

31<sup>st</sup> August 2004

**MINUTES OF THE 6<sup>TH</sup> MEETING OF NTTFC**  
**10.00 Hours, 21<sup>st</sup> August, 2004**  
**FPCCI Conference Room, Federation House, Karachi**

The meeting was chaired by Mr. Tasneem Noorani, Secretary Commerce and Chairman NTTFC. List of the participants is attached. (Annex I)

The meeting commenced with recitation from the Holy Quran by R. Admiral Hamid Khalid.

The participants introduced themselves and Syed Irtiqa Ahmad Zaidi, Economic Consultant, Ministry of Commerce gave a brief overview of NTTFC.

In his opening remarks the Chairman stated that trade facilitation had started to receive much greater attention internationally. There was international pressure for the procedures and systems to be revised and harmonized with the international practices. Trade facilitation had also remained an important agenda item of negotiations during the WTO meetings. Therefore a continuous effort was required to resolve the trade facilitation issues expeditiously. He said that in order to enable NTTFC Secretariat work effectively, the Ministry of Commerce will support the proposal for providing the required grant to NTTFC Secretariat from the Export Development Fund.

Mr. Riaz Ahmad Tata, President FPCCI stated that the FPCCI had been supporting NTTFC Secretariat all along by providing space for its office, services and also part of the salary of the staff. NTTFC Secretariat was doing good work and FPCCI will continue to support to the possible extent.

Mr. Tata stated that as sea transport was an essential part of international trade, the Ports and Shipping should be a part of the Ministry of Commerce.

On completion of the introductory statements the Agenda items were taken up as follows:

**Item 1. Report of the Working Group on Documents and Standards**

Mr. Javaid Mansoor, Executive Secretary NTTFC reported that second progress report of Masood Aziz Associates on the study of international trade transactions had been received and was being studied. After getting a few points clarified by the consultants it will be circulated to the Documents and Standards Working Group for review. The conclusions and recommendations of the Working Group will be placed before the NTTFC during its next meeting.

The Executive Secretary informed that a standard form of the Certificate of Origin based on the United Nations Layout Key (UNLK) had been prepared and circulated to all Chambers of Commerce and Industry through FPCCI for adoption. He also informed that the Phytosanitary Certificate based on UNLK had also been designed in consultation with the Plant Protection Department and provided to them for adoption.

The Executive Secretary reported that the Working Group on Documents and Standards was constituted during the third Tripartite Review (TPR) meeting. The members nominated were very senior industry leaders, who do not have the time to participate in the working level meetings. He therefore proposed to reconstitute the Working Group by including those representatives of trade organizations and public sector departments who are more involved in the detailed working procedures and can spare the time to attend meetings of the Working Group.

### ***Decision***

The Documents and Standards Working Group may be reconstituted by the NTTFC Secretariat to include those personnel from the concerned organizations who can spare the time to get involved at the working level.

### **Item 2. Report of Legal Working Group**

Barrister Zahid Jamil, UNCTAD Legal Consultant reported that a meeting had been held with the National Transport Research Centre (NTRC) officials on 19<sup>th</sup> August 2004 to provide clarification to their observations and another meeting with the representatives of the concerned ministries had been convened by the Secretary Commerce on 20<sup>th</sup> August 2004. The latest position in respect of various legislations was as follows:

#### **2.1 Carriage of Goods by Sea**

The draft Carriage of Goods by Sea Act and the draft Carriage of Goods (Supplementary Provisions) by Sea Act had been approved in principle by the Cabinet on 16<sup>th</sup> June 2004 and forwarded by the Ministry of Communications to the Law Division on 17<sup>th</sup> June 2004. UNCTAD Legal Consultant will provide the necessary clarifications to the Law Division as and when required.

#### **2.2 Carriage of Goods by Road Act**

The observations made by NTRC on the proposed draft Act had been clarified in the meeting on 19<sup>th</sup> August 2004. It had been agreed that as the proposed legislation mainly dealt with the responsibilities and liabilities of the carriers it may be renamed the Carriage of Goods by Road (Liabilities) Act.

#### **2.3 Carriage by Air Act**

The comments of PIA were awaited by the Ministry of Defence (MoD). MoD will pursue the matter to expedite the comments of PIA and get the draft Act finalized for submission to the Cabinet for its approval in principle.

#### **2.4 Amendments to the Railways Act**

Comments of Pakistan Railways on the proposed amendments were awaited. Mrs. Nasreen Haque, Chief Operations Superintendent, Pakistan Railways reported that the comments of Pakistan Railways will be forwarded within the next two weeks.

