



TRADE POLICY 2009-10

Speech

By

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**GOVERNMENT OF PAKISTAN
MINISTRY OF COMMERCE
ISLAMABAD**

Ladies and Gentlemen

Assalam O Alaikum

It is a great privilege for me to present before you the Trade Policy of the government of Pakistan. This is the second time this democratic government is announcing the Trade Policy representing the hopes and aspirations of the people of Pakistan. The recently announced budget carries specific measures for economic revival and improvements in the lives of Pakistani people. In line with the same spirit of service to the common man, our aim is to bring forth a positive strategic change in the export sector of Pakistan. We also wish to expand our support and encouragement to the private sector and ensure the availability of enabling infrastructure which can put the economy on a path towards sustained growth and development ultimately culminating into poverty and inequality reduction in the country.

As we all know Pakistan has been facing many difficulties on the non-economic front, which have led to further deterioration of the business climate. The issues created due the problems which we inherited such as energy crises, business closures, declining long term foreign

investment have been worsened by the war on terror in which Pakistan is a frontline state. The direct and indirect costs of this war do not only include the loss of life, property and business assets, but also the deterioration of country's image as a result of which the business to business interaction becomes more difficult. However after a critical phase of weak domestic macroeconomic situation and reduced external demand owing to the global financial crisis, Pakistan economy is now undergoing a recovery phase.

Coming to the trade performance of Pakistan, the year 2008-09 witnessed unprecedented economic downturn especially in our major markets of export i.e. USA & EU. Consumption decreased in the developed world and the global trade shrank by 9%. **Global recession adversely affected exporting countries and Pakistan is no exception to it. Exports from Pakistan declined to US\$ 17.8 billion as compared to previous year's exports of US\$ 19.1 billion. Imports also witnessed a relative decline and fell by 13% as Pakistan's imports during 2008-09 stood at US \$ 34.9 billion as compared to US \$ 40.4 billion in 2007-08.**

During 2008-9, the export of Textiles, which account for around 54% of Pakistan's total exports, dropped from US\$ 10.6 billion to US\$ 9.6 billion. The major losers in this regard were Readymade Garments, which dropped by

21.7%, Cotton Yarn, which dropped by 15%, Bed linen, which dropped by 10.2%, Art Silk & Synthetic Textiles, which dropped by 22.1% and Cotton Fabric by 4.0%. **The exports of finished leather and leather manufacturers dropped from US\$ 1.1 billion to US\$ 0.8 billion registering a drop 24.5%.** The Rice exports have registered an impressive growth from US\$ 1.84 billion to US\$ 1.99 with an increase of 8.2%. Engineering goods also registered an increase of 26.1% from US\$ 211.3 to US\$ 266.4 million. In this regard, the major contributors have been the specialized machinery, transport equipment, electric fans etc. The export of Jewelry also rose from US\$ 213.4 million to US\$ 288.4 million, registering an increase of 35%.

Taking a long term view of Pakistan's export performance over the last ten years, **Pakistan's share in the global market, according to WTO data, has declined by more than 1/3 to 0.13% in 2009 from 0.21 % in 1999.**

During the last few decades, the global trade has undergone a major structural change as far as the product composition and geography of trade is concerned. There has been an explosion of non textile manufactured exports at the global level. Whereas, the share of non-textile manufactured in Pakistan's exports has gone down from an already low figure of US \$ 5.83 billion (25.08%) in 2007-08 to US \$ 3.12

billion in 2008-09 (17.32 %). At the same time, our competitor economies, particularly in Asia, have significantly enhanced their share in non-textile manufactured. As far as the Textile and Clothing sectors are concerned, the rate of growth in Clothing is much higher than Textiles in the international market. Whereas, Pakistan, managing to keep its market share in Textiles to an extent, has been slow in benefiting from the expansion in higher value Clothing sector.

The principle reason for this growing disconnect between the evolving global market structure and our export performance is the erosion of the competitiveness of Pakistan's traditional exports in general and the country's weakness in diversifying its product and market mix.

