

**MINUTES OF 11TH NTTFC MEETING
HELD AT 15.00 HOURS ON 22ND JUNE 2007 AT
FEDERATION HOUSE, KARACHI**

The meeting was chaired by Mr. Nasim Qureshi, Additional Secretary, Ministry of Commerce.

The list of participants is attached as Annex I.

Mr. A Rasheed Janmohammad welcomed the Additional Secretary, Ministry of Commerce for sparing his valuable time from other pressing official engagements to chair the meeting of NTTFC.

The Additional Secretary, Ministry of Commerce welcomed the Members of NTTFC and appreciated their participation. He then invited Mr. Javaid Mansoor, Executive Secretary, NTTFC to proceed with the agenda of the meeting. The Executive Secretary, NTTFC introduced the agenda as under:

Item 1. Review of Minutes of 10th NTTFC Meeting

1.1 Transport Legislation

The Executive Secretary, NTTFC informed that the National Assembly Standing Committee on Communications approved with some amendments the Bill for Carriage of Goods by Road (Liabilities) Act, 2006 on 4th July 2006. Report of the Standing Committee has been submitted to the National Assembly. The amended Bill is yet to be passed by the National Assembly. The subject needs to be discussed by the Minister for Communications with the Speaker, National Assembly to get the item placed on the Order of the Day of the National Assembly

Bills for Enactment of Carriage of Goods by Sea Act, 2006 and Sea Carriage Shipping Documents Act, 2006 were approved with certain amendments by the National Assembly Standing Committee on Ports and Shipping on 17th April 2007. Report of the Standing Committee to the National Assembly has been presented to the National Assembly Secretariat. The matter needs to be pursued by the Ministry of Ports and Shipping with the National Assembly Secretariat.

Ratification by Pakistan of the Montreal Convention relating to Carriage by Air was confirmed by the depositary on 10th February 2007. The Ministry of Defence was preparing the Summary for the Cabinet for enactment of the Carriage by Air Act, 2007. However the matter needs to be expedited.

During the discussion Mr. Tariq Rangoonwala, Chairman, ICC-Pakistan stated that in case the procedure through the National Assembly is taking such a long time then appropriate action may be initiated to get these Acts promulgated by issuing Presidential Ordinances. Mr. M. A. Lodhi, Secretary General, FPCCI pointed out that under the Rules of Business an ordinance could not be issued once a Bill had been placed before the National Assembly. The Chairman clarified that the matter would need to be carefully evaluated by the ministries concerned for deciding the appropriate action.

Decision

The Secretary Ministry of Commerce may write DO letters to the Secretaries of the Ministries concerned to expedite legislation of the proposed Acts.

1.2 Marine Insurance Act

To meet the requirement of the Cabinet Division, clearance of all the provincial governments to legislate the proposed Marine Insurance Act had been obtained. Syed Irtiqā Ahmad Zaidi, Project Director TTFP-2 informed that a Summary for the Cabinet had been put up to the Secretary Commerce.

1.3 Logistic Security Initiatives

Col. Atiq-uz-Zaman Kayani presented the report of NLC on installation of scanners. He stated that under an agreement with CBR the container scanners had been installed at various border terminals. However, the scanner installed at Port Qasim was initially underutilized, and subsequently not used since October 2006. NLC was incurring routine monthly expenditure of Rs. 860,000/- on this facility. The subject was under discussion at the highest level between CBR and NLC. There was considerable discussion on merits and demerits of different types of scanners. Capt. Z. I. Awan, CEO, PICT stated that PICT was establishing a state of the art scanner and IC3 facility established at Port Qasim should also be replicated at Karachi port. Mr. Amer Rashid Sheikh, Secretary International Customs, CBR pointed out that much more was involved in establishing IC3 facility. It had to be established with agreement of US Homeland Security Department and will have to wait till such arrangements could be worked out.

Decision

The subject may be dropped from the agenda of NTTFC for mutual resolution between CBR and NLC.

