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## IMPORT AND EXPORT NEWSLETTER

All the updates about import and export

### Pakistan to pursue preferential trade deals with Saudi Arabia, UAE, Oman: Razak Dawood

September 26, 2021

Pakistan will pursue individual trade deals with Saudi Arabia, the United Arab Emirates, and Oman, Adviser to the Prime Minister on Commerce Abdul Razak Dawood said on Sunday, as talks with the Gulf Cooperation Council (GCC) remain stalled.

The GCC, which includes those three countries plus Qatar, Kuwait, and Bahrain, started free trade talks with Pakistan in 2004. It has not implemented a free trade deal since 2015.

Dawood told Reuters that Pakistan hoped bilateral negotiations for preferential trade deals with the three Gulf Arab states would start in the next 6-12 months.

"We feel it is far better to do individual (deals) at the moment rather than with the CCC as a bloc," he said in Dubai.

A preferential trade deal typically gives certain products preferential access such as by reducing or removing tariffs.

Dawood said the negotiations would cover a limited number of goods and would not be as comprehensive as a free trade agreement, though over time the deals if secured, could be expanded.

He did not say which goods Pakistan would seek to include.

The UAE announced this month it would seek broad economic agreements covering trade and investments with eight countries, including India, Britain, and Turkey, but not Pakistan. Saudi, Emirati, and Omani officials could not be immediately reached for comment on the PM's adviser's remarks. Dawood is in Dubai to assess preparations for Pakistan's participation at the six-month Expo world fair being held there from next month.

He said Pakistan would highlight safety and diversity at Expo, which he hoped would lead to an increase in tourists and investments in the South Asian nation.

#### What's Inside this issue:

- GSP+ status extended for Pakistan
- Travel, Meat, Textile, and Leather export increased
- 100 million Dollar investment from Japan
- WTO predicts an increase in global trade

and much more...



# GSP+ status for Pakistan extended

September 23, 2021

The European Commission has retained Pakistan in its preferential trade access scheme while finding no grounds to exclude the country on demand of the European Parliament that passed two resolutions to review the Generalised Scheme of Preference-Plus (GSP+) status. The extension will provide relief to Pakistan, as the reduced rates of duties and taxes by the European countries under the preferential treatment has helped Pakistan to secure additional exports in the range of 1 billion to 1.5 billion euros a year since 2014. The announcement was made by the European Commission (EC) on Wednesday from Brussels, Belgium. The commission has extended the Generalised Scheme of Preferences-Plus (GSP+) status to Pakistan till 2024, it said. Media reports suggested that the commission attached six new conventions, mostly related to greater accessibility for people with physical disabilities, eradication of child labour and environmental safety. Pakistan was granted GSP+ in 2014 and has shown commitment to maintaining ratifications and meeting reporting obligations to the United Nations Treaty Bodies for the 27 UN conventions. Pakistan's exports to the EU decreased in 2020 by over 9% but the extension has provided an opportunity to Islamabad to take maximum benefit from the scheme in the remaining period. Under the commission's new proposal, which covers a 10-year period from 2024, six new conventions will be added, including the Paris climate change agreement and ones covering rights for people with disabilities and trans-national organised crime. According to a statement on Wednesday, the EC proposed that developing countries wishing to prosper from access to EU markets should uphold environmental and governance standards and adhere to extra commitments on human and labour rights.

The statement said that GSP+, with zero tariffs on two-thirds of products, was offered to a group of countries, including Pakistan and The Philippines that implement 27 international conventions on human and labour rights, the environment and good governance. The EU is Pakistan's first export destination, absorbing over a third (34%) of Pakistan's total exports to the world in 2018, followed by the US. In March 2020, the EU had extended Pakistan's GSP plus status till 2022. The commission noted that Pakistan had made considerable progress when it came to labour laws and tackling climate change – two important conditions for the continental bloc to grant or extend a GSP+ status. Since April this year, the European Parliament has passed two resolutions with an overwhelming majority to review Pakistan's GSP+ status. However, the resolutions could not convince the European Commission to suspend its GSP+ status for Pakistan. The European Parliament resolution of September 16, 2021, on the situation in Afghanistan, gave more direct warning. The September resolution questions Pakistan's role in "provision of safe havens for Taliban" and instructed the European External Action Service (EEAS) to consider if there was reason to immediately review Pakistan's eligibility for GSP+ status in the light of current events. The European Parliament had expressed its concern about the safety of Afghan nationals at high risk and those crossing to the neighbouring countries over land borders, in particular to Pakistan; and regretted the lack of coordination by the international community.