In view of the above situation, the government, in a true democratic spirit, took all stakeholders on board and has devised a strategy to go all out to remain firm in these difficult economic times, keep focused on our strengths, and convert challenges into workable opportunities. **Trade Policy 2009-12 aims to set the country on the path of sustainable high economic growth through exports.**

The fundamental principles of the Strategic Trade Policy Framework are rooted in the manifesto of Pakistan People's Party i.e.,

- Growth with Equity**
- Greater Opportunities for gainful employment**
- Sound macro-economic framework for trade environment**
- Concern with poverty eradication and environmental protection**
- Investing in Human resources**
- Targeting Poverty alleviation**
- Promoting private sector as engine of growth**
- Focus on small scale sector particularly in agriculture**

As guided by the prime minister and his cabinet, this policy is geared towards:

- 1. Contributing towards poverty alleviation**
- 2. Achieving export led growth and providing relief to the common man through the provision of jobs and services**
- 3. Will focus strongly on development and facilitation**

Ladies and gentlemen,

The policy is set in a three years Strategic Trade Policy Framework (STPF), which we strongly hope would result in the enhancement of export competitiveness of Pakistan to enable Pakistani companies overcome the shocks of international economic crisis through a set of integrated and holistic policy and measures.

Ladies and gentlemen, I would now like to unveil the Strategic Trade Policy Framework for the next 3 years. This will be a medium term road map in order to ensure certainty of policies which in turn will act as a catalyst in the revival of domestic commerce and international trade in Pakistan, with the precise objective of bringing about a structural transformation in Pakistan's exports.

Ladies and gentlemen,

We have to bear in mind that this trade policy comes in the backdrop of a number of challenges. These include:

- Infrastructure deficit, particularly in energy**
- Poor innovation and technological infrastructure**
- Low labour productivity**

- **Low levels of manufacturing value addition**
- **Little Foreign Direct Investment in manufacturing and exportable sectors.**
- **Anti-export bias in taxation**
- **Increasing costs of exports as compared to imports**
- **Lack of product and geographical diversification in exports**
- **Absence of economies of scale in the production processes, especially in the Small and Medium Enterprise sector which accounts for a vast majority of the enterprises in the country.**

Ladies and gentlemen,

My Ministry realizes that we need a paradigm shift to enable our firms and entrepreneurs to become globally competitive and export those products which are valued more in the international market. This would involve structural transformation in the form of increased mobility of labor and capital across sectors and change their production processes and ultimately the content of exports. We hope that we would be able to begin effecting this transformation through the Strategic Trade Policy Framework 2009-12,

with Competitiveness Development at the centre of all our trade promotional efforts and interventions. Very soon, we should be able to see Pakistan producing and exporting a more sophisticated and diversified range of products, resulting also in an increase in returns for sectors ready to embrace the global competitive environment.

Ladies and gentlemen,

Let me now share with you **the integrated solutions we aim to provide in order to realize our strategic objectives. As far as the enhancement of the export competitiveness is concerned, the government aims to:**

- **First, overcome the most pressing supply-side constraints such as the shortage of energy, cost of capital and difficulties linked with adverse travel advisories.**
- **Second, enhance competitiveness of textile and clothing, with the help of Textile Policy due to be announced shortly which focuses on new investments, modernization of machinery and increasing total factor productivity.**
- **Third, deepen and diversify export markets particularly our major trading partners US and**

EU as well as countries with which Pakistan has signed a free trade agreement such as China, Malaysia and Sri Lanka.

- **Fourth, promote trade in services which globally have a more stable demand pattern and are less prone to detrimental external shocks seen for the case of commodity trading.**
- **Fifth, embark on domestic commerce reform and development where key areas such as wholesale and retail trade, storage and warehousing, transport, regulatory environment, promotion of modern business and taxation practices require immediate attention.**

In order to address our strategic objective of increasing the sophistication level of Pakistan's exports products and enhance firm level competitiveness, our government aims to:

- **Integrate the local productive capacity with globally integrated supply chain.**
- **Coordinate and leverage the skill up-gradation programmes in the priority sectors and strengthen the institutions entrusted with the**

skilling. In this regards, skilling of women workers would be given special importance.