1.4 Notification of ATA Carnet Rules

Secretary International Customs, CBR presented to Chairman, ICC-Pakistan the letter addressed to Mr. Alan Destouches, Administrative Director (ATA Carnet), ICC Paris concerning acceptance of ATA Carnet issued under WCO Convention on Temporary Admission (Istanbul Convention). Chairman, ICC-Pakistan reciprocated by presenting papers providing some information relating to implementation of Istanbul Convention.

1.5 Freight Forwarding

Project Director TTFP-2 informed that CBR had suggested that some authority at Federal level, preferably Ministry of Commerce, should regulate freight forwarding business. Several meetings with PIFFA have been held in the Ministry of Commerce to identify the law under which PIFFA may be regulated and agree on the most appropriate arrangement. Rules drafted by PIFFA had been received and necessary action will be taken on the basis of the agreed arrangements.

1.6 Pakistan Electronic Trade (PAKET) Network for International Trade

Secretary International Customs, CBR informed that CBR has decided to introduce a community based computerized system to integrate all the stakeholders through a Single Window. The Request for Proposal (RFP) had been placed on the CBR website. The pre-qualified parties had been invited to submit their proposals by 21st July 2007.

1.7 Logistic Cost Study

In response to a query by the Chairman, the Executive Secretary informed that the report of the Logistic Cost Study had been circulated to all the major Chambers of Commerce and Industry in Pakistan and no response has been received. No further action is required.

1.8 Creation/improvement of Cargo Handling Facilities at Airports in Pakistan

The Executive Secretary NTTFC informed that the subject was now being addressed by the NTCIP Task Force and no further action was required by NTTFC. Chairman ICC-Pakistan stated that arrangements need to be made for integration of air and sea transport as multimodal transport. Executive Secretary, NTTFC responded by stating that this had been addressed in the report.

1.9 UN/LOCODE (United Nations Location Codes for Trade and Transport)

The Executive Secretary, NTTFC informed that Pakistan Railways had submitted the list of all freight railway stations with their Railways codes. Many of these are small railway stations and have codes with four letters, while the international codes are based on three letters. The matter had been discussed with the concerned official of Pakistan Railways. Because of the difficulties associated with changing the codes of Pakistan Railways, only those stations that have Railways codes compatible with the international system may be advised to UNECE for allocation of LOCODES. The same was agreed by Mr. Mahmood Hasan, Divisional Marketing Manager, Pakistan Railways.

Decision

Only those railway stations that have Railways codes compatible with the international system may be advised to UNECE for allocation of LOCODES.

1.10 ebXML for Managers

The Executive Secretary, NTTFC informed that Urdu translation of the book "ebXML for Managers" is nearly complete. The matter will now be taken up with the original publishers of the book to sign the agreement granting permission for the translated book to be placed on NTTFC website.

Item 2. National Trade Facilitation Strategy

Executive Secretary, NTTFC informed that the draft of the National Trade Facilitation Strategy had been prepared and circulated to NTTFC members for comment by 15th June 2007. It had also been placed on the websites of the Ministry of Commerce www.commerce.gov.pk and NTTFC www.nttfc.org for public view and comments and advertised inviting comments from all interested parties. Comments from a number of organizations had been received and were generally favourable. The comments of CBR were awaited. As CBR is the main player in trade facilitation, its comments are important. The matter is being pursued to obtain its comments.

All the relevant comments will be incorporated in the draft before forwarding the draft National Trade Facilitation Strategy to the Chairman, CBR who is the Chairman of Trade Facilitation Committee of NTCIP.

Mr. M. A. Rajpar, Chairman, Pakistan Ship Agents Association stated that instead of reliance on foreign consultants the work should be done making use of the national expertise. Executive Secretary NTTFC responded by stating that this comment was not relevant to the trade facilitation strategy. It was being addressed in TTFP-2 agreement with UNCTAD by making provision for the national consultants to be engaged through TTFP Directorate.

Mr. Tariq Rangoonwala asked for ICC-Pakistan to be included in the list of acronyms of the strategy. This was agreed.