# Travel services export totals \$43m in July

September 22, 2021

Pakistan earned USD43.985m by providing different travel services in various countries during the first month of the current financial year 2021-22.

This shows a growth of 75.59 percent as compared to \$25.050 million same services were provided during the corresponding period of the last fiscal year 2020-21, the Pakistan Bureau of Statistics (PBS) reported.

During the month under review, the personal travel services increased by 76.50 percent, from \$24.780m last year to \$43.895m during July 2021. Among these personal services, the exports of personal expenditure also rose by 328.57pc while the education-related expenditure increased by 255pc. In addition, the other personal services witnessed an increase of 74.33pc.



Meanwhile, the exports of business services decreased by 50pc, from \$0.180m to \$0.090m, the PBS data revealed. The country's services trade deficit witnessed a decline of 26.35pc during the first month of the current financial year (2021-22) as compared to the corresponding period of last year.

The exports during July 2021 were recorded at \$483m against the exports of \$454m, showing growth of 6.39pc, PBS data revealed. The imports of the country however witnessed a decline of 7.02pc from \$769m in July 2021 to \$715m. Based on the figures, the services trade deficit in July 2021 was recorded at \$232m against the deficit of \$315m in July 2020, showing a decline of 26.35pc.

# Japan to invest \$100m in Pakistan's auto sector

September 23, 2021



Japan has planned to invest \$100 million in the automobile sector for starting production of hybrid vehicles in Pakistan. During a meeting between Adviser to Prime Minister on Commerce Abdul Razak Dawood and Japan Ambassador Kuninori Matsuda, both sides discussed the future plan to enhance bilateral cooperation between the two countries. The Japanese ambassador announced that Toyota Corporation of Japan would invest about \$100 million in producing and exporting hybrid vehicles from Pakistan, according to a press release issued by the Ministry of Commerce. He also invited the commerce adviser to visit Japan which Dawood accepted. In the meeting, matters relating to bilateral cooperation and organizing economic forums were also discussed. The possibilities of assistance by Japan for the up-gradation of the focus areas of infrastructure and facilities for various sectors like fisheries, salt, and food processing also came under discussion. Dawood said, "Pakistan is moving in the right direction. We are now focusing on industrialization, enhancement of our productivity, and keeping up with the latest technology by upgrading our infrastructure with Japan's assistance."

# Record meat exports at 95,991 tonnes in FY21

September 23, 2021

Pakistan exported 95,991 tonnes (worth \$333 million) meat and meat preparations in FY21 – an all-time high figures – against 83,749 tonnes (\$304m) a year ago. However, the average per tonne price (APT) remained low at \$3,473 as compared to \$3,631 in FY20. The new fiscal started with a twist as the APT price soared to \$4,234 in July-August 2021-22 from \$3,444 in the same period in the last fiscal year despite a drop in quantity to 11,702 tonnes (\$49m) from 14,974 tonnes (\$51.5m) in the same period FY21, down by 22pc in quantity and 4pc in value. Exports have been facing a downward trend since July 2021. As per figures of the Pakistan Bureau of Statistics (PBS), in July 2021, exports plunged to 5,889 tonnes (\$25m) from 8,176 tonnes (\$28m) in July 2020. The APT price stood at \$4,182 in July 2021 versus \$3,465 in July 2020. In August 2021, exports stood at 6,047 tonnes (\$25m) as compared to 6,798 (\$23m) in the same month in 2020. The APT went up to \$4,213 from \$3,418 in the above period. In the last 10 years, exports hovered in the range of 56,000-85,000 tonnes. Pakistan's meat exports have been struggling to compete with the exporters of African countries who have been offering competitive prices for shipments to the Middle East markets than local exporters, Managing Director of PK Livestock Tariq Mehmood Butt said. However, massive rupee devaluation against the dollar from May 2021 till to date has provided a much breathing space for the exporters, he said. However, high local meat prices have diluted the positive impact of the rupee fall against the greenback. One dollar was equal to Rs152 in May 2021 as compared to Rs169 now in the interbank market, Mr. Butt added. He explained that the cattle mandi and quarantine fees were taken by the government, thus pushing up costs and decreasing the competitiveness of exportable items. Pakistan exports 98pc of meat and meat preparations to the ME markets by air. The share of beef is 95pc of total exports; he said adding that Tanzania, Kenya, Ethiopia, and Sudan are giving a tough time to Pakistani exporters. Mr. Butt opined that consumers' buying power has remained depressed owing to rising prices of various food items after the start of Covid-19 and frequent market closures from February/March 2020 to date. Even in Pakistan, many consumers cannot afford to buy costly mutton and beef, he added.

