- i. Further discussion on the point of public importance raised by Senator Nauman Wazir Khattak in the sitting of the Senate held on 14th January, 2020 regarding "performance of Commercial Counselors posted in Embassies especially other than the Commerce and Trade group".
- ii. Further discussion on the starred question no.169 asked by Senator Muhammad Talha Mahmood in the sitting of Senate held on 21st January, 2020 regarding "the names and designations of the officers of the M/O Commerce, its attached departments, corporation and other public entities under its administrative control who went abroad on official visits since July, 2015 indicating also name of the country visited, purpose of visit and amount spent in each case".
- iii. Briefing on unnecessary delay in import clearance at Port Qasim.
- iv. Any other item with permission of the Chair.

### **Meeting held on 22-09-2020**

- i. Briefing by Ministry of Commerce and Trade Development Authority of Pakistan (TDAP) regarding bilateral trade with India and alternate arrangements made for export of seasonal dry dates worth more than Rs. 8 billion in case of continuous suspension of bilateral trade with India.
- ii. Briefing by Ministry of Commerce on under invoicing and steps taken in this regard.
- iii. Briefing on Trade Policy and E-Commerce initiatives especially during the COVID-19 outbreak.
- iv. Follow-up on the issue of clearance of containers at Port Qasim, as per release order by Sindh High Court.
- v. Discussion on the Point of Public Importance regarding "low prices of onions and tomatoes in Balochistan due to import from neighboring countries of the same" raised by Senator Mir Kabeer Ahmed Muhammad Shahi in the Senate sitting held on 26th August, 2020.
- vi. Any other item with permission of the Chair.

### **Meeting held on 16-10-2020**

- i. Discussion on the issue regarding permission for import of Iranian apples referred by the honourable Chairman Senate to the Standing Committee on Commerce.
- ii. Further discussion on the Point of Public Importance regarding "low prices of onions and tomatoes in Balochistan due to import from neighboring countries of the same" raised by Senator Mir Kabeer Ahmed Muhammad Shahi in the sitting of the Senate held on 26th August, 2020.
- iii. Briefing on application to the European Commission by India for registration of GI tag of Basmati Rice, and the steps taken by the government of Pakistan in this regard.
- iv. Briefing by Ministry of Commerce on the E-Commerce Policy.
- v. Briefing by Ministry of Commerce on Trade Policy.
- vi. Any other item with permission of the Chair.

### **Meeting held on 11-02-2021**

- i. Discussion on the Question No.13 regarding details of coal imported annually during the last ten years indicating names of countries, annual volume of quantity of coal and amount incurred there on asked by Senator Muhammad Usman Khan Kakar in the sitting of the Senate held on 22nd January 2021.
- ii. Briefing on New Textile Policy.
- iii. Any other item with permission of the Chair.

### **RECOMMENDATIONS**

#### **Recommendations 16-05-2018**

- i. To submit a copy of the Textile Policy 2014-19 to the Committee.
- ii. To furnish a report regarding how many papers/proposal of PHD students relating to the textile industry of Pakistan had been commercialized.
- iii. To furnish a report regarding the TORs and prerequisites according to which space in the Lahore garment city and Faisalabad Garment City was leased out, along with a sample of the lease agreement. The Committee further directed the Ministry to furnish a report regarding how many textile startups, that had begun working in these textile cities, had grown into medium or large companies. The Committee decided to conduct a visit of these Garment Cities.
- iv. To look into the matter of the withheld salaries and allowances of the employees of the NICL, and ensure its resolution.
- v. Directed the Ministry to look into the matter of dividend demanded by the Ministry of Finance from the Trading Corporation of Pakistan (TCP) and report to the Committee.

#### **Recommendations 27-06-2018**

- i. Time period may be defined for the achievement of targets defined in the roadmap of IPO-Pakistan, so that Committee can help and provide valuable inputs.
- ii. Data shall be organized on the Patents in Pakistan in the course of coming three years to give the Committee a clear trend of innovations in Pakistan.
- iii. Committed and professional people be inducted in the IPO-Pakistan for efficient functioning of the organization.
- iv. The Committee shall visit the IPO-Pakistan Office.
- v. NICL must be restructured following best practices and a more efficient model may be adopted.
- vi. A separate meeting be convened, and the Ministry of National food Security and Agriculture be invited to address the issues of falling textile exports.
- vii. A meeting shall be convened to invite SBP for the settlement of issues of non-performing loan (NPL) of major exporter.