Item 3. Trade and Transport Facilitation Project (TTFP-2)

Project Director TTFP-2 informed that a meeting has been held between the Ministry of Commerce, World Bank and UNCTAD to work out the arrangements for finalizing the agreement with UNCTAD. Minutes of the meeting had been circulated by Mr. Amer Z. Durrani of the World Bank to all concerned. UNCTAD is to forward the draft of the Agreement between the Ministry of Commerce and UNCTAD to proceed with completing the necessary formalities for implementation of the project. The Chairman stated some difficulties had been experienced with the previous project agreement, and care will be taken in the new agreement to ensure that such difficulties are not faced again.

Item 4. Pakistan-Afghanistan Transit Traffic Agreement

Executive Secretary, NTTFC informed that the Prime Minister has directed for a new Pakistan Afghanistan Transit Traffic Agreement to be negotiated. A draft of the proposed agreement had been circulated to the concerned stakeholder and comments obtained. While the ideas put forward in some of the comments could be incorporated, the other comments were based on self interests. When entering into a new agreement, it would be in the interest of Pakistan to ensure transit rights for Pakistani vehicles to travel through Afghanistan for the transit trade to Central Asian Republics. While asking for this facility some transit rights to Afghan vehicles to carry Afghan cargo through Pakistan would need to be considered under the general principle of reciprocal facilities.

Mr. Tariq Rangoonwala stated that at present there were no rules for movement of goods between Pakistani ports under cabotage. These need to be promulgated to enable cheaper movement of goods between Karachi and Gwadar by sea for onward movement to Central Asian Republics.

Mr. Amir Altaf, representing Karachi Customs Agents Association, circulated a paper relating to movement of transit cargo to Afghanistan proposing amendments to Pakistan Customs sealing CGO 04/2007 dated 30.04.2007 and advocated facilitating movement of loose cargo to Afghanistan to attract more trade.

Mr. Ali Mardan Abbasi, DTM (West), KPT informed that there was a large quantity of Afghanistan transit cargo lying in KPT sheds, which had not been cleared and was causing congestion and hazard in Karachi Port. An arrangement needed to be worked out to get this cargo removed and suitable provision should be made in the new agreement.

Some members stated that NLC was at present sub-contracting the movement of Afghan cargo to private transporters. In this situation what was the rationale in prohibiting the private transporters for transporting the Afghan cargo?

Chairman pointed out that there were some points which could be included in the draft agreement, while the others could be discussed more appropriately in the meetings of the Joint Ministerial Commission.

Decision

Executive Secretary, NTTFC should prepare the revised draft of Pakistan Afghanistan Transit Trade Agreement incorporating appropriate parts of the comments received. The revised draft will then be discussed in the Ministry of Commerce in the meeting of the stakeholders to evolve the recommendations to be forwarded to the Chairman, Trade Facilitation Committee, NTCIP.

Item 5. TIR Convention

Project Director TTFP-2 informed that the Cabinet Division has desired that a consensus should be evolved before submitting the Summary to the Cabinet for approving the accession to TIR Convention. The Commerce Minister will be convening a meeting with the Attorney General for Pakistan and the Secretary Foreign Affairs to arrive at a consensus.

Item 6. Office of NTTFC Secretariat

Project Director TTFP-2 informed that according to the Memorandum of Understanding between the Ministry of Commerce and Pakistan Shippers Council of FPCCI signed on 27th August 1999 FPCCI has been providing in kind the Secretariat office and related services for NTTFC Secretariat in the Federation House since August 2001. This was part of an arrangement agreed to establish NTTFC as Public/Private Partnership. In the past, three rooms were provided in Basement 2 of the Federation House. However, in September 2006 the NTTFC secretariat was shifted to two rooms in basement 1 as the entire basement 2 was vacated by FPCCI for renting out. On 5th May 2007 FPCCI shifted NTTFC Secretariat to only one room, which is inadequate for the Secretariat requirements. With commencement of TTFP-2 additional space will also be required for the consultants. Executive Secretary, NTTFC informed that with commencement of TTFP-2 the space requirement will be between 1,000 to 1,500 square feet.

