Exclusive
Interview

Ministry of Commerce,
Government of Pakistan

Mr. Abdul Razak Dawood

Adviser for Commerce, Textile, Industry & Production and Investment

> "I am a facilitation Minister for the exporters. I would like to reduce the cost of doing business as much as possible to have a quantum leap in exports. However, the government has to see the fiscal space and also has to protect the lifeline consumers"

ICMA Pakistan: Please share the initiatives being taken by your Ministry to improve Pakistan's ranking in 'Ease of Doing Business Index'?

ARD: Since I am also looking after Investment, the feedback received from the Board of Investment (BOI) is very encouraging. In the World Bank's recent Doing Business Report, 2020, Pakistan has climbed 28 places and ranked 108th this year from 136th position last year out of 190 countries. The enactment of six regulatory reforms has landed Pakistan among the world's top 10 business climate improvers. This has promoted enormous confidence in the business community in investor-friendly policies of the Government of Pakistan.

I fully agree with a statement that there is still a long way to go. We are introducing reforms in almost all business indicators but areas still need improving are Getting Credit and contract Enforcement. Getting Credit requires the establishment of an integrated or unified registry to register security interests in moveable assets by incorporated and unincorporated entities. For incorporated entities, the registry of security interests (charges/mortgages) is currently being maintained by the Securities and Exchange Commission of Pakistan (SECP) under the Companies Act 2017. The Federal Government has outsourced the functions of STR to SECP under Section 34 of STA 2016. Establishment of STR and its integration with the SECP registry for incorporated entities will improve Pakistan's ranking in Getting Credit indicator as well as the overall ranking on Ease of Doing Business Index. Besides, improvement in ranking, the establishment of the registry will be instrumental in facilitating the private sector, particularly the SMEs, through removing barriers to a wide range of financial services. This will not only unleash private enterprise productivity but would also help reduce the size of the informal sector. Similarly, to improve contract enforcement various reforms are being introduced such as the introduction of specialized courts for commercial disputes, strengthening alternate dispute resolution (ADR) system, case management and automating the whole judicial process.

ICMA Pakistan: What is the role of Pakistani Commercial Counsellors abroad in promoting doing business in Pakistan?

ARD: Pakistan Trade and Investment Counsellors/Officers (TIOs) are responsible to enhance the trade of Pakistan with their host countries and facilitate inward and outward investment. They deal with trade and investment organizations of both countries and guide/advice to importers/exporters and investors, which agency to deal with and provide contacts of that agency. TIOs facilitate foreign as well as Pakistani investors and in everything involved in trading across the borders. Hence by providing information, contacts of relevant people and facilitation, TIOs can play a very important role in promoting doing business in Pakistan. They have information on the Import and Export policies of Pakistan and the host country as well as Investment Policies. The market information and contacts provided by them form the basis for doing business.

ICMA Pakistan: What steps are taken by your Ministry to simplify the existing procedures to promote businesses and attract investments?

ARD: Following are the major initiatives BOI has taken to create a conducive business environment for promoting SMEs and small businesses;

Ease of Doing Business Initiative

As mentioned above, Pakistan has climbed 28 places and ranked 108th this year from 136th position last year out of 190 countries. Key reforms introduced under EoDB initiative are :

- Registering a company has been automated and it can now be registered in one day with SECP and FBR. Data is transferred to Labour Dept, PESSI, SESSI, and EOBI in real-time. Only the SECP portal is used. End to End integration of 9 departments has been made.
- Getting construction permits has been made easier and now takes 108 days in Lahore and 134 days in Karachi as opposed to 266 and 261 days originally.
- Registration of commercial property has now been made online and it can now be registered in 22 days in Lahore and 149 days in Karachi instead of 25 and 208 days previously.
- Online portals of LESCO and K-Electric have been launched. Commercial electricity connection can now be obtained in 73 days in Lahore and 134 days in Karachi as opposed to 117 and 185 days in the previous report.
- Online payment of Taxes has been introduced. The number of payments is now measured as 34 instead of 47 and the time for paying taxes has reduced substantially.
- Customs processes have been automated by introducing WEBOC software which has reduced time to export from 75 hrs to 58 hrs and time for Imports from 143 hrs to 96 hrs.

Special Economic Zones

A total of 13 SEZs have been notified so far. Almost all the notified SEZs are facing issues regarding the provision of basic utilities including power and gas. The Board of Investment took the issue to the Economic Coordination Committee which directed the Ministry of Energy (Power & Petroleum divisions) to chalk out a workable plan for resolving this issue. The funding for the transmission and distribution infrastructure until the zero point of SEZ will be provided through PSDP. The Ministry of Energy in collaboration with the Ministry of Planning, Development & Reforms and Finance Division has recently finalized the plan for SEZs.