- viii. Complete information on rental income, lease agreements, design and output of Lahore and Faisalabad garment cities be provided to the Committee.
- ix. No lease agreement shall be renewed for the two garment cities, and a new mechanism will be formulated under the Committee guidance.

#### **Recommendations 19-07-2018**

- i. Decided to look into the matter of collapse of Power Looms industry in Faisalabad in further detail, reconcile data provided by the Ministry of Commerce, and get to the bottom of the issue. Further discussion on the Point of Public Importance was deferred till the next meeting of the Committee.
- ii. Decided to postpone further investigation on the matter of transfer of Rs. 1 billion from the NICL to the SRB till after the meeting scheduled between the two on the 26<sup>th</sup> of July, 2018.
- iii. Directed the NICL to look into the matter of transfer of employees again, and ensure that they were not being penalized. The Chairman Committee further directed that names and CV's of the members of the Board of NICL be shared with the Committee at the earliest.
- iv. Recommended that the Ministry must give credit to the Senate Standing Committee on Commerce and Textile Industry for its guidance. He further added that tariff rationalization will not solve the issue of the budget deficit. Rather, the Ministry should focus on the 4<sup>th</sup> industrial resolution, and institute policies to take advantage of this.

#### **Recommendations 07-08-2018**

- i. Disposed off the Point of Public Importance raised by Senator Mian Muhammad Ateeq Shaikh in the sitting of the Senate held on 25<sup>th</sup> May, 2018, and referred to the Standing Committee on Commerce and Textile Industry regarding '**Collapse of Power looms Sector in Faisalabad**'.
- ii. Directed the Ministry to devise policy, involving structural changes, to address and correct the issue of trade deficit.
- iii. Directed that officials of the Sindh Revenue Board (SRB) may be called to the next meeting of the Committee to explain their position regarding withdrawal of Rs. 1 billion from the account of NICL.

#### **Recommendations 27-09-2018**

- i. Recommended to the Ministry of Commerce to take due measures for clearing the 55 arms and ammunition shipments lying with the Customs authorities at the port in favour of the importers, as a one-time relaxation.

#### **Recommendations 17-10-2018**

- i. Recommended that the government should direct FBR and Ministry of Interior to ensure strict anti-smuggling measures at all borders points in Pakistan, at all entry points.
- ii. Recommended that PASCO ensures a minimum support price for agricultural produce from Balochistan to supplement the livelihoods of the farmers of Balochistan.
- iii. Recommended that Ministry of Commerce and Textile Industry should make Quality Certification mandatory for all goods being imported from Iran, especially apples, to

ensure that only non-hazardous goods are imported, quality is maintained, and the local farmers of Balochistan are protected against unfair competition. The Committee directed that quarantine conditions should be strictly followed.

#### **Recommendations 14-12-2018**

- i. Directed that the draft STPF be provided to the Committee, and that the Committee will hold a dedicated meeting once all the members have gone through the STPF in detail.
- ii. Directed the member customs to submit to the Committee a working paper on how the FBR intends on correcting the issue of under-invoicing within 10 days.

#### **Recommendations 23-01-2019**

- i. Decided that multinational I.T. companies operating in Pakistan be summoned in next meeting to present their point of view with regard to under-invoicing, over invoicing of I.T. products.
- ii. Directed the Ministry to issue directives to commercial councilors for timely provision of data, so that under-invoicing can be curtailed.
- iii. Directed that officials of BPS-16 and lower must be rotated every 3 years, to minimize collusion with importers.
- iv. Directed the FBR to submit to the Committee complete details of recoveries made by the Post Clearance Audit Directorate of the Pakistan Customs, including details of how many markets had been raided, the quantum of items seized and the total value of recoveries.
- v. Directed that a detailed presentation on the consignment of Arms confiscated by the Pakistan Customs, and taken up by the Committee in its previous meeting be provided to the Committee in its next meeting, along with solutions.

