

NATIONAL ASSEMBLY SECRETARIAT

"UN-STARRED QUESTIONS AND THEIR REPLIES"

for Friday, the 25th May, 2018

1. **Ms. Khalida Mansoor**
(Deferred during 55th Session)

Will the Minister for States and Frontier Regions be pleased to state:

- a) *the details of properties destroyed/damaged during the operations conducted against terrorists in the Federally Administered Tribal Areas during the last four years; and*
- b) *the compensation paid to the owners of the damaged properties during the said period?*

Reply not received.

3. **Sheikh Salahuddin**
(Deferred during 55th Session)

Will the Minister for States and Frontier Regions be pleased to state:

- a) *the agency-wise details of expenditures incurred during the last two years on hospitals and health care centres set up in the Federally Administered Tribal Areas; and*
- b) *the steps taken to improve health facilities therein during the said period?*

Reply not received.

6. **Mr. Siraj Muhammad Khan**

Will the Minister for Commerce and Textile be pleased to state:

- a) *whether it is a fact that Import Policy is being enforced on imports of plastic scrap;*
- b) *whether it is also a fact that said imports are being checked in accordance with the Basel Convention; and*
- c) *whether it is further a fact that the plastic that contains contaminants is to be sent back to the country from where it was imported?*

Transferred to Revenue Division for answer on Next Rota Day.

7. **Mr. Siraj Muhammad Khan**

Will the Minister for Commerce and Textile be pleased to state:

- a) *whether it is a fact that the revised Free Trade Agreement with China entails the reduction of tariff lines despite the Federal Board of Revenue reservations; if so, the consequences that will be faced by local manufacturers therefrom; and*
- b) *the benefits for Pakistan in providing such massive exemptions?*

Minister for Commerce and Textile (Mr. Muhammad Pervaiz Malik): (a) It is not correct that the Ministry of Commerce (MoC) has finalized the Phase-II of China-Pakistan Free Trade Agreement (CPFTA). The negotiations on Phase-II of CPFTA are still ongoing.

The CPFTA was signed in November, 2006 and became operational in July 2007. The liberalization was envisaged in two phases and it was agreed that by the end of Phase II the two sides would liberalize 90% both in terms of tariff lines and the trade value, thereby allowing a margin of 10% to Pakistan for the protection of its local industry and agricultural produce. Phase-I was completed in 2012 and the negotiations for the Phase II, which commenced in 2011, lingered on for almost six years as Pakistan was requesting unilateral market access to which Chinese side didn't agree as there was no such provision in the FTA. The status quo had been negatively impacting Pakistan's exports as the Margin of preference given to Pakistan during the Phase I had been eroded due to subsequent FTAs by China, especially, with ASEAN, Pakistan's exports which had surged from US\$ 575 million in 2007-08 to US\$ 2.6 billion in 2012-13, declined by almost 40% to US\$ 1.6 billion in 2016-17.

An analysis of the Phase-I reveals that since the initiation of the CPFTA, imports from China rose by US\$ 10.5 billion increasing from US\$ 4 billion in 2007-08 to US\$ 14.5 billion in 2016-17. It may be noted that 40% of this increase was registered in products on which either no or little concession was granted by Pakistan, hence, cannot be attributed to FTA. Out of the remaining 60%, the majority of imports were in capital goods (58%) and intermediate/raw materials (35%), which were vital for industrial growth and economic development.

The reservations of FBR that concessions under Phase-II would be to the detriment of our local industry are not justified. MOC has held extensive consultations with the industry and government stakeholders including FBR, which is part of the negotiation team for Phase-II CPFTA. Based on the input of stakeholders, the already agreed liberalization level of 90%, in terms of tariff lines and trade value was strenuously renegotiated and brought down to 75% of tariff lines for both countries and 67% of trade value for Pakistan and around 90% for China, thereby getting an unprecedented non-reciprocity in favour of Pakistan. The expanded protected list of 25% of tariff lines is more than sufficient to accommodate the concerns of our industry. In order to give further comfort to the local manufacturers against any possible injury, the safeguard provision under CPFTA has been revised in entirety, securing best terms ever extended by China to any FTA partner. Similarly a clause to address Balance of Payments difficulties, which was amiss in the Phase I, has now been included.