## **2.5 Multimodal Transport Act**

It was decided to defer further action on the proposed Act for the time being.

## **2.6 Marine Insurance Act**

Additional Secretary, Ministry of Commerce will convene a meeting of the stakeholders to take a decision regarding the introduction of a national Marine Insurance Act.

### ***Decision***

The Ministry of Commerce to pursue the matter with the concerned Ministries to expedite processing of various draft Acts for enactment.

### **Item 3. Report of the Banking Working Group**

The Executive Secretary reported that to simplify the export procedures it was proposed to substitute the Form E of the State Bank of Pakistan (SBP) with the Goods Declaration form (GD) of Pakistan Customs, as GD contained all the information contained in the Form E. However, the GD form did not contain the declaration of the Exporter and the Authorized Dealer that was required by SBP. To initiate the process, it had been agreed with SBP to conduct a pilot project, in parallel with the continued use of Form E, whereby the relevant information will be communicated by PRAL to SBP as well as the concerned Authorized Dealers for necessary processing. On successful execution of the Pilot Project the Form E may be eliminated by making the declaration by the exporter as part of the GD copy meant for the SBP. The same procedure was being followed by India. Necessary notification by SBP was awaited to proceed with the pilot project.

Mr. Samar Hasnain, Joint Director EPD, SBP confirmed that SBP had agreed to the pilot project. However, SBP would require the Pilot Project to be carried out in two Phases: Phase 1 with Form E number entered in the GD, and Phase 2 without the Form E number entered in GD. On the Chairman's query regarding the duration of the pilot project the Executive Secretary stated that considering the experience with the previous pilot project on implementation of GD he expected this to take about six months.

Mr. Javed Arian, Secretary, Karachi Goods Carriers Association, stated that because financing from banking institutions is not available to road transporters, it is very difficult to acquire modern vehicles. He requested that loan facilities be made available at rates comparable to those available to industrial borrowers. Mr. Amer Durrani, TTFP Task Leader, The World Bank, suggested that the road transporters should be declared an industry so that they will have access to financing facilities the same as other industries.

### ***Decision***

The pilot project should be expedited with a view to completing it in three months and the progress reported during the next NTTFC meeting. The subject should also be taken up with Pakistan Customs to make the exporter's declaration a part of SBP copy of the GD.

#### **Item 4. Report of the Logistic Security Working Group**

The Executive Secretary reported that the International Maritime Organization's (IMO) International Ship and Port Facility Security (ISPS) Code had already been implemented by the Ports and Shipping Wing, Ministry of Communications within the stipulated date of 1<sup>st</sup> July 2004.

To meet the requirements of Container Security Initiative (CSI) of US Homeland Security Department, the Government of Pakistan had already decided that NLC should install container scanners at all the border crossings. The Ministry of Communications has formed a committee to monitor the progress under the Chairmanship of Mr. K. B. Rind, Additional Secretary. A sub-committee chaired by the Collector of Customs, Exports Collectorate has been constituted to carry the work forward.

Brig. Akbar Niazi, Director Ports, NLC, reported that the gamma ray scanners of Chinese origin were being installed in two phases at various exit points of international trade. Two scanners – one at Port Qasim and the other at KICT – will be installed by the first week of November and will be operational by end November 2004. The Chinese team is already in position since last month. The Chinese crew will operate the machines for the first three months and train Pakistani counterparts.

The Chairman pointed out that it was necessary to obtain written confirmation from the US Homeland Security Department that the containers scanned by these machines will not be required to undergo any further examination in US or at the transshipment ports and their clearance will not be delayed. An independent assessment to ensure that all the requirements were being met would be advisable. Brig. Niazi confirmed that the installation was being carried out in consultation with CBR and also with US Homeland Security Department. Chairman directed Economic Consultant, MoC to talk to the concerned person in US Embassy to ensure that the scanning arrangements are acceptable to US Customs. The Chairman said that he will talk to Chairman CBR also to further confirm that the arrangement is US security compliant.

The Executive Secretary informed that the third US initiative called Customs-Trade Partnership against Terrorism (C-TPAT) is operational on voluntary basis and is not yet applicable to traders from Pakistan. However, it would be useful to develop guidelines for Pakistani traders so that they could prepare themselves for meeting the C-TPAT requirements of US importers.

