



WEBINAR – BRIEF
Webinar Brief No. 11: 2021

Facilitating Pakistan's Trade: TFA & National Trade Facilitation Bodies-The Pakistan NTTFC

Pakistan Institute of Development Economics

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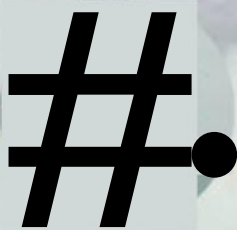
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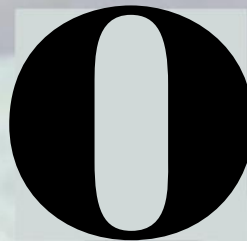
Roundtable Discussion on

"Facilitating Pakistan's Trade: TFA & National Trade Facilitation Bodies—The Pakistan NTTFC"



**Mr. Amer
Durrani**

President, Reenergia
Main Host/Facilitator



**Dr. Nadeem ul
Haque**

VC, PIDE
Host/Facilitator



**Ms. Aisha
Humaira**

(JS WTO)
Host/Facilitator

At The Roundtable

- **Robina Athar** (Additional Secretary-1, Ministry of Commerce)
- **Mohammad Saeed** (Senior Trade Facilitation Adviser, ITC & Former Senior Technical Advisor UNCTAD)
- **Jawwad Agha** (ITC & MoC)
- **Tauqir Shah** (ITC & MoC)
- **Rasheed Jan Mohammad** (Chairman Pakistan Shippers Council/Director – NTTFC Westbury Group)
- **Tasneem Noorani** (Former Secretary, Ministry of Commerce)
- **Irtiqa Zaidi** (Former Project Director TTFP Ministry of Commerce)
- **Javaid Mansoor** (Former Executive Secretary NTTFC)
- **Abdullah Yousaf** (Chairman of Public Sector Committee and Economic Advisory Committee of (ICAP) & Pakistan Institute of Corporate Governance (PICG))
- **Ahmar Bilal Soofi** (Founder, President RSIL)
- **Dr. Manzoor Ahmed** (Chief Executive of World Trade Advisors: Chairman of the Board of Trustees, PRIME)
- **Babar Badat** (President FIATA – Former Chairman PIFFA & IRT/TIR Commission)
- **Tariq Huda** (Member Custom, FBR)

18th September 2020—Friday from 3pm to 5pm (GMT +5)

Realizing the gaps and importance of the Trade sector, Pakistan initiated its national trade and transport facilitation program. National Trade & Transport Facilitation Committee (NTTFC), a public-private joint venture was established in 2001. The committee works in close coordination of Federal ministries Public sector organizations, chamber of commerce & industry and trade association. NTTFC is responsible to carry on efforts for enhanced trade competitiveness through improved trade and transport facilitation. TF Committee is currently reinvigorated by secretary planning, Pakistan.

Role of Internal Trade Centre (ITC)- ITC is a joint technical agency of WTO and UN. Reenergiza and PIDE are collaborating with ITC on starting the implementation of the ReMIT programme in Pakistan. ITC aims to promote international competitiveness in Pakistan. ReMIT is a revenue mobilization project of ITC. Trade component is of main importance to bring up some mechanism for trade policy and trade facilitation. The purpose is to involve ministry of Commerce to help develop export strategies and action plans.

OUTCOMES.

The outcomes of the round table discussion are following:

1. Enhancing Trade Facilitation (TF) through Trade facilitation Agreement (TFA) and acquiring real tangible outcomes. TF is not about inputs or outputs, in fact it is about having real tangible outcomes.
2. TF or TFA is about simplification/standardization of custom formalities & procedures. This is an essence of border reduction costs other than tariff reduction costs. It's about ownership at senior level and political level. We have huge ownership at ministry and bureaucratic level. The category A, B and C commitments are revised on political level.
3. Fourth industrial revolution and digital trade is now a reality. Resetting Pakistan's trade facilitation is important. Resetting NTTFC is an idea for which it needs to be decided where should be the headquarter and funding mechanism. A real test will come in when the single window will come in.
4. One window for NTTFC - A way forward. Best way forward to one window for NTTFC. For that three important pieces of advice were there: think champions, ownership is a multi-effort and bring a simple product. Create and understand a body like NTTFC.
5. TFA and ease of doing business is interlinked. TFA is in fact, facilitating a mindset, private-public dialogue/partnership. It's not about customs only but it is multi agency, multi stakeholders. TF commitment is binding commitment under article 24 and should be led and owned by ministry as it is currently done. It should be renamed as WTO & TF wing to build ownership.
6. Research plays an important role and PIDE should be doing research as there are a lot of TF areas that need attention. Role of TF and reducing cost of business is well highlighted while the model of NTTFC has been recognized locally and globally. A sense of proper ownership must be created in NTTFC. The research is essential but it is not done. There are so many areas where research can be done to facilitate trade.
7. Performing in the global value chain is important for Pakistan. The hallmark of the global value chain is the goods cross border many times. If there is inefficiency and red tape, no country will take interest in trading with Pakistan.
8. Every year Pakistan must send delegations to the WTO trade facilitation committee. Share your experience with others and learn from other countries.
9. Amendments needed to facilitate TFA. NTTFC follows the TFA Cat A, B, C issues. In Pakistan all program reforms have been pushed to category C and some sort of technical assistance is awaited, while other countries are committed to do everything by themselves. The current outlook requires some amendments to make things operational. The NTTFC must look in matters deeply as after COVID-19 things have changed a lot. It's important to see how exports and imports can be facilitated now by TFA.
10. In earlier years NTTFC was working well but in later years the whole organization suffered as there was a lack of fundamental understanding on the importance of TF in the public sector. There were operational and logistic issues within NTTFC. Dynamics of project and priorities must be understood for successful operational structure.
11. Beginning of stakeholders' consensus is the appreciated effort of ITC, NTTFC, PIDE and Reenergiza.
12. There are anomalies in NTTFC and TF in Pakistan. Once things get clear the cooperation is there too. This webinar is an effort to provide a platform for ITC, NTTFC, government of Pakistan and other stakeholders. To facilitate trade well, all organizations and stakeholders should come up with consensus.
13. There are some suggestions like the presence of Mr. Irtiq Zaidi in Karachi is important, IT issues, security protocol issues should be resolved. Operational reforms are needed to get things moving. Meetings should be done regularly. Operational body of NTTFC should be there and accessible. Stakeholders are there to support and assist Mr. Irtiq Zaidi.

14. Importance of Public-Private partnership can bring fruitful results. WTO wing has a dominant role in TF as far as entity and structure is concerned. Some major issues are in the transportation side and even some issues are not covered in TF (e.g. agriculture). As far as structure is concerned it can be archived well if the public private sector is participating. There must be some working groups and committees having trade bodies and transport bodies.
15. NTTFC must have private sector representatives. If NTTFC meetings are not held frequently as it is difficult to bring everyone on table due to various engagements, then a flexibility must be built in e.g., a chairman can attend and the private sector can participate.
16. Trade deficit and Fiscal deficit- A difficult arena. Export side and Import side both need to be watched again. Pakistan's economy is trapped in different macroeconomic and some political economy issues like trade deficit, fiscal deficit, closed Afghan borders etc. NTTFC should identify problems/gaps, involve public and private sectors. There is a need to identify gaps on the import and export side and NTTFC should come up with their recommendations. There are areas where imports are not necessary. By curtailing imports Pakistan can solve taxation issues.
17. Project duration needs to be extended to create impact as four years duration is not enough. Government should take interest in extending project life.
18. NTTFC role should be properly defined whether it is a lobbying body, monitoring body or implementation body. Project management should not only focus on reports only. Efforts were done to strengthen NTTFC but it was not able to project itself to higher levels of government. The financing issue was there and will remain there until any endowment fund is established. Ownership issues also exist whether NTTFC is owned by M/O commerce or FBR but it doesn't matter that the office is in Karachi or in Islamabad.
19. Implementation of decisions is a problem. Main issue with NTTFC had been that M/o Commerce couldn't give importance to the private sector so their participation was not there. The meetings were failed as the private sector's role was minimum and decisions were not implemented. If all funding is from M/o commerce that means the private sector is not there so the funding mechanism should be watched. There is a need to revise the system and the legal notification of Board of Directors (BOD) should be revised. Secretary commerce has no time to attend the meeting. Meetings could be done by involving the executive committee and private stakeholders. Executive committee should report to the secretary directly.
20. Private Sector representation, ownership of NTTFC and working through Sub committees is recommended. NTTFC achieved a few things such as having a re-commendatory role and bringing people together. The problem is in implementation of decisions and financing.
21. Solution to fund release issues, logistics and statutory structure is needed. NTTFC was successful in earlier days, as it got new directions, projects were renewed. It worked when a serious government attitude supported it's functioning. If it was important in 2001 then it's important even today. With e-commerce and business moving we need to think about what is happening in Tax and e-commerce. NTTFC was able to succeed in legislation and legal matters. The problem is with fund release and logistics. A co-operation should be there when meetings take place.
22. Accountability of bureaucracy is important if they are fulfilling their responsibility or not. Some decisions are solely done at political and bureaucratic level. There is a need to look for another kind of system which can encourage and facilitate trade in Pakistan.
23. Domestic trade should be given importance. TF is viewed in donor terms. Having chambers of commerce, there is a need to change our culture. Having our own SROs, we may fail again.

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