#### **Recommendations 06-03-2019**

- i. The Committee directed the IPO to provide to the Committee details of all trademark violations received, addressed, and resolved.
- ii. The Committee directed the IPO to provide an international comparison of trademarks and patent registration timelines.
- iii. The Committee directed that the GI Law be expedited, and concluded that a status update in this regard will be sought at the beginning of every subsequent meeting of the Committee.
- iv. The Committee recommended that the Pakistan Cotton Research Centre should be brought back under the control of the Textile Division from the Ministry of National food Security & Research since the Textile Industry division is a more relevant ministry to oversee cotton research.
- v. The Committee directed the Textile Division to conduct a study of the Bangladeshi and Vietnamese textile production and export policy and submit a comparison to the Committee.



- vi. The Committee directed the Textile Division to share the draft of the new Textile Policy, with the Committee once it is finalized so that the Committee could recommend meaningful amendments.
- vii. The Chairman Committee opined that Parliamentary Friendship Groups in Pakistan and Commercial Counselors posted abroad should play a more proactive role in expanding textile exports of Pakistan.
- viii. The Committee recommended that individuals from the private sector should be taken on board and should be incentivized for their efforts to increase exports.
- ix. The Committee decided to conduct performance reviews of commercial councilors posted abroad through video conferencing.

#### **Recommendations 21-03-2019**

- i. The Committee decided to amend the TDAP Act, and revisit the TOR's and qualification of the CE TDAP, till which time the advertisement for the position of TDAP should be suspended.
- ii. The Committee directed that the study on the quantum of smuggling in Pakistan and its impact on Pakistan's trade be shared with the Committee once it is finalized.
- iii. The Committee recommended that consistency in policy timelines should be ensured, and policy once notified should not be changed very few months.
- iv. The Committee recommended that a comparative study of Pakistan with Vietnam and Bangladesh regarding textile trade be shared with the Committee.
- v. The Committee recommended that the 700 seed companies that exist in Pakistan should be reduced as India only has 200 companies.
- vi. The Committee strongly recommended including representatives of at least two SMEs on the special taskforce on improving the textile sector.
- vii. The Committee recommended that the 8 knitting machines at TEVTA KPK, which are not being utilized be given to the National Textile University.
- viii. The Committee directed that a clarification regarding different gas prices in different regions of Pakistan be submitted to the Committee.

#### **Recommendations 28-03-2019**

- i. The Committee disposed off Public Petition PP-2627 for Review Authorization Policy For Import Of Duty Free Cars By "Disabled Persons On Humanitarian Grounds" Sro-6(1)2009-Import-ii. Agreeing with the report received from Ministry of Commerce and Textile Industry against the said petition, the Committee directed that the same be forwarded to the Senate Secretariat Petition Cell.
- ii. The Committee disposed off Public Petition PP-2637. Agreeing with the report received from State Life Insurance Corporation (SLIC), the Committee directed that the same be forwarded to the Senate Secretariat Petition Cell.
- iii. The Committee directed that the concerned Ministry and NADRA should facilitate SLIC to support their work by conduct bulk death verifications for SLIC. The Committee

decided to write to NADRA, and NADRA would be called to the next meeting of the Committee to present their point of view

- iv. The Committee and the members appreciated Chairman SLIC, Mr. Mohammad Younus Dagha for his efforts in making SLIC a more efficient organization, and saving Rs. 4.8 billion by doing away with dummy agents.
- v. The Committee decided to write to the Ministry of Finance, inquiring whether customs duty existed on FATA imports.
- vi. The Committee decided that the TDAP would be called in the meeting during which Commercial Councillors posted abroad will brief the Committee via video call.

#### **Recommendations 23-04-2019**

- i. The Committee concluded that that it would address the issue of KPI's for the officers and officials of the Textile Division and its attached departments in its subsequent meetings. The Committee also decided to conduct an assessment of why such a high number of posts are required, and whether the vacant posts need to be filled or not.