Looking unsatisfied over the official figures available in Pakistan Economic Survey (PES) FY21 regarding rising livestock production, he claimed that livestock production has been falling for the last three years instead of showing any growth. PES shows cattle, buffalo, and goat production of 51.5m, 42.4m, and 80.3m in FY21 as compared to 47.8m, 40m, and 76.1m in FY19. Beef and mutton production rose to 2,380,000 and 765,000 tonnes in FY21 as compared to 2,227,000 and 732,000 tonnes in FY19. He argued that goat farmers have gone on back foot in the last three years while big animal growers have also become reluctant in the last 1.5 years in investing in livestock farming owing to low demand triggered by high meat prices and inflationary trend in overall food prices.

Talking to Dawn, Chairman of Dairy and Cattle Farmers Association (DCFA) Shakir Umar Gujjar did not agree with the PES production figures of livestock, saying that these were based on estimated figure based on inter census growth rate of livestock census 1996 and 2006. He said calf and milk-producing cows are being slaughtered to meet the demand for meat which is resulting in a shortage of animals. He said buffalo price is now Rs450,000 as compared to Rs100,000 a few years back. Consumers have been paying higher prices for veal and mutton meat for the last few years. Mutton sells between Rs1,400-1,600 per kg as compared to Rs1,000 per kg three years back followed by Rs720-750 and Rs820-850 per kg for veal with and without bones which are priced at Rs480 and Rs580 per kg. Meat merchants have been attributing rising prices of meat to surging meat exports.



# Need stressed to bolster trade with ASEAN countries

October 06, 2021

President of United Business Group (UBG), Zubair Tufail has advised to all trade bodies of Pakistan to play vital role in expansion of economic ties with the ASEAN countries. He said Pakistan needs to develop bilateral or trilateral ties with countries of ASEAN, an intergovernmental organization of ten Southeast Asian countries: Malaysia, Indonesia, Brunei, Cambodia, Laos, the Philippines, Singapore, Thailand, Vietnam and Myanmar, in diverse sectors of economy, trade & commerce and joint ventures.



Commenting that ASEAN has awarded Pakistan the status of Sectoral Dialogue Partner (SDP) in 1997 which covers various sectors including trade, industry, investment and tourism development but unfortunately Pakistan has not taken any advantage of SDP. He said that in the past Pakistan had made numerous pledges to take Pakistan's trade with ASEAN to new heights but no concrete measures were adopted and no specific policies were implemented for the economic development with ASEAN countries. Pakistan's trade with ASEAN countries has witnessed only a modest growth for many years. Pakistan's total bilateral trade with ASEAN is US \$ 6.3 billion while India's bilateral trade with ASEAN is around US \$ 200 billion, he said. Zubair Tufail said Pakistan should initiate the Pakistan-ASEAN Free Trade Agreement (FTA) as ASEAN, as a collective, is the 5th largest economy in the world. Such an agreement (FTA) would bring huge economic benefits to Pakistan. Indonesia, Malaysia, Singapore have valuable experience in food-processing and fruit-canning, which could be benefit to the fruit producers of Pakistan. Last year Indonesia has removed 30 percent its import duties on 20 Pakistan's exports. Pakistan may also exploit the comparative advantage of its exports, commonly cotton and textiles in Brunei, Cambodia and Thailand. Tourism is another large untapped area between Pakistan and ASEAN which needs to be exploited to maximum. He said that CPEC may help boost Pakistan's exports to ASEAN and invite investments if it is branded properly by providing numerous befitting propositions to all the members of the ASEAN.

## Activities of Karachi Port

06 Oct 2021

The Karachi Port Trust handled 156,266 tonnes of cargo comprising 133,155 tonnes of import cargo and 23,111 tonnes of export cargo during the last 24 hours ending on Tuesday. The total import cargo of 133,155 comprised of 35,854 tonnes of Containerized Cargo, 11,685 tonnes of Bulk Cargo, 435 cattle, 7,613 tonnes of DAP, 2,967 tonnes of Sugar, 17,371 tonnes of Wheat, and 57,230 tonnes of Oil/Liquid Cargo. The total export cargo of 23,111 tonnes comprised of 23,111 tonnes of containerized cargo. Approximately, 4808 containers comprising of 2304 containers import and 2504 containers export were handled during the last 24 hours on Tuesday. The break-up of imported containers shows 869 of '20s and 658 of '40s loaded while 75 of '20s and 22 of 40's empty containers, whereas that of exported containers shows 412 of 20's and 553 of 40's loaded containers while 450 of '20s and 268 of 40's empty containers were handled during the business hours.