Chairman requested the Secretary General, FPCCI to make the required space available in the Federation House to maintain the spirit of Public/Private Partnership. The Secretary General, FPCCI stated that at present FPCCI was squeezed for space to meet its own requirements and it was difficult to provide larger space for NTTFC Secretariat. Chairman, ICC-Pakistan stated that in case FPCCI could not provide the required space, ICC-Pakistan could make the space available in its premises free of cost. The Chairman stated that it was not the matter of funding the cost of renting the office for NTTFC Secretariat. The necessary funds could be arranged by the Ministry of Commerce. The basic issue was that of Public/Private Partnership, and the Ministry of Commerce would like to maintain that partnership through FPCCI, which is the apex body representing the private sector. The Secretary

General, FPCCI stated that FPCCI will maintain that partnership by continuing to host the meetings of NTTFC, and will also explore the possibility of providing additional office space for NTTFC

Decision

Secretary General, FPCCI will discuss the matter with the management of FPCCI and advise the Ministry of Commerce regarding the possibility of making the required larger space available for the office of NTTFC Secretariat. The offer by ICC would be studied by the Executive Secretary who will also visit the ICC premises.

Item 7. Trade-Info

Project Director TTFP-2 stated that information on trade and commercial laws is scattered and usually drawn from diverse sources. Each government body or trade organization maintains its respective source of information on laws and procedures evolved by it, while in some cases there is no immediate source for this information. As trade and investment levels rise in the country, there is corresponding need to coordinate and publicize such vital information on trade and commercial laws and make it available and easily accessible to the trade as a whole. He proposed that an activity under the title of "Trade-Info" may be taken up in TTFP-2 on priority basis.

The proposal was generally supported. Some useful resource persons were suggested for this activity. Project Director TTFP-2 stated that selection of the consultant will be done in accordance with the laid down procedures.

Decision

An activity under the title of "Trade-Info" may be included in TTFP-2.

Item 8. Any Other Business with Permission of the Chair

8.1 Explosives Laws and Rules

The Chairman ICC-Pakistan pointed out that great difficulties were being experienced with the Department of Explosives, Ministry of Industry and Production in obtaining clearance for establishment of new industrial facilities under the existing explosives laws and rules and their interpretation by the Department of Explosives. These laws and rules were outdated and need to be re-examined and updated in keeping with the present state of technology to eliminate hindrances in development of related industrial activity. The same was also supported by Mr. A. Rasheed Janmohammad, Chairman, Pakistan Shippers Council.

Decision

The matter may be taken up with the Ministry of Industry and Department of Explosives to review the explosives laws and rules in consultation with the stakeholders.

8.2 Appointment of Consultant for IT enablement of Department of Plant Protection

Dr. Tasneem Ahmad, Deputy Director, Department of Plant Protection stated that there was a requirement of IT enablement of the Department of Plant Protection. The Department required a consultant to be appointed under TTFP-2 for a study to work out the necessary requirements. Executive Secretary, NTTFC responded by stating that the government had already allocated budget in Public Sector Development Programme (PSDP) for e-Services for Food and Agriculture Sector (Item 10 of IT&TC Division allocation). The IT consultant could be appointed from this allocation for the Sector under PSDP. Subsequent to discussions with the Advisor and Director General, Department of Plant Protection a preliminary draft of the Request for Proposal (RFP) had been prepared and this was handed over to the Deputy Director, Department of Plant Protection.

Decision

The Department of Plant Protection may coordinate with the Executive Secretary, NTTFC for any further assistance that might be required.

There being no other business the meeting concluded with thanks to the participants by the Chair which were reciprocated by the participants.