(b) Regarding the benefits for Pakistan in providing such exemptions, it is apprised that concession being offered by Pakistan are primarily on capital goods, raw materials and intermediate products. The value added products have been placed in sensitive list thereby giving no concession. The cheaper inputs will greatly benefit the local industry making them more competitive in the international market. On the other hand the concessions being secured for Pakistan are expected to provide a much needed impetus for our exports. China has already agreed to immediately eliminate tariffs on 57 priority export items of Pakistan which cover 67% of our current exports to China and 32% of global exports. Chinese global imports in these 57 items are US\$ 19 billion out of which US\$ 11 billion are being carried out on MFN rate, providing Pakistan a competitive edge in the later. An immediate restoration of eroded margin of preference and securing new market access on priority items would reinvigorate the local industry and spur domestic as well as foreign investment.

Furthermore in order to nullify the revenue loss to FBR, China, on Pakistan's insistence has agreed to real time sharing of trade data through Electronic Data Interchange (EDI) System, the implementation of which will start by 30th April, 2018. The system will curb misdeclaration and under invoicing of good generating substantial additional revenue for the FBR.

8. **Mr. Junaid Akbar**

Will the Minister for Kashmir Affairs and Gilgit-Baltistan be pleased to state:

- a) *whether it is a fact that Azad Jammu and Kashmir and Gilgit-Baltistan Councils are being dissolved; if so, the future of the employees of the said Councils; and*
- b) *the total number of employees working in said Councils at present separately?*

Minister for Kashmir Affairs and Gilgit-Baltistan (Mr. Muhammad Barjees Tahir): (a) The Prime Minister of Pakistan has recently decided in principal on 13-02-2018 and 15-02-2018 to abolish AJK Council and GB Council, respectively. Future course of action and modalities have not yet been decided. A review committee under the chairman ship of Mr. Sartaj Aziz, Deputy Chairman Planning Commission has held meetings on the modus operandi of dissolution of GB Council. Minutes received and draft amendment order for abolition of GB Council has been submitted for approval of Prime Minister of Pakistan to be placed before Federal Cabinet. Decision on abolition on GB Council is pending till date.

- (b)
 - The total number of employees working in AJK Council and its attached departments is 1463.
 - The total number of employees working in GB Council and its attached departments is 355.

9. **Mr. Waseem Akhtar Shaikh**

Will the Minister for Commerce and Textile be pleased to refer to the Unstarred Question No.4 replied on 12-02-2018 and to state:

- a) *the seniority-wise details of employees including deputationists working in the State Life Insurance Corporation of Pakistan (SLICP) as on 13-03-2018;*
- b) *the experience, designations, qualifications at the time of appointment and at present of said employees;*
- c) *the details of employees of the SLICP who have been appointed, promoted, resigned, terminated and retired by the SLICP during the last five years;*
- d) *whether some employees terminated by said Corporation; if so, the justification thereof;*
- e) *the prescribed criteria for appointment against the post of Manager, Deputy Manager and Assistant Manager;*
- f) *the prescribed criteria for the promotion and retirement of officers of the said Corporation; and*
- g) *the prescribed criteria for giving pension to retired employees of SLICP at present?*

Minister for Commerce and Textile (Mr. Muhammad Pervaiz Malik): (a) The Seniority-wise details of employees including deputations working in State Life Insurance Corporation of Pakistan is attached as **Annex-A**.

(b) The experience, designation, qualifications at the time of appointment and at present of said employees are attached as **Annex-B**.

(c) The details of employees of the SLICP, who have been appointed, promoted, resigned, terminated and retired by the SLICP during the last five years, are attached as **Annex-C**.

(d) The details of employees terminated by SLICP are attached as **Annex-D**.

(e) The prescribed criteria for appointment against the post of Manager, Deputy Manager and Assistant Manager are attached as **Annex-E**.

(f) The prescribed criteria for the promotion and retirement of officers of the said corporation are attached at **Annex-F**.

(g) The prescribed criteria for giving pension to retired employees of SLICP at present are attached as **Annex-G**.

(Annexures have been placed in the National Assembly Library)

ISLAMABAD:
The 24th May, 2018

TAHIR HUSSAIN,
Secretary.