Planned SEZs under CPEC

Out of the 9 planned SEZs under the Industrial Cooperation Framework of CPEC, Rashakai Special Economic Zone, Nowshera, Allama Iqbal Industrial City, Faisalabad and Dhabeji SEZ, Thatta are in the advanced stage. The other 6 SEZs are either in the primary or secondary stage.

Pakistan is rapidly gaining investors' attention for a variety of reasons. The country has successfully managed to overcome the security challenges. The infrastructure has significantly improved. Prime Minister himself is leading the reforms to facilitate investors and to ensure Ease of Doing Business. Recently, Pakistan has announced transformational visa reforms by introducing E-Visa facilities to most of the countries.

ICMA Pakistan: Can you share with us the salient features of Strategic Trade Policy Framework 2020-25?

ARD: The Strategic Trade Policy Framework (STPF) 2020-25 will provide a policy direction to trade in view of the dynamics of international trade and a dispassionate identification of Pakistan's strengths and challenges. The lessons learned from the previous STPFs have guided the formulation of STPF 2020-25. The Vision of STPF 2020-25 is for "Pakistan to become a dynamic and efficient domestic market and a globally-competitive export-driven economy". The Mission is to "transform Pakistan from a factor-driven to an efficiency-driven economy integrated into the global and regional value chains in the medium term and an innovation-driven economy in the long term". The policy guideline of STPF is that there will be no levy/taxes/duties of any kind on exports and simplification of procedure of duty drawback.

This Strategic Trade Policy Framework will aim to achieve the following **policy objectives:**

- To make the exports a driver of economic growth;
- To transit from factor-driven to efficiency-driven exports in the short to medium term and innovation-driven exports in the long term;
- To improve competitiveness and efficiency of the industry especially the export-oriented sector by reducing input costs and increasing productivity;
- To attract efficiency-seeking investment into export-oriented production;
- To reduce relative disincentive for the exporting activities by reducing structural anomalies;
- To improve the trade ecosystem by increasing institutional efficiencies and reducing the cost of doing business.

The **goals** to be achieved by the STPF 2020-25 are given below:

- To improve competitiveness and efficiency of the industry, especially the export sector, by restoring average mean tariffs to the levels of FY 2011 within the next five years;
- To increase regional integration by increasing the share of regional trade in the total trade by 20%;
- To increase the share of value-added exports.
- To increase the share of non-traditional exports.
- To promote sustainable, socially-compliant, inclusive and gender-sensitive export development.

The achievement of these goals vitally depends on the following **critical enabling factors:**

a) **Competitiveness:** The 18% decline in Pakistan's share in the global market during the last decade means that Pakistan's export competitiveness in the global market has been eroding. The regaining of the global market share vitally depends on the restoration of Pakistan's export competitiveness, which, in turn, depends on:
   - Reduction in cost of doing business and trade-related transaction costs;
   - Rationalization of tariffs on imported raw materials, intermediate goods, and machinery;
   - Increase in labor and enterprise productivity; and
   - Decrease in input costs e.g. labor, energy, and capital.

b) **Investment:** The domestic and foreign investment in export-led production is a sine-qua-non for any export growth strategy since the generation of the exportable surplus comes from the investment in export-oriented production capacities.

c) **Integration into Global Value Chains:** International trade is swiftly moving from traditional trade in final goods to trade in tasks in which the production has become increasingly fragmented across national borders and restructured around global value chains (GVCs). Most of the products are "made in the world" with the range of activities in the process being performed in several countries. The integration into GVCs is critical for Pakistan to improve and maintain its share in the increasingly competitive global market.

d) **Enhanced Market Access:** to increase Pakistan's share in the existing market as well as in the non-traditional markets.

e) **Structural Reform:** A quantum leap in exports, envisaged by the STPF 2020-25 is, therefore, linked to the structural reform of the export sector.

f) Pakistan's exports can break the range trap of US$ 20-25 billion only through a structural change which entails:

- **Product diversification**: by developing the non-traditional export sectors to reduce reliance on a few commodity-based products e.g. textiles, rice, and leather;
- Transform the exports by increasing the share of high tech and **innovation-based** products in the product mix;
- **Market diversification** towards unexplored markets and deeper regional integration to reduce reliance on a few markets;
- **Product sophistication** by improving the production technologies, materials, and skillset to change the target market from low-end price-sensitive market segment to quality-driven medium-to-high end market segment;
- **Increasing share** of value-added products in the export basket, currently dominated by primary and intermediate products;
- **Value creation** through designing and branding replacing private labeling;
- **Export-oriented** entrepreneurship development in order to bring fresh blood to the body of export enterprises currently dominated by a few players.

g) **Export Eco-System:** The trading ecosystem, besides the competitiveness, is the most important determinant of export competitiveness and integration of Pakistan into the GVCs. According to the World Bank, every dollar of assistance provided to support trade facilitation reform in developing countries brings in US$ 70 in economic benefits. The excessively complex procedures and documentation, the inefficiencies and lack of transparency of the border agencies and the lack of adequate infrastructure increase trade costs and cause delays. The achievement of the STPF's objectives critically depends on the overall policy environment of synergic policies.

ICMA Pakistan: How do you see Turkish President Erdogan's recent visit to Pakistan from an economic perspective?

ARD: The Hon'ble President of Turkey undertook an official visit of Pakistan on 13-14 February 2020. During this visit, the emphasis was placed on promoting bilateral trade and investment. The Joint Working Group (JWG) meeting on Trade and Investment under the 6th High-Level Strategic Cooperation Council took place on 13th February 2020 in which both sides agreed to conduct and finalize a Joint Scoping Study by the end of March 2020 which would identify potential sectors where opportunities are not being exploited at present. This Study would form the basis for the future roadmap of Pakistan Turkey FTA negotiations.

The Halal Accreditation Agency of The Republic of Turkey (HAK) and The Pakistan National Accreditation Council (PNAC) have agreed to sign an MoU to reinforce the cooperation between the two authorities in the field of halal accreditation and conformity assessment. Turkey and Pakistan have agreed to sign an MoU on Trade Facilitation and Customs Cooperation Matters between the Ministry of Trade of Turkey and the Ministry of Finance of Pakistan. The JWG on Trade and Investment agreed on a Work Plan for 2020 to realize the activities foreseen in the Trade Section of the Action Plan of Strategic Economic Framework.

Both sides also agreed to encourage their businessmen to establish Joint Ventures in industrial sectors and cooperate in the field of e-commerce. On 13th February 2020, more than 40 Turkish Companies participated and around 450 B2B meetings took place which was arranged by Trade Development Authority of Pakistan.

On February 14, 2020, first-ever **Pakistan Turkey Business and Investment Forum** were organized by the Ministry of Commerce in partnership with the Turkish Ministry of Trade and DEIK the Foreign Economic Relation Board of Turkey.

The Turkish President, during his address, conveyed his resolve to take the quantum of bilateral trade to US$ 5 billion in the coming year. The Turkish President also appreciated the development of the Strategic Economic Framework between the two countries and hoped that it would pave way for further strengthening of bilateral trade and investment relations in the coming years. The Prime Minister of Pakistan highlighted the potential of Pakistani tourism, construction, Information Technology and agriculture sectors besides various development initiatives whereby the Turkish business groups may find lucrative opportunities. The Prime Minister also invited the Turkish companies to take part in China Pakistan Economic Corridor infrastructure projects and populate the Special Economic Zones.

ICMA Pakistan: FTAs signed with different countries need review as these have not led to any increase in our exports. What do you say?

ARD: Free Trade Agreements (FTAs) help in getting enhanced market access in other countries. FTAs also contribute to greater economic activity, improved product quality and job creation in the country. The attractiveness of a country as an FTA partner is determined by in-depth and quantifiable analysis. Feasibility studies are carried out with the partner countries to evaluate the likely benefit of agreement both in short term and long term. FTAs are initiated only if recommended in the feasibility studies.

Feasibility studies were conducted for all the three FTAs signed by Pakistan to date, namely, Pakistan-China FTA (CPFTA) (operational since July 2007), Pakistan-Sri Lanka FTA (PSFTA) (operational since June 2005), and Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA) (operational since January 2008). In the post FTA scenario, impact assessment is made to keep track of the progress made under bilateral or multilateral arrangements and address concerns of the trading partners during the course of implementation.

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Pakistan has already reviewed China-Pakistan Free Trade Agreement (CPFTA) and phase II of CPFTA has already been implemented w.e.f 1st January 2020. Pakistan has got major concessions from China in the form of protection of the domestic industry, the inclusion of safeguard measures and getting immediate market access on 313 priority items. Furthermore, provisions have been added in Phase II of CPFTA which can help to stall the threat of decline in monetary reserves. Also, the liberalization level has been increased from 36% to 90% by China for Pakistan.