ANNEX I

LIST OF PARTICIPANTS 11th Meeting of National Trade & Transport Facilitation Committee Held at 15:00 Hours on 22nd June 2007 - Karachi

Sr. No.	Name	Designation	Organization	Telephone / Fax/ Email
1	Mr. Nasim Qureshi	Additional Secretary Chairman →	Ministry of Commerce NTTFC	051-9203825 051-9205241
2	Syed Irtiqa Ahmed Zaidi	Project Director TTFP	Ministry of Commerce	051-9201796 051-9203024 irtiqazaidi@gmail.com
3	Mr. A. Rasheed Janmohammad	Chairman	Pakistan Shippers Council	021-241 0427 021- 241 6791
4	Mr. M.A. Lodhi	Secretary General	FPCCI	021-5873691-3-4
5	Mr. Amer Rashid Shaikh	Secretary (International Customs)	Central Board of Revenue	0300-844 6679
6	Dr. Ashfaq Tunio	Addtl. Collector Customs	CARE - Pakistan Customs	0334-5503726
7	Capt. Hashmat Ullah Shah	Director General Operations	Port Qasim Authority	021-473 0148 0300-8573202
8	Col. Atiq-uz-Zaman Kayani	Dy. Director Ports & Shipping	National Logistic Cell	021-926 3077
9	Mr. Mahmood Hasan	Divisional Marketing Manager	Pakistan Railways	021- 921 3507
10	Mr. Ali Mardan Abbasi	Deputy Traffic Manager (West)	Karachi Port Trust	021-921 4325
11	Capt. Mustafa Y. Rizvi	Director Ports & Shipping	Ministry of Ports & Shipping (D.G. Office)	021-920 4191 0300-829 3261
12	Dr. Tasneem Ahmed	Dy. Director	Department of Plant Protection	021-924 8669 021-924 8673
13	Mr. Zia-ur-Rehman	Manager Marketing	Pakistan Horticulture Development & Export Board	021-481 4158
14	Mr. M.A. Rajpar	Chairman	Pakistan Ship's Agents Association	021-285 0190
15	Rear Adm. (R) S.H. Khalid	Vice Chairman	Pakistan Ship's Agents Association	0300-8258518 021-589 8864
16	Mr. Tariq Rangoonwala	Chairman	ICC-Pakistan	021-231 1453
17	Mr. Muhammad Kabir Farookh	Regional Manager	Pakistan Software Exports Board, (Ministry of I.T.)	021-2788613

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Sr. No.	Name	Designation	Organization	Telephone / Fax/ Email
18	Mr. Muslim Raza	Provincial Chief	SMEDA	021-111-111-456
19	Mr. Saadiq-ur-Rehman	Act. General Manager Cargo	Civil Aviation Authority	021-9248755 gmcargo@caapakistan.com.pk
20	Mr. M. Afsar Malik	Corporate Manager Air Transport	Civil Aviation Authority	afsarmalik@yahoo.com
21	Mr. Aftab Ahmad	District Manager – Karachi	Pakistan International Airlines	021-920 6740
22	Mr. Farrukh Hasan	Manager Business Development	Pakistan International Airlines	021-920 2183
23	Mr. M.Imran Khan	Jr. Joint Director	State Bank of Pakistan	021-245 3983
24	Mr Amir Altaf	Gen. Secretary Pak Afghan Transit Trade	Karachi Customs Agent Association	0300-8254955
25	Mr. Sohrab Gilani	Manager Corporate Affairs	Karachi International Container Terminal	021-2316801
26	Capt. Z. I. Awan	C.E.O.	Pakistan International Container Terminal	021-285 5701 awan@mrge-com.pk
27	Mr. Tariq Mahmood Chaudhry	Vice Chairman	PIFFA	5221881-3
28	Mr. Nafis Ahmad	Secretary	All Pakistan Shipping Association	111-111-862 (3114) 021-231 0443
29	Mr. Akhtar Ali Baig	Dy. General Manager	Insurance Association of Pakistan	0300-8217590
30	Mr. Ashiq Hussain Khan Niazi	General Secretary	Karachi Goods Carriers Associations	021- 235 2324
31	Mr. Anis Khan	Secretary	Karachi Goods Carriers Associations	0300-2831429
32	Mr. Javaid Basini	Secretary	ICC-Pakistan	021-231 1453
33	Mr. Javaid Mansoor	Executive Secretary	NTTFC	021-5822871 021-5821814 nttfc@cyber.net.pk