- **Acquire and upgrade technology level so that Pakistan can move away from the traditional and low value export products.**
- **Promote enterprise and entrepreneurship development. The Ministry of Commerce proposes to set up an Enterprise and Entrepreneur Fund [EEF] for incentivising the improvements in firm management capabilities in ten sectors chosen to push Pakistan higher on the sophistication ladder.**
- **Rationalize the tariff policy keeping in view the structure of value addition in various industries.**

In order to address our strategic objective of product diversification for Pakistan's exports our government aims to:

- **Provide a clear policy framework on the development of chemical sector.**
- **Continue the successful initiatives provided to the Pharmaceuticals sector in the previous trade**

policy and help introduce necessary regulatory and initiate new development programmes.

- **Address the supply side constraints in the meat and meat products industry**
- **Facilitate the foreign direct investment and export potential of mineral sector.**
- **Promote agro-processed exports**
- **Support the light engineering sectors to export more in high paying markets. The trade policy aims to create a special fund of Rs 2.5 billion for product development and marketing in order to increase the sophistication level of the sector and realize true potential of this sector.**
- **Devise a medium term strategy to boost exports of gems and jewellery.**
- **Devise a comprehensive long term strategy for significantly improving Pakistan's export of services.**
- **Provide incentives to facilitate technology acquisition, adoption, replacement with the twin**

objectives of energy efficiency and environmental protection

- **To launch a comprehensive Leather and leather products export Plan in consultation with the major players of leather sector**
- To launch a comprehensive plan for the promotion of export of Services

In order to address our strategic objective of pursuing greater market access through extensive trade diplomacy the government aims to:

- **Actively participate in the Doha Development Agenda negotiations in order to maximize the gains from trade diplomacy.**
- **Making free trade agreements a success in terms of increase in bilateral and regional export volumes with favorable terms of trade for Pakistan.**
- **Engage with the larger trading partners like US and EU for greater market access and utilize the Reconstruction Opportunity Zones for providing zero duty facility for exports to US.**

- **Strengthen and utilize the trade officers better for the protection and promotion of Pakistan's commercial interest abroad.**

Ladies and gentlemen,

Enhancing export competitiveness of Pakistan would largely depend upon the quality of governance and management structures deployed to implement it. In order to address our objective of institutional reform for prudent implementation of Strategic Trade Policy Framework the Ministry of commerce would take the following measures:

- **We would employ the modern *logical frameworks* to implement and evaluate different interventions and initiatives of the Strategic Trade Policy Framework and would establish 3 Implementation Management Units.**
- **We would set up an Export Investment Support Fund to channelize the public investments to the selected sectors with clear objective of effecting the structural transformation.**
- **My Ministry would ensure significant improvements in its own working as well as in the working of Transport and Trade Facilitation**

Project, Trade Development Authority of Pakistan, National Tariff Commission, Pakistan Institute of Trade and Development, Pakistan Horticulture and Export Development Board, Directorate General of Trade Organizations, Trade Offices Abroad and other relevant organizations.

- The Ministry of Commerce would establish efficient steering and coordination mechanisms that make the functional linkages between the Structural Trade Policy Framework with the Planning process in Pakistan and relevant line and sectoral ministries**
- My Ministry would lead from the front in shaping much more effective Public-Private dialogue in the realization of the Objectives of the Strategic Trade Policy Framework.**
- As far as the monitoring and evaluation of the Strategic Trade Policy Framework is concerned, the Pakistan Institute of Trade and Development Islamabad, an independent policy think tank of the Ministry of Commerce, would undertake a systematic evaluation of the impact of Trade**

Policy 2009-12 on the trade performance of Pakistan with a view to enhance the effectiveness of different trade policy interventions, suggest course corrections and lay the scientific foundations for the preparatory work for the next Trade Policy.