#### **Recommendations 06-05-2019**

- i. Directed the Ministry of Commerce and Textile Industry and FPCCI to submit proposals for enhancing the tenure of the President of the FPCCI to 3 years.
- ii. Directed the FPCCI to submit to the Committee details of proposals submitted by the FPCCI to the Government for the past three years, their implementation status, and subsequent impact of the approved proposals.
- iii. Directed that the FBR and Member Customs FBR be called to the next meeting to brief the Committee regarding the steps taken to curb under invoicing of imports, especially of I.T. Products.
- iv. Directed the Ministry to submit a status report on the Geographical Indications Law.

#### **Recommendations 17-06-2019**

- i. Directed the Ministry of Commerce and Textile Industry to submit/email the details of the consultant involved in the development of GI law together with the cogent reasons for the inordinate delay in the finalization of the said law.
- ii. Directed the Ministry of Commerce and Textile Industry to finalize the GI law at the earliest.
- iii. Directed the Ministry of Commerce and Textile Industry to be alert to the false rumors on the social media and respond immediately in case a false rumor gets viral.
- iv. Directed the Secretary Committee to write a letter to the Secretary Ministry of Information, Broadcasting, National History and literary Heritage to communicate the direction of the Committee to all the Government departments/divisions that they should be alert to the false rumors propagated against their specific Ministries on social media and should develop an effective mechanism in respective Ministries to respond to the same promptly.
- v. Directed the Ministry of Commerce and Textile Industry to encourage the production and export of the value added salt products and discourage the exports of raw salt.

- vi. Directed the Ministry of Commerce and Textile Industry to conduct meetings with Finance Division and other relevant departments for levying export duty of 100% on raw salt; 50% on intermediate salt products and 0% on the value added finished salt product and apprise the Committee on the same at the earliest.
- vii. Directed Ministry of Commerce and Textiles Industry to get the separate 10-digit HS code for the pink salt in consultation with the Customs.
- viii. Decided to invite the representatives from the Federal Board of Revenue (FBR), Customs, and Finance Division to discuss the issues of export duty on the salt and allocation of separate 10-digit HS code for Pink salt.
- ix. Issued the direction for Finance Division to re-consider the imposition of 17% sales tax in consultation with Ministry of Commerce and Textile Industry as it would severely hit the exports of the country and economy as a whole. Further, the sales tax if necessary may be imposed at the rate of 2% to 4% in the first phase so that it could be borne by the exporters and the industry.
- x. Issued the direction for the Federal Board of Revenue that it should not focus on revenue collection in isolation of the impact of the taxation on the exports and political economy of trade rather taxation impact should be assessed holistically.
- xi. Directed Ministry of Commerce and Textile Industry to submit the item wise details of the amount of exports to the Afghanistan in the next meeting.
- xii. Directed the Ministry of Commerce and Textile Industry to resolve the issue of exporters whose containers are stuck at Karachi Port and are not allowed by National Highway Authority (NHA) in view of the regulation that Container weight should be 60 tons.

#### **Recommendations 26-07-2019**

- i. Directed that the reports of the Federal Treaty Implementation Cell and Provincial Treaty Implementation Cells regarding implementation status of the twenty seven conventions ratified by Pakistan and the text of the conventions along with details of the benefit derived by Pakistani businessmen and exporters as a result of the GSP Plus status be submitted to the Committee. Additionally the Committee directed that the post Brexit plan formulated by the Ministry of Commerce and Textile Industry to maintain and /or increase exports may also be submitted to the Committee.
- ii. Directed the Ministry of Commerce to submit complete details of all trade officers posted abroad along with KPIs/ assessment criteria developed for their evaluation, their academic qualifications and professional background and a breakup of how many of these trade officers are from the Private Sector and how many are from the Government Sector along with their occupational group.
- iii. Recommended that 100 percent ownership should only be extended on reciprocal basis, to only those countries that allow 100 percent ownership to Pakistani businessmen and traders, and urged the Ministry of Commerce to add this provision in the investment policy.

### **Recommendations 08-08-2019**

- i. Directed the Ministry of Commerce to conduct a comparative analysis of the cost of doing business and ease of doing business for Pakistan and China, and submit the same to the Committee.
- ii. Directed that feasibility study for an FTA with Vietnam may be conducted. In addition, a specialized policy for FTA should be formulated, and FTA's should be considered with any and all countries that fit the criteria set out in that policy.
- iii. Directed the Pakistan Stone Development Company (PASDEC) to submit details of the PC 1, 2, 3, and 4 and all the requisite information on the wire saw cutting project at Buner, along with audit reports by the next meeting.