#### ***Decision***

Director Ports, NLC to provide a detailed report to NTTFC Secretariat regarding the status of installation of container scanners to meet the requirements of US Homeland Security Department. A written confirmation of US authorities should be obtained to ensure that the containers scanned in Pakistan will not be required to be reexamined in USA or at the intermediate transshipment ports.

NTTFC Secretariat may develop suitable guidelines for Pakistani manufacturers and exporters to enable them take care of the C-TPAT requirements of US importers.

**Item 5. Approval of model commercial invoice according to UN Layout Key for adoption by Pakistani traders**

The Executive Secretary reported that to harmonize the international trade documents used by Pakistani traders with international practices a model commercial invoice based on UNLK has been developed in consultation with the representatives of trade and industry. The guidelines for the use of the proposed model commercial invoice have been forwarded to the Documents and Standards Working Group as well as to Pakistan Standards Quality Control Authority for their comments. It is proposed to circulate the guideline for use of the model commercial invoice to various Chambers of Commerce and Industry and trade bodies through the FPCCI for adoption by their members.

***Decision***

After obtaining the comments of the Documents and Standards Working Group the model commercial invoice may be circulated for adoption to the concerned bodies.

**Item 6. Funding for NTTFC through EDF for its institutional strengthening**

The Executive Secretary reported that the President, FPCCI, had forwarded the proposal for funding of NTTFC through EDF with his recommendations to the Deputy Secretary, Export Development Fund for including it in the Agenda of the next meeting of the Board of Administrators of EDF.

***Decision***

The Ministry of Commerce to support the proposal for approval.

**Item 7. Report of Chief Technical Advisor, UNCTAD on the Trade and Transport Facilitation Project and work program for September 2004 – August 2005**

The report of the Chief Technical Adviser, UNCTAD was circulated during the meeting and is attached (Annex II). The CTA pointed out that of the four so-called "Singapore issues," only the trade facilitation has been included in the framework for the next round of multilateral trade negotiations. NTTFC should be the reference for formulating Pakistan's position on trade facilitation and the WTO Wing of the Ministry of Commerce should use this forum. The WTO Wing of the Ministry of Commerce should consult with NTTFC when identifying Pakistan's trade facilitation needs and priorities, as requested by the WTO General Council Decision of 31 July 2004. Various international organizations are offering assistance in trade facilitation to Pakistan. To ensure that such proposals were focused on agreed national requirements, it would be desirable to refer proposals for technical assistance on trade facilitation to NTTFC for review and comment. The Ministry of Commerce should provide NTTFC with a summary of all trade-related technical assistance proposals received or requested by the Government.

***Decision***

Trade facilitation matters may be referred by the WTO Wing, Ministry of Commerce, to NTTFC Secretariat for its opinion and appropriate action taken after its due consideration.

**Item 8. Proposal of Pakistan Shippers Council regarding exorbitant charges of Shipping Lines**

Mr. Rasheed Janmohammad, Chairman Pakistan Shippers Council, pointed out that in spite of the clean bills of lading issued by the shipping lines they levied exorbitant ancillary charges at the port of discharge. The matter had been taken up with the Director General, Ports and Shipping, and other Government authorities but had remained unresolved for many years. A Shipping Rate Advisory Board had also been constituted by the Government in 2001, but the shipping lines had gone in litigation and the matter had remained unresolved. The demand of the shippers was that the rates quoted by the shipping lines should be all inclusive and once a freight rate had been agreed no additional charges should be levied at the port of discharge.

Rear Admiral Hamid Khalid, Vice Chairman, Pakistan Ship Agents Association, contended that the ancillary charges were for the services rendered by the ship agents. However, they were willing to discuss the matter with Pakistan Shippers Council. Mr. Pervaiz H. Qureshi observed that the present freight rates were much lower than those prevailing many years back. Terminal handling and other charges were levied in accordance with the international shipping practice. The subject was discussed at length and the following decision taken:

***Decision***

A committee comprising the President, FPCCI; Director General, Ports and Shipping, Ministry of Communications; Chairman, Pakistan Shippers Council; Chairman, All Pakistan Shipping Association; and Vice Chairman, Pakistan Ship Agents Association is constituted to look into the matter and arrive at an amicable solution. The President FPCCI to convene the meeting at the earliest convenience.

**Item 9. Any other business with permission of the Chairman**

Mr. Hiroyuki Miyakawa, Director General, JETRO Karachi Office, stated that JETRO had submitted a proposal for training of the Customs officers. The training program will be funded by JICA. JETRO looks forward to further collaboration with CBR and NTTFC for extending further training facilities for the Customs officials.