LADIES AND GENTLEMEN,

As far as giving an export target for the coming years is concerned, the Ministry believes, on the basis of an extensive consultative process, that there is a consensus among all the stakeholders in Pakistan's international trade that the country's exports can become an engine of growth and prosperity in Pakistan, if the relevant institutions, both in public and private sector implement a holistic strategy to enhance competitiveness of exports. However the growth during 2009-10 would remain rather sluggish partly due to slowdown in global demand and also due to the fact that all the programmes and measures of Strategic Trade Policy Framework would have a brief time lag before coming into full force. The Ministry therefore has set the export growth target of 6 % for 2009-10 and 10 and 13 % for each of the successive years. The Ministry for the first time is introducing a few intermediate indicators, which contribute to the enhancement of export competitiveness. It is expected

that by 2012 the competitiveness ranking of Pakistan will improve from 101 to 75; the share of engineering exports will increase from 1.5 % to 5 %; value addition of cotton to increase from US \$ 1000 to \$ 1500 per bale; and regional trade to expand from 17 to 25 %.

The Strategic Trade Policy Framework sets out the policy guidelines and identifies the principle action areas. We hope to complete the work on identifying the business processes to improve within the first quarter of the financial year and address them forthwith. For the realization of other strategic objectives we hope to take the stock of the on ground situation and propose the activities which would start rolling out within the second quarter. **We strongly hope that the activities and programs thus started would be completed by June 2012.** But we have not ignored the pressing supply side issues and other legitimate requirements of the export sector and are hereby suggesting several measures to facilitate exports.

Businesses need short to medium term certainty in the interest rate for investment. Currently, there is no policy instrument provided by the government or private sector for providing finance at fixed interest rates for a short to medium term. **It has been decided to create a Fund to hedge markup rate hikes.** The Ministry will work with the

Ministry of Finance and State Bank of Pakistan towards this end.

In order to ensure predictability of electricity supply it has been decided that Ministry of Water and Power would work with the Electricity Distribution Companies, to enter into agreements with clusters of industries whereby electricity is supplied at mutually agreed times. The agreements would have punitive and compensation clauses; and the compensation could be in the form of electricity charges credit.

Ladies and gentlemen,

The provision of insurance cover for visiting buyers can go a long way in restoring the investor's confidence. These days, the purchasers, inspectors and sourcing agents of overseas buyers are reluctant to travel to Pakistan and the exporters have to meet them in other countries. This increases cost of doing business. It has been learnt that apart from travel advisories that stop the purchasers/importers from coming to Pakistan but also the fact that the insurance companies refuse to cover the period of stay in Pakistan on usual rate of premium. To overcome this problem, it has been decided to launch a scheme for picking up the full cover for Pakistan for their valid insurance policies. The scheme will be funded

from Export Investment Support Fund and managed by National Insurance Corporation.

Ladies and gentlemen, in the short run, we are introducing many sector specific initiatives to promote product diversification, which are as follows.

- Extra cost on inland transportation erodes export competitiveness of a range of developmental products. **It has been decided that a scheme may be launched to compensate inland freight cost to exporters of** cement, light engineering, **leather garments**, furniture, soda ash, hydrogen peroxide, sanitary wares including tiles, finished marble/ granite/ onyx products.
- All final use products do require continuous research and development for enhancing competitiveness either by technology up-gradation, skill development or by improved management systems. **A fund dedicated to support these activities named Technology, Skill and Management Up-gradation Fund of Rs. 3 billion is being established.**
- The manufacturing in surgical instruments, sports goods and cutlery sectors is largely done under the brands of foreign companies, and that result in lower prices for manufacturers in these sectors. It has been

decided that surgical instruments, sports goods & cutlery sector would be granted 25% support on brand development activities.