# WTO says goods trade surging past pre-pandemic level

04 Oct 2021



A resurgence of global economic activity has lifted merchandise trade above its pre-pandemic peak, the World Trade Organization said Monday as it upgraded its 2021 and 2022 trade forecasts. "The WTO is now predicting global merchandise trade volume growth of 10.8 percent in 2021-- up from 8.0 percent forecasted in March -- followed by a 4.7 percent rise in 2022," up from four percent previously, the global trade body said. The strong annual growth rate for merchandise trade in 2021 is mainly due to the collapse in 2020 when trade bottomed out in the second quarter. The rate of growth is expected to moderate as merchandise trade returns to the long-term trend it was on before the Covid-19 crisis struck.

Supply-side issues such as semiconductor scarcity and port backlogs may strain supply chains, but are unlikely to have large impacts on global aggregates, WTO experts said.

They said the biggest downside risks came from the pandemic itself. "Trade has been a critical tool in combatting the pandemic, and this strong growth underscores how important trade will be in underpinning the global economic recovery," said WTO director-general, Ngozi Okonjo-Iweala. "But inequitable access to vaccines is exacerbating economic divergence across regions. The longer vaccine inequity is allowed to persist, the greater the chance that even more dangerous variants of Covid-19 will emerge, setting back the health and economic progress we have made to date."

While regions with access to Covid-19 jabs and sufficient fiscal space were recovering strongly, poorer regions with mostly unvaccinated populations are lagging behind, she said. The WTO's 12th ministerial conference is to be held in Geneva from November 30 to December 3. Okonjo-Iweala has said that one of her main objectives is to push long-blocked trade talks on fishery subsidies across the finish line.

The former Nigerian finance and foreign minister started her four-year term at the WTO helm in March. She dismissed as "fake news" reports that she was threatening to resign if no progress is made on major logjams at the global trade body.

# 'Costly dollar hasn't slowed down the pace of imports': Zahid

06 Oct 2021

Chairman of National Business Group Pakistan and President Pakistan Businessmen and Intellectuals Forum, Mian Zahid Hussain has said the costly dollar has not slowed the pace of imports which are threatening the economy by expanding deficit.

Controlling exports without compromising growth will be a challenge for the policymakers in which success is the only option, he said.

Mian Zahid Hussain said that the government wants to boost the growth rate to 4.8 percent while ADB has projected the annual growth rate at 4 percent.

He said that the veteran business leader said that the government inherited a trade deficit of 37.6 billion dollars which was controlled for some time but later policies were relaxed which resulted in threats to the economy and local currency. The economic problems were increased due to food price hikes, hoarding and profiteering, he added.

The SBP increased interest rate to control increasing inflation which is hitting the economy but some elements in the business community were quick to get loans worth Rs172 billion before the policy rate hike which will also boost investment and employment.

October 8, 2021

## Investment in the textile sector



Adviser to the Prime Minister on Commerce and Investment Abdul Razak Dawood on Thursday appreciated a new investment of \$5 billion in the textile sector.

"We have been informed that an investment of approximately USD 5bn is in the pipeline under which 100 new textile units are expected to be established," he said on his official Twitter account.

"Our Make-in-Pakistan policy is beginning to show results," the adviser said.

He said that apart from enhancing export capacity, the new investment was likely to create about 500,000 jobs.

Mr. Dawood said the incumbent government had reversed the de-industrialisation and they were now on a path of industrial growth in Pakistan.

## Leather exports witness record 8.21pc increase

September 24, 2021

The Leather Manufacturers' exports during the first two months of the fiscal year of 2021-22 grew up by 8.21 percent as compared to the exports of the corresponding period of last year.

During the period from July-Aug 2021, Leather Manufacturers worth USD 106,284 exported as compared to exports worth USD 98,218 during the same period of last year. According to the data released by the Pakistan Bureau of Statistics, the exports of Leather Garments increased by 8.50 percent, worth USD 56,985 were exported as compared to the exports of USD52,520 in the same period of the last year.

Meanwhile, Leather Gloves exports also increased by 7.35pc as the exports during the current fiscal year were recorded at worth USD 46,272 as compared to the exports during the same period of last year which was recorded at USD 43,105.