The meeting ended with a vote of thanks.

## Participants of 6<sup>th</sup> National Trade & Transport Facilitation Committee Meeting

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Organization</b>	<b>Telephone / Fax/ Email</b>
1	Mr. Tasneed Noorani	Secretary	Ministry of Commerce	051-920 1816 051-920 3104
2	Syed Irtiqa Ahmed Zaidi	Economic Consultant Project Director	Ministry of Commerce TTFP	051-920 1796 051-920 3024
3	Mr. Riaz Ahmed Tata	President	Federation of Pakistan Chamber of Commerce & Industry	021-587 3640 021-587 4332
4	Mr. Haroon Rasheed	Vice President	Federation of Pakistan Chamber of Commerce & Industry	021-587 3641 021-587 4332
5	Mr. A. Rasheed Janmohammad	Chairman	Pakistan Shippers Council / NTTFC	021-241-2265/66 021-241-0427
6	Mr. Babar Badat	Director	Pakistan International Freight Forwarders Council	021-231 4159 021-231 4841
7	Mr. Shuja-uddin Siddiqui	Director General	Export Promotion Bureau	021-9202711
8	Brig. (R) Ghulam Akbar Khan Niazi	Director Port	National Logistic Cell	042-7512378
9	Dr. M. A. Damani	Director General	Pakistan Standard and Quality Control Authority	021-920 6260
10	Mrs. Nasreen Haque	Chief Operation Superintendent	Pakistan Railways	042-9201471
11	Mr. Pervaiz H. Qureshi	Chairman	All Pakistan Shipping Association	021-568 7548
12	Rear Admiral (R) S.H. Khalid	Vice Chairman	Pakistan Ship Agents Association	021-589 8864
13	Dr. M. Usman	Director	Export Promotion Bureau	021-920 6812 021-920 6461
14	Dr. Masroor Anwar Memon	Deputy Director	Export Promotion Bureau	021-920 2714
15	Mr. Sajid Mansoor	Deputy Chief NTRC	Ministry of Communication	051-925 7195
16	Mr. Bashir Ahmed Vistro	Director (Port & Shipping)	Ministry of Communication	021-920 4197
17	Mr. Samar Hasnain	Joint Director, EPD	State Bank of Pakistan	021-921 8431
18	Mr. Tajammal H. Nisar	Manager Marketing	Pakistan Horticulture Development Export Board	021-923 2172-3
19	Col. Mubashir Hussain Tarar	D.D. Dry Port	National Logistic Cell	021-285 1317
20	Mr. Mohammad Bhatti	Manager Legal	Civil Aviation Authority	021-924 8573 021-924 8588
21	Mr. Azam Khan	Manager Business Development	Pakistan International Airlines	021-920 2183 021-920 6467

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Organization</b>	<b>Telephone / Fax/ Email</b>
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23	Capt. Kh. Imran Manzoor	Asst. Manager	Pakistan National Shipping Corporation	021-920 4289
24	Mr. Abdullah Laghari	DGM (Cargo Ops)	Port Qasim Authority	021-920 4289
25	Engr. Tafseer A. Khan	Dy. Director	Pakistan Standard and Quality Control Authority	021-921 5377
26	Mr. Nouman Alvi	Deputy Conservator	Karachi Port Trust	021-921 4321
27	Mr. M. Ishaq Jan	President	Karachi Goods Carriers Association	021-235 2324-5
29	Mr. Javed Arian	General Secretary	Karachi Goods Carriers Association	021-235 2324-5
29	Syed Izhar Ali	Project Officer – ISO	Pakistan Software Export Board	021-921 7381-2
30	Mr. Naveed Mansoor	Project Officer	Pakistan Software Export Board	021-921 7381-2
31	Mr. Amer Z. Durrani	Task Leader	World Bank	051-909 0211
32	Mr. Ayaz Parvez	Transport Analyst	World Bank	051-909 0213
33	Mr. Hiroyaki Miyakawa	Director General	JETRO	021-521 0459
34	Ms. Noriko Sato	Advisor	JETRO	021-521 0459
35	Mr. Feroz Khan	CEO	Omar Jibran Pakistan Japan Business Forum	021-475 0777
36	Mr. Will Keenan	Chief Technical Advisor	UNCTAD	051-227 3247
37	Mr. Masood Aziz	Consultant	Masood Aziz Associates	021-565 4071
38	Barrister Zahid Jamil	Legal Consultant	UNCTAD	0300-8238230
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40	Mr. Burhan Akhlaq	Deputy Secretary	NTTFC	021-582 2871