- Shortage of well-trained skilled manpower is impeding growth of surgical instruments manufacturing industry. It has been decided to establish a center of excellence for catering to the training, designing, research & development needs of surgical instrument sector at Sialkot.
- The Engineering Sector in Pakistan is very dynamic but it is fragmented. This sector has shown promising growth during 2008-09 with an export growth of 32 %. In order to increase the sophistication level and realize true potential of this sector, a special Fund of Rs 2.5 Billion is being created for product development & marketing for light engineering sector.
- **Leather apparel industry** needs to adapt to changing trends for which they need expert input for improving quality and efficiency. **The Leather sector would be able to avail the following facilities from the Export Investment Support Fund:**
 - Procurement of expert advisory services to leather apparel manufacturers cum exporters.

- Matching grant to establish design studios or design centers in the factories.
- Establishment of Research & Development Centers in Karachi and Sialkot by Pakistan Leather Garments Manufacturers and Exporters Associations for providing Research & Development support to Leather Garments & Leather Goods Exporters.

Finished leather is one of the major export products and an intermediate product in which substantial value addition can be achieved by adopting modern production processes and creating trendy finishes. **There is a need to encourage tanneries to upgrade production and designing facilities and to facilitate them for complying with international standards.** The **leather sector** now would **be able to avail the following facilities from the Export Investment Support Fund:**

- **Sharing 25% financial cost of setting up labs in the individual tanneries.**
- **To provide matching grant for setting up of effluent treatment plants in individual tanneries.**

It is **estimated that a minimum of 25% hides and skins are rendered useless from butcher cuts.** There is an imminent

need to introduce flaying machines in slaughter houses but local governments have limited resources to install and run flaying machines. **It has been therefore decided that Export Investment Support Fund may be used for providing matching grants to district governments for installing flaying machines.**

The government of Pakistan recognizes the importance of the Textile and Clothing Sectors. To provide a foundation for sustainable growth, various initiatives are being planned through a separate and first ever Textiles Policy, to be announced shortly. The major thrust of the Textiles Policy will be to enhance domestic capabilities and capacities for efficient use of resources through skills development, technology up gradation and provision of infrastructural facilities. Measures are also envisaged for diversification of fiber usage and mix. The Textile Policy takes a holistic approach and will contain short-term and long-term measures to support the textiles and clothing manufacturers overcome the current problems created by the global down turn and equip them with necessary ingredients to meet the growing competitiveness challenges of the future.

The Strategic Trade Policy Framework would leverage the Textile Policy through its diverse measures and policies directly and indirectly. The Ministry of Commerce would

lend its support to the Ministry of Textiles towards an efficient implementation of Textile Policy. In this regards, the following Initiatives would be given high priority by Strategic Trade Policy Framework among many others initiatives which Ministry of Commerce hopes to develop and implement with the help of Ministry of Textiles and other stakeholders.

- **Promotion of new investment and modernization of machinery**
- **For diversification of exports mix, custom duty may be zero rated on import of Man Made Fibers other than Polyester Staple Fiber.**
- **Customs duty on import of sizing chemicals may be withdrawn.**
- **Establishment of warehousing in major markets, requiring direct to Store Delivery.**
- **Brand Development Program, to encourage the establishment of domestic and international brands.**
- **Rationalization of tariff on the principle of cascading to provide the exporting industry with an environment which supports manufacturing rather than trading.**

- **Initiatives for greater market access, developing and enlarging acceptability of Pakistani textiles and clothing in niche markets and diversification of exports to new destinations.**
- **Initiatives to promote more effective holding of local and participation and foreign exhibitions**

Ladies and gentlemen,

- **Live Sea Food fetches very high prices in international markets as compared to frozen products. It has been decided to grant 25% freight subsidy if live seafood products are exported by air. This will also compensate exporters to overcome losses incurred due to mortality.**
- **Our government plans to give a big boost to agro-processing due to its potential to reduce poverty in the country side. Raw and semi-processed agricultural produced being currently exported can get higher values if exported as processed food. However, Technical Barriers to Trade on processed food require compliance of international standards and thereby increasing the cost of production. It has been decided to support processed food exports initially by reimbursing Research &Development costs @ 6% of**

the exports. The quantum and mode of support for 2009-12 would be decided after a detailed study but not later than May 2010.