During the period under review, other Leather Manufacturer exports increased by 16.74pc, worth USD 3,027 exported in the current fiscal year as compared to the exports of valuing USD 2,593 in the same period of last year.



# Around five million Chinese nationals to be working in Pakistan by 2025

September 22, 2021



There would be around five million Chinese nationals working in Pakistan by 2025 whose health needs can only be met by enhancing collaboration between Pakistani and Chinese medical universities, research institutes, and biotechnological firms under the China Pakistan Health Corridor (CPHC), a senior Pakistani public health expert said on Tuesday.

"In order to meet the health needs of millions of Chinese nationals working in Pakistan, Afghanistan, and the Central Asian States, we need to have specialized health facilities, based on both modern and traditional treatment systems. This can only be achieved by enhancing collaboration between Pakistani and Chinese health institutions under the China Pakistan Health Corridor," Vice-Chancellor Health Services Academy (HSA) Prof Dr. Shahzad Ali Khan told The News.

He said talks were in advanced stages to sign multiple, joint collaborative agreements with different Chinese academic, research institutes, and biotechnological firms and added that during the 11th Annual Public Health Conference in Islamabad on September 23-24, 2021, several Memorandums of Understanding (MoU) would be signed between Pakistan and Chinese institutions.

"We wish to train Pakistani experts in modern medical technologies as well as traditional Chinese medicines, which is a treatment of choice by millions of people in China. These experts would not only fulfill the medical needs of visiting Chinese nationals but also of the Pakistani people, who believe in alternate medicine," Prof Shahzad Ali Khan said.

In the first step, Chairman China Pakistan Health Corridor Dr. Lee, also the VC, HSA, will sign an MoU for the HSA's joining into the China Pakistan Health Corridor, he said, adding the Department of Public Health of Wuhan University will sign an MoU for multiple cooperation in the academic partnership between China and Pakistan in the field of public health.

"The main component of this collaboration will be digital health, medical technology, traditional medicine, and joint health research projects," the HSA vice-chancellor added. Also, the WHO Traditional Medicine Foundation of China will seek collaboration with HSA in the field of Traditional and Alternative Medicine (TAM) in Pakistan, Prof Khan said, adding the Digital Human will sign an MoU with HSA for the establishment of the Digital Human Project and Digital Medicine Lab in HSA, Islamabad.

"With its headquarter in Jinan, China, China Pakistan Health Corridor initiative is a multidisciplinary interconnected group of centers consisting of medical universities, hospitals, pharmaceutical, traditional medicine academies, research and training centers, in countries, along Belt and Road linked together by Telemedicine, Artificial Intelligence, VR/AR and Big Data," he said. He said that the China Pakistan Health Corridor has multiple initiatives between Chinese and Pakistani universities, hospitals, and medical institutes.





**Abdul Razak Dawood** ✓ @razak\_dawood · Oct 4, 2021



We have just received provisional figures for export of goods. Our exports have increased by 27.4% in Sep 2021 to USD 2.41 billion as compared to USD 1.89 billion in Sep 2020.

For the first Quarter (Q1) of FY 2021-22, the exports have increased by 28% to USD 6.99 billion



**Abdul Razak Dawood** ✓

@razak\_dawood

as compared to USD 5.47 million in Q1 of FY2020-21. This has been due to hard work of our exporters & they deserve praise for this accomplishment.

The import figures are being analysed in consultation with other government departments and would be released shortly.

@aliya\_hamza

5:36 PM · Oct 4, 2021



## Tweet of the Week

- <https://www.dawn.com/news/1647843/record-meat-exports-at-95991-tonnes-in-fy21>
- <https://profit.pakistantoday.com.pk/2021/09/22/43m-earned-from-travel-services-export-in-jul21/>
- <https://tribune.com.pk/story/2321501/gsp-status-for-pakistan-extended>
- <https://tribune.com.pk/story/2321450/japan-to-invest-100m-in-pakistans-auto-sector>
- <https://profit.pakistantoday.com.pk/2021/10/04/exports-up-27-4pc-yoy-in-september-razzak-dawood/>
- <https://profit.pakistantoday.com.pk/2021/09/24/leather-exports-witness-record-8-21pc-increase/>
- <https://www.thenews.com.pk/print/894414-around-five-million-chinese-nationals-to-be-working-in-pakistan-by-2025>
- <https://www.dawn.com/news/1650767/investment-in-textile-sector>