The post-FTA trade statistics between Pakistan and Sri Lanka show that Pakistan has always enjoyed a trade surplus with Sri Lanka and the trade equation has been skewed in favor of Pakistan since the agreement was signed.

Currently, Malaysia and Pakistan are in the process of exploring the possibility of expanding and reviewing the Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA). The meeting of the Joint Review Committee under MPCEPA is expected to be held soon in this regard.

ICMA Pakistan: Do you think TDAP needs to be re-structured to play a proactive role in enhancing exports?

ARD: For any dynamic organization, the importance of restructuring cannot be denied. TDAP recently re-organized itself on modern lines to deliver all its 48 mandated functions as per TDAP Act 2013. The main objective of the restructuring was to create a hybrid structure with parallel administrative and functional reporting for the smooth execution of TDAP functions. The following Sectoral Divisions have been created to perform assigned functions related to their respective sector/sub-sectors:

a) Textiles & Leather Division
b) Engineering & Minerals Division
c) Services, Halal & New Opportunity Development Division
d) International Markets Development Division (Americas & Europe)
e) International Markets Development Division (Asia, Middle East, Africa, Oceania)
f) Trade Facilitator & Expo Centre Division
g) Management Services Division
h) Directorate General Punjab-Lahore, Sialkot, Gujranwala, Multan, Faisalabad
i) Directorate General Islamabad- Islamabad, Peshawar, Abbottabad, Swat, Gilgit, Mirpur- AJK

Evidence-based Budgetary allocations have been made for all sectors and sectoral divisions have started developing export development plans in consultation with the relevant stakeholders. Continuous consultation with relevant stakeholders has enabled TDAP to identify supply chain issues hampering the exports.

ICMA Pakistan: Is the government working to develop sector-wise Industry policy? Can you share with us its broad objectives?

ARD: The Industries and Production Division is working on the development of National Industrial Policy, with technical assistance from USAID. The policy shall endeavor to align itself on inter-disciplinary and cross-sectoral basis, with the goals and objectives set out in Vision 2025, Sustainable Development Agenda-2030, draft SME Policy-2019, Automotive Development Policy 2016-21, draft Electric Vehicle Policy-2019, National Environment Policy-2005, National Climate Change Policy-2012, and Pakistan's Intended Nationally Determined Contributions-2016, and other relevant policies/frameworks operating in the national socio-economic sector. The fundamental principles of the policy are enumerated as under:

a) Focus on the development of Large-Scale Manufacturing (LSM) sector that forms approximately 2% of Pakistan's total industrial sector. The remaining 98% is covered under the Small and Medium Enterprises (SME) Policy
b) Prioritization of sectors like Auto, Light-engineering, Mining, Agro-industry
c) Emphasis on the growth of export-oriented industrial sectors
d) Emphasis on mainstreaming technology adoption, innovative tools, gender, environment and climate concerns into National Industrial Policy.
e) Alignment of the National Industrial Policy with the Strategic Trade Policy Framework, incentives declared under Special Economic Zone (SEZs), Export Processing Zones, Facilitation in Industrial Estates, and the industrial policies operating at the sub-national level.

The Industries and Production Division has formulated and is in the process of finalizing a number of other policies, directed towards sectoral development. Such policies are detailed below:

a) **Auto-Industry Development Policy (2016-21):** This policy has been designed with the objective to encourage innovation and technology transfer in the auto sector. Pakistan has been able to attract eighteen (18) new investors under the Greenfield Regime. Two (02) existing manufacturers are in the process of revival under the Brownfield Regime. This amounts to a total investment of approximately USD 1 Billion.

b) **Electric Vehicle (EV) Policy:** The world has been facing a growing threat of environmental degradation and climate change. Fossil fuel consumption has led to massive carbon emissions from the automotive and industrial sectors. Pakistan's contribution to global Greenhouse Gas Emissions (GHG) is 0.8%. Although, the German-Watch issued Climate Risk Index-2020 has placed Pakistan in the 5th position, in the list of countries most vulnerable from the risks of climate change. For adopting higher environmental standards into the development regime, Pakistan is on track to introduce Euro IV Standards. Pakistan also needs to ensure that appropriate steps are being taken for ensuring a clean and green environment. In this respect, this Division is working for the development of Electric Vehicle (EV) Policy, which will introduce a novel regime for climate change mitigation in the auto sector by cutting down the projected emissions on a sectoral basis. This achievement earmarks some of the objectives set out in Pak INDCs, reported under Paris Climate Change Agreement 2015 and United Nations Framework Convention on Climate Change-1992. Pakistan has also vigorously mainstreamed the principles of Inclusive and Sustainable Industrial Development (ISID), truly highlighted in UNIDO's new Lima Declaration-2013. The priorities highlighted above will become a sub-set of AIDP 2016-21.