### **Recommendation 11-09-2019**

- i. The Committee directed that the Adviser should request the Prime Minister to call a meeting with all Chief Ministers and Chief Secretary's of all provinces, and subsequently, a report on the issue of Infrastructure Cess and axle load be sent to the Committee.

### **Recommendation/Directions of the Committee 03-10-2019**

- i. Directed that Pakistan Horticulture Export Development Company (PHEDC) submit to the Committee the composition of its board, names and qualifications of the CEO and Board members, total exports, and action taken on the recommendation of the Committee regarding setting up of Date processing plants at the earliest

### **Recommendation/Directions of the Committee 22-10-2019**

- i. The Committee recommended that the Advisor to the Prime Minister on Commerce hold a meeting with the Quetta Chamber of Commerce and Industry to resolve the issues and address the grievances of importers.
- ii. Following detailed discussions, the Committee recommended that Quarantine Officers at Taftan, Mashkel, Gwadar and Panjgur should be posted immediately.

### **Recommendation/Directions of the Committee 12-12-2019**

- i. Directed the Secretary Ministry of Commerce and Textile Industry to submit the list of forty five (45) Trade and Investment Officers (TIOs) recently appointed, at the earliest.
- ii. Decided to write a letter to the Trade and Development Authority of Pakistan (TDAP) to follow-up on the upcoming trade event in the Bahrain, as pointed out by Senator Dilawar Khan at para (13), in coordination with the ambassador of Pakistan in Bahrain and ensure the provision of required so that Pakistan can participate in the event.
- iii. Directed Secretary Ministry of Commerce and Textile Industry to write to TDAP in connection with the event in Bahrain and to ensure that Pakistan participates in the event.

- iv. Decided to call the Chief Executive Officer (CEO) TDAP in the next meeting for comprehensive briefing on TDAP.
- v. Decided to hold a separate briefing on Pakistan's trade policy and initiatives with regards to neighboring countries in the next meeting.

#### **Recommendation/Directions of the Committee 16-01-2020**

- i. The Committee directed that further improvements should be made in the WEBOC system.
- ii. The Committee decided to call the TDAP in its upcoming meeting to address why a meeting of the Board of TDAP hasn't been called in over 18 months.
- iii. The Committee directed the Ministry of Commerce to look into the matter of the Al-Tuwairqi Steel Mill of Saudi Arabia, where an agreement was signed, but the same has failed to become operational till date. A letter in this regard would also be written to the Advisor to the Prime Minister on Commerce.

#### **Recommendation/Directions of the Committee 23-01-2020**

- i. The Committee recommended that Pakistan's GIs be geo-tagged, so that buyers can pinpoint the exact location of the origin of the GI on Google maps.
- ii. The Committee decided to further consider the Bill in its next meeting scheduled for 28<sup>th</sup> January, 2020.

#### **Recommendation/Directions of the Committee 28-01-2020**

- i. Report on the "The Geographical Indications (Registration and Protection) Bill 2019" Finalized.

#### **Recommendations/Directions 13-02-2020**

- i. The Committee sought a performance report on the performance report of 54 trade officers, of which around 30 were appointed in January, 2020.
- ii. The Committee directed NTC to hold meetings with the stakeholders and submit a report to it in 30 days. The committee also directed that a list of those factories which have been closed due to anti-dumping duty be compiled and submitted to the Committees.
- iii. The Committee concluded that since the matter relating to import of miscellaneous good during the year 2019 and Good Declaration in one-customs, in the light of Sindh High Court judgment is sub-judice. However, the Committee directed that a report in this regard, once the court has made its final decision be sent to the Committee.



