

REGULATION AND POLICY SPACE



Regulatory Structure

Regulatory Structure of Key Markets in Pakistan

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Markets	Regulations
Trade Market (Import & Export)	1) Food import is regulated by the Federal Government of Pakistan.
	2) Food standards are regulated by the provincial government departments.
	3) Food standards are tracked by Pakistan Pure Food Laws (1963) and administered by the provincial health departments.
	4) Pakistan’s Federal food import regulations are based on the assumption that if a product is sold in the country of origin, Pakistani standards should be maintained.
	5) The Federal Government of Pakistan generally applies Codex standards / guidelines in regulation of imported food products. (For some products, U.S Food and Drug administration standards are used).
	6) Permissible food colours are listed, updated annually. For animal products, Halal certification is necessary (slaughtered in accordance with Islamic Laws).
	7) The Customs Department, Plant Protection and Quarantine are involved in the regulating food imports.
	8) The Custom Department ensures imported food must be up to the Pakistan’s labeling and shelf life requirements
	9) The Custom Department ensures that items are not on the list of banned items. The appropriate import tariff is assessed.
	10) Plant Protection and Quarantine department function ensures that bulk commodities and live animal shipment meet phytosanitary requirements.

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Agriculture Market (Fertilizer)	1) The government maintained control of the supply and allocation of natural gas to the fertilizer industry.
	2) The Provincial Essential Commodity Act (PECA) placed fertilizer production and marketing under the direct regulatory purview of the federal government.
	3) Provincial level: the Punjab Fertilizer (Control) Order of 1973 further strengthens the power of federal regulators by rendering provincial management of fertilizer subservient to PECA.
	4) Laws formulated/ executed under PECA provide complete powers to the Controller in the management of prices, imports and even the size of daily fertilizer transactions.
	5) Other policies include subsidies on fertilizer import and distribution, and sales tax exemptions on farmers' fertilizers purchases.
	6) Fertilizer research and development (R&D) previously undertaken by the Directorate of Soil Fertility in the Research Wing of the Agriculture Department of the Government of West Pakistan. Then converted into provincially separate soil fertility research institutes in each province.
	7) Economic policy related issues: concerning production, imports, pricing, subsidies, and regulations, were addressed by the National Fertilizer Development Centre (NFDC), which was established by the Federal Planning and Development Division.
	8) At the farm level, the Extension Wing of the Agriculture Department of the Government of West Pakistan was responsible for conveying recommendations for fertilizer use to farmers.
	9) Credit for fertilizer purchases was made available to farmers through a variety of formal and informal sources.
	10) Initial primary formal source of credit was the Agricultural Development Bank of Pakistan (ADBP) now known as the Zarai Taraqiati Bank (ZTBL), established in 1961 to provide affordable financial services to rural Pakistan.
	11) Commercial banks such as Habib Bank, Askari Bank, and Punjab Bank began providing agricultural credit at market rates beginning in 1972 (MNFAL).