c) **SME Policy:** The formulation of SME Policy is at the final stage with the objective of providing facilitation and fiscal incentives to the entrepreneurs for improving upon economic activity.

d) **Mobile Device Manufacturing Policy:** The Mobile Handsets Manufacturing Industry, is one of the top five industries worldwide with sales revenues of USD 522 billion approximately. The annual sales of over six billion devices in CY 2019, has been achieved. Pakistan Telecommunication Authority (PTA) has reported that Pakistan is the 8th largest country in the world, in terms of its subscriber base, which has reached up to 159 million in CY 2019. PTA's data show that the mobile subscription has crossed 164 million in CY 2020. Owing to significant size of population and continuous growth in mobile connectivity, Pakistan has been reported as world's 7th largest handset importer in the world, as per Trade Map Data. This has made Pakistan's market an attractive destination for foreign direct investment of global brands. Currently, the market is largely dependent on imports because local manufacturing regime has remained unattractive over the last few years. Therefore, Industries and Production Division has taken a lead initiative of designing the Mobile Device Manufacturing Policy, in order to attract and incentivize mobile device manufacturers in the country.

ICMA Pakistan: **The Prime Minister is much eager to bring in investments from other countries, especially from expatriates. What policy initiatives and incentive package the Commerce Ministry is contemplating to offer to these investors?**

ARD: The key policy initiatives and incentive package the Government is contemplating to offer to the investors are improving Ease of Doing Business, enhancing competitiveness of local industry and firms through reducing their cost by subsiding electricity and gas, improving taxation system to develop ease refund regime for sustainability of their liquidity and Establishing SEZs to spur industrialization. We have recently introduced a new Tariff Policy to remove biased elements for exports. We are also in the process to have a new textile policy, Investment Policy and incentives for exporters as well as expatriates to enhance exports, investment.

ICMA Pakistan: **Our textile exporters are concerned about diversified taxes on their industry and increased input costs. What do you say?**

ARD: The export-oriented sectors have been provided much facilitation which I would explain later during the interview. There are various types of taxes and in the case of export-oriented sectors, almost all these taxes are refunded.

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Sales Tax Refund

Let me start with the sales tax. When the Federal Board of Revenue proposed withdrawal of SRO 1125, I raised my concern that it would create the liquidity crunch for textile exporters. I was also of the opinion that whatever the system FBR would place for refunds, for a certain time, i.e. from the purchase of raw materials to exports, it would strangle the exporters' liquidity for 3-5 months. Moreover, I was worried about the flying invoices and also had the fear that local sales would be bypassed from the system. These were my concerns and that is why I highlighted these issues and was assured that a hassle-free, expeditious and electronic system, would be introduced.

The FBR in the shortest possible time has introduced the SRO-918, also known as Fully Automated Sales Tax e-Refund (FASTER) for expeditious refunds of the sales tax. The claims are processed electronically without any human interaction. The data in the refund claims are scrutinized and verified by the system and the refund amounts are determined on the basis of input consumed for exports. The entire refund process of scrutinizing, verification and advice to the State Bank of Pakistan is carried out in 72 hours after submission of claims by the exporters.

However, I was informed that exporters have been facing difficulty in filing Annexure-H in the FASTER system. I may mention that there are some issues pertaining to the software system and also the exporters have reservations on providing the data. I and the Advisor to Prime Minister on Finance and

Revenue have held many meetings on the matter and the FBR and the exporters are continuously engaged to improve the system. The FBR has resolved many issues related to exporters such as FBR has liquidated the Bonds and disbursed cash cheques to exporters; Withholding tax on supplies has been charged at 1%; Sales tax on machinery is now adjustable; exporters have been facilitated by excluding them from section 8B (holding 10% till final verification) under SRO 1190 dated October 2nd, 2019 and SRO-1087 dated September 19th, 2019 have been issued by FBR to facilitate the spinning sector i.e. they submit the sales tax on cotton.