## **Recommendations/Directions 22-09-2020**

- i. The Committee directed the Secretary Commerce to conduct a meeting with the growers of date and come up with the solution to the current problem of finding the alternative destinations for exports of dry dates in the wake of suspension of trade with India and share the decisions of the meeting with the Committee as well.
- ii. Directed the Secretary Commerce to expedite the efforts to support date growers in creating value added products of date and to mobilize the commercial attachés abroad to look for the avenues of export of value added date products in the foreign countries.
- iii. Decided to conduct the meeting with the growers of date in Sukkur in future.
- iv. Decided to get briefing from the Directorate of Intelligence and Investigation (Customs) on the progress upon the cases made against the importers of I.T equipment regarding the under-invoicing and tax evasion after 45 days.
- v. Decided to take the separate briefing from the Ministry of Commerce on newly formulated 'E-Commerce Policy' in the next meetings.
- vi. Decided to write to the Ministry of Ports and Shipping to be the intervener in the Supreme Court on the case of detained containers at Port Qasim where private Terminal Operators have challenged the section 14A.
- vii. Decided to write to the Secretary Ministry of Ports and Shipping directing to issue necessary orders to the Private Terminal Operators at Port Qasim to release the containers against the post-dated-cheque.
- viii. Directed the Federal Board of Revenue, Ministry of Ports and Shipping, and the Ministry of Maritime Affairs to resolve the issue of detained containers at the earliest and the same may not be brought to the Committee again.
- ix. Directed the Secretary Ministry of Commerce to come up with a viable and practical solution in the next meeting, in consultation with all the stakeholders, for provision of relief to the people of Balochistan in wake of very low market price for their fruits and vegetables due to the surplus supply of the same from Iran and Afghanistan.
- x. Decided to invite 3-4 farmer representatives from Balochistan in the next meeting to present their difficulties to the Committee. In this regards, Senator Mir Kabeer will provide to the Ministry the names and contact details of the farmer representatives who will attend the meeting.
- xi. Decided to conduct that a meeting with the State Bank of Pakistan (SBP) and representatives from the Ministry of Finance and the Commercial Banks to devise the proper policy for the lending by commercial banks to the industries.
- xii. Directed the Special Assistant to the Prime Minister for Commerce, Textile, Industry and Production to take up the matter of reluctance of commercial banks to lend to the industries with the SBP which should require the Banks to do the commercial lending.
- xiii. Directed the Secretary Commerce to undertake necessary steps and collaborations for installation of the Electronic beam technology in Multan Agriculture university through which mangoes, to be exported to the USA, can be scanned the same procedure in USA can be eliminated that results into the delay and damage of mangoes.


- xiv. Recommended that TDAP should take the initiative of sending tobacco farmers to the foreign countries to increase their exposure about the latest and modern tobacco curing methods.
- xv. Decided to take separate meeting from the TDAP about its current structure, functioning and initiatives.
- xvi. Directed the Secretary Commerce to provide the list of attached department of Ministry of Commerce.
- xvii. Decided that the relating to the nomination of Senator Mirza Muhammad Afridi as member of the Board of Pakistan in institute of fashion and design, Lahore, which has been transferred to the Ministry of Federal Education and Professional Training may be ratified by the concerned Committee.

#### **Recommendations/Directions 16-10-2020**

- i. Directed the Ministry of Commerce to come up with the policy of balancing of demand and supply of onions and tomatoes at the earliest to ensure that farmers of Balochistan, who produce these products, do not receive very low prices due to the excessive supply of these products from the neighboring countries.
- ii. Directed the SAPM for Commerce, Textile, Industry and Production, and Investment to personally look into the matter of strengthening the 'Quarantine Centers' at the borders.
- iii. Decided to take briefing on E-Commerce Policy and Trade Policy from the Ministry of Commerce in the next meeting.

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

6. The Committee believes in institutional memory. In this regard, the Committee believes that the work done by the Senate Committee on Commerce during its tenure 2018-21 should be taken up by the upcoming Committee, from March 2021 onwards. I urge the upcoming Committee to maintain a follow up on the recommendations made by this Committee, and proactively address issues of national and public importance. Through this report, the Committee has shared the work it has done with the next committee and its Members so that it can pick up from where we left. This will prevent duplication of efforts and repetitions.

  
(Iffat Mustafa)  
Secretary Committee

(Senator Mirza Muhammad Afridi)  
Chairman Committee