- Services sector has immense potential for earning foreign exchange however high pre-project costs are a deterrent to its expansion. Support to Services Sector in tendering process and preparing feasibility studies shall be instrumental in helping the sector to achieve its potential. We are setting up a Services Export Development Fund to provide assistance in the form of reimbursable grants, to Pakistan service exporters for Tendering or negotiating for international projects and for conducting pre-feasibility or feasibility studies for international projects.**
- Halal Products is an over trillion dollar market. Pakistan despite being a Muslim country is being left behind due to a lack of recognized Halal standards. Ministry of Science and Technology working to set up a Halal Certification Board. It has been decided that till the Halal Certification Board is setup, the government would support the cost of Certification by 50%. In the coming year, the Ministry will develop a comprehensive policy for the promotion of Halal products.**

- **Safety Standards Certification by Underwriters Laboratories (UL) increases the level of acceptability of manufactured products particularly domestic electrical appliances in international markets. It has been decided that 50% cost of UL certification would be borne by the government.**
- **The zero rating of exports is a very old demand of the industry. Despite many promises by the governments, the exporters have not been getting this facility as enjoyed by their international competitors. Our government has decided to make the exports completely zero rated.** As determining and providing additional duty drawbacks to specified sectors may take some more time, it has been decided to give an interim relief to the sectors of tents & canvas, electric machinery, carpets, rugs and mats, sports goods, footwear, surgical/ medical/ veterinary/ beauty care instruments, cutlery, onyx products, electric fans, furniture, auto parts, handicrafts, jewelry and pharmaceuticals. **All incentives will be linked to the outcomes, efficiency standards and wherever possible, productivity targets.**

Our government is aware that there is an urgent need to reduce the cost of doing business in Pakistan. We are addressing this in a systematic way under our Strategic Trade Policy Framework 2009-12. To demonstrate our resolve to reduce the cost of doing business in Pakistan significantly, we are introducing a few specific measures right away. These Measures are as follows:

- Oil and gas and petroleum sector companies are allowed import of second hand plant and machinery equipment required for their project in Pakistan subject to pre-shipment certification to the effect that such plant, machinery and equipment are in good working condition and are not older than 10 years. Since drilling rigs usually have a useful life of around 20 years it has been decided that the age limit for them may be enhanced to 20 years subject to Pre Shipment Inspection certification.**
- There are various restrictions on import of specialized machinery and transport equipment e.g. Concrete Transit Lorries, Concrete Pumps, Crain Lorries, Concrete Placing Trucks, Dump Trucks, Waste Disposal Trucks, cement bulkers and Prime Movers. These conditions include age restrictions and actual use. It has been decided to allow the import of**

specialized machinery and transport equipment by actual users in used condition provided they fulfill emission standards and have sufficient productive life irrespective of the age.

- There is a possibility for Industrial Users to trade-in new, refurbished or up-graded machinery with their obsolete machinery. Current import and export regimes do not provide for trade-ins whereas if allowed it could reduce the expenditure on Balancing Modernization and Reform. **It has been decided to allow Industrial importers to import new, refurbished and upgraded machinery on the basis of trade-in with their old, obsolete machinery. Likewise export of their old and obsolete machinery for trade in with new, refurbished or upgraded machinery would also be allowed.**
- State Bank of Pakistan has discontinued the facility to remit US\$ 10,000 per invoice, as advance payment, for import of spare parts, consumables and raw materials. The discontinuation of the facility has increased the cost and time to effect urgent imports. **It has been decided that the facility to remit US\$ 10,000 per invoice, as advance payment, for import of spare parts,**

consumables and raw materials would be restored by State Bank of Pakistan.