Duty Drawback Refunds

Now, the other important matter which the textile exporters raise is the refunds of Custom Duty Drawback. This matter also pertains to the FBR. The custom duty paid by the exporters on their imported inputs is refunded on exports with some percentage depending on product exports. I am cognizant of these issues and I am also given assurances by the FBR that Custom Duty Drawback refunds are paid on a continuous basis. Currently, I don't have any complaints from the exporters in this matter. The matters pertaining to FBR have also been taken up by the Standing Committee on Commerce and also by the Standing Committee on Finance, so, we can say that collectively we all are trying to facilitate the exporters in resolving their issues with FBR.

> “I would like to mention that I have constituted a Task Force under the chairmanship of Mr. Ahsan Bashir, a leading textile manufacturer, and exporter to formulate Textile Policy”

Taxes and surcharges on reduced rate of US Cents 7.5/KwH for electricity

Now let me come to the important matter of taxes and surcharges on a reduced rate of US Cents 7.5/KwH for electricity. The matter is that the Economic Coordination Committee (ECC) of the Cabinet considered the Summary for tariff proposal on 24th October 2018 and the tariff rationalization for Power Sector was approved through Case No. ECC-106/22/2018 dated 24th October 2018. The Power Division issued a separate Notification for Zero Rated Industrial consumers vide SRO No. 12(1)2019 1st January 2019 at a rate of Cents 7.5/KwH.

The Finance Division instructed the Power Division to seek clarification from the competent authority that taxes and surcharges are exempt from the recovery or not. Now the Power Division vide letter F.N0.Tariff/Industry-2019 dated 13th January 2020 has clarified that “the matter was considered by the Federal Government and it was decided and clarified that the concessionary rate of Cents 7.5/KwH for zero-rated industrial consumers notified through SRO 12(1)/2019 was only limited to the extent of schedule of tariff notified through SRO Nos. 1-10 dated 1st January 2019 and SRO 11(I)2010 dated 1st January 2010 for K-Electric as amended from time to time. Consequently, all other charges mentioned in para 1 above are to be billed to the consumers in addition to the already billed components”. So at the moment, the industry is now subject to Quarterly Surcharge, Fuel Price Adjustment, Financial Surcharge, Annual Tariff Distribution Margin, and Neelum-Jhelum Surcharge, approximately Rs. 5-6/KwH.

I am a facilitation Minister for the exporters. I would like to reduce the cost of doing business as much as possible to have a quantum leap in exports. However, the government has to see the fiscal space and also has to protect the lifeline consumers.

I have taken up the matter at the highest level, and Prime Minister is also cognizant of US Cents 7.5/KwH issue and hopefully, we would soon resolve it that this rate is all-inclusive or it is just a base rate. Till then I would not be able to make any statement, however, I would like to mention that this clarification by the Power Division was made without any consultation with the Ministry of Commerce.

Incentives for Exporters

a) This year cotton production is quite low; therefore, we have withdrawn the cotton duties to facilitate the exporters i.e. 3% Regulatory Duty and 2% Additional Customs Duty.

b) The RLNG is provided at $6.5/mmbtu, which is great facilitation by our government, and it is working smoothly and we don't have any complaints from the exporters.

c) There are some other taxes such as EOBI and Social Security, but I think you would not count them, as this is manufacturing company responsibility towards their employees so I hope you would not discuss them.

d) The erstwhile five Zero-rated Sectors i.e. textile, leather, carpet, surgical and sports goods were given the nomenclature of Export Oriented Sectors by the Ministry of Commerce after approval of ECC of the Cabinet.

e) To mitigate many costs and make textile exporters competitive, the Ministry of Commerce, under Prime Minister's Package of Incentives provides Duty Drawback of Taxes. We have already released the 1st tranche and about to release the 2nd tranche during the current financial year. Altogether we would release Rs. 26 billion in Drawback schemes by the end of this week.

It may be noted that during July-January 2019-20 compared to the corresponding period of the previous year, the textile exports have increased by 3.58% and substantial growth in quantity terms such as readymade garments by 20.99%, bedwear by 9.78% and knitwear by 4.57%.

In the last, I would like to mention that I have constituted a Task Force under the chairmanship of Mr. Ahsan Bashir, a leading textile manufacturer, and exporter to formulate Textile Policy. The Task Force has almost completed its work and I have seen its first draft presentation. I would be looking at the proposals from the textiles value chain to further improve the ease of doing business parameters and also to reduce to cost of doing business.

*The Editorial Board thanks **Mr. Abdul Razak Dawood, Adviser for Commerce, Textile, Industry & Production and Investment** for giving his exclusive interview for Management Accountant Journal.*