- **Ladies and gentlemen, marketing of pharmaceutical products involve number of complexities in the international market, including the need for extensive sampling at product launching stage. It has therefore been decided that limit for physicians' samples may be enhanced to 20% from the current limit 10% at the time of launch with first shipment.**
- **Currently, units that export 100% of their production enjoy the status of Export Oriented Units and the benefits thereof. Since, engineering industry, particularly auto motive parts manufacturing industry has vast export potential but cannot export all of its production in initial stages, it needs special treatment. It has been decided that engineering units would be allowed Export Oriented Units facility on export of 50% of their production for the first three years. After that, the engineering units would be allowed this facility on export of 80% of their production.**

Ladies and gentlemen,

An effective Trade Facilitation is very important in the modern day business. The Ministry of Commerce would undertake and coordinate all the necessary measures to facilitate the provision of lower cost, more efficient and reliable trade facilitation services in promoting our exports under its Strategic Trade Policy Framework. In this regard, the successful existing initiatives will be continued. These include:

- Support for opening exporters offices and retail sales outlets abroad.**
- Support for the warehousing scheme would be continued and its scope would be expanded to include traditional markets and traditional products.**
- The government is supporting various quality, environmental and social certifications. The scope of this Scheme would be expanded by Trade Development Authority of Pakistan in consultation with the Industry.**

On the import side, several regulatory issues require immediate attention. We are addressing these issues through the following measures:

- **At present old and used computers and parts thereof are freely importable but the import of used components is banned, depriving the low income groups of computer use. In order to encourage use of computers by low income groups, it has been decided to allow the import of old & used computer components.**
- **Second hand Cathode Ray Tubes monitors are being imported and used as televisions, thereby posing a threat to local television industry; excessive import of first world's e-waste is also a threat to the environment. It is therefore been decided to disallow the import of Cathode Ray Tubes monitors unless imported along with used computers.**
- **The local manufacturing of vaccines is of strategic importance and many local companies have started venturing into this high tech segment. To encourage local manufacturing, import of vaccines would be restricted only from World Health Organization approved plants.**
- **At present, only such used ambulances that are donated by "reputable organizations" are allowed for imports by charitable organization. It has been decided**

that import of used ambulances that fulfill certifiable standards and have minimum 10 years of useful life would be allowed when donated by any organization or individual to charitable or nonprofit organization, trusts or hospitals.

- **Disabled persons are allowed waiver of import duty which is in excess of 10% on Completely Knocked Down [CKD] kits that are imported for assembling of car for them. Restricting disabled persons to use locally assembled cars limits the choice to only a few makes. There have been persistent complaints of non-availability of customized vehicles in the local makes. Some time ago, the duty free import of customized cars by disabled persons was allowed. To facilitate disabled persons to actively participate in economic activities, the facility to import duty free customized cars, not above 1350cc of engine capacity is being allowed. To facilitate disabled persons further, it has been decided to allow the import of one used duty free motorized wheel chair to actual users.**
- **In case a passenger who brings or imports vehicle under Transfer of Residence scheme dies before the issuance of Transfer of Residence, there is no provision in Import Policy Order for release of such a vehicle. It**

has been decided that the vehicle imported by a overseas Pakistani, under Transfer of Residence rules, may be released to legal heir in case of his or her death.

Ladies and gentlemen,

In conclusion let me say that despite all the challenges we face, as a nation we should be willing and prepared, at all times, to transform challenges in to opportunities. In line with our manifesto, the strategic trade policy framework will promote: growth with equity, greater opportunities for gainful employment, contribute to sound macroeconomic framework, poverty eradication, environmental protection, investing in human resources, promotion of private sector as engine of growth and a focus on small sector particularly agriculture. I am confident that all the relevant Ministries and sectoral bodies and stakeholders would join hands with the Ministry of Commerce to make exports as an engine of high, sustainable economic growth and prosperity in Pakistan.

Thank You