## **Circulation List**

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2	Syed Irtiga Ahmed Zaidi, Economic Consultant, Ministry of Commerce
3	Mr. Riaz Ahmed Tata, President, FPCCI
4	Mr. Abid Jawed Akber, Vice Chairman, Export Promotion Bureau
5	Malik Saeed M. Khan, Member, Planning Commission
6	Vice Admiral Taj Mohammad Khattak H.I.(M), SJ., Chairman, Port Qasim Authority
7	Vice Admiral (R) S.Tauqir Hussain Naqvi, Chairman, Pakistan National Shipping Corp.
8	Vice Admiral Ahmad Hayat, Chairman, Karachi Port Trust
9	Mr. Ahmed Saeed, Chairman, Pakistan International Airlines
10	Capt. Anwar Shah, Director General, Port & Shipping Wing, Ministry of Communications
11	Mr. Farhat Saeed, Executive Director, State Bank of Pakistan
12	Mr. Azher Majid Khalid, Collector of Customs, Model Collectorate
13	Mr. Mumtaz Malik, Joint Secretary (External Finance), Ministry of Finance
14	Mr. Mussadaq Mohammad Khan, Joint Secretary, Ministry of Communications
15	Mr. Tariq Badshah, Member (IT), Ministry of Information & Technology
16	Mr. Shehryar Khan, Joint Technological Advisor, Ministry of Science & Technology
17	Brigadier Ghulam Akber Khan Niazi, Commander, HQ Dry Port, National Logistic Cell
18	Dr. M. A. Damani, Director General, Pakistan Standard and Quality Control Authority
19	Mr. Shahab Anwar Khawaja, CEO, SMEDA
20	Mrs. Nasreen Haque, Chief Operation Superintendent, Pakistan Railways
21	Mr. Bashir Ahmed Vistro, Director (Ports & Shipping)
22	Mr. Sajid Mansoor, Deputy Chief NTRC, Ministry of Communication
23	Mr. Samar Hasnain, Joint Director - EPD, State Bank of Pakistan
24	Engineer M. A. Jabbar, Vice President, FPCCI
25	Mr. Haroon Rasheed, Vice President, FPCCI
26	Mr. A.Rasheed Janmohammad, Chairman, Pakistan Shippers Council, FPCCI
27	Dr. M. Usman, Director, Export Promotion Bureau
28	Dr. Masroor Anwar Memon, Deputy Director, Export Promotion Bureau
29	Chairman, Insurance Association of Pakistan
30	Mr. Babar Badat, Director, Pakistan International Freight Forwarders Council
31	Rear Admiral (R) Hamid Khalid, Vice Chairman, Pakistan Ship Agents Association
32	Mr. Pervaiz H. Qureshi, Chairman, All Pakistan Shipping Association
33	Mr. M. Sultan Mahmood, President, Karachi Customs Goods Agents Group
34	Mr. M. Ishaq Jan, President, Karachi Goods Carrier Association
35	Mr. Javed Arian, General Secretary, Karachi Goods Carrier Association
36	Mr. Tariq M. Rangoonwala, Chairman, International Chamber of Commerce Pakistan
37	Col. Mubashir Hussain Tarar, D.D. Dry Port, National Logistic Cell
38	Mr. Muhammad Iqbal, COO, Pakistan Horticulture Development & Export Board
39	Mr. Tajammal H. Nisar, Manager Marketing, Pakistan Horticulture Development & Export Board
40	Engr. Tafseer A. Khan, Dy. Director, Pakistan Standards and Quality Control Authority
41	Mr. M. Nasim Zafar, Director Legal, Civil Aviation Authority
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50	Mr. Feroz Khan, CEO, Omar Jibran Pakistan Japan Business Forum
51	Mr. Humayun Zafar, Sr. Project Manager, PRAL
52	Mr. Amer Z. Durrani, Task Manager, TTFP, World Bank
53	Mr. Ayaz Parvez, Transport Analyst, World Bank
54	Mr. Hiroyuki Miyakawa, Director General, JETRO - Karachi office
55	Ms. Noriko Sato, Senior Advisor for Industrial Policy, JETRO
56	Mr. Umar Khan Alisher Zai, DG (Economic Coordination), Ministry of Foreign Affairs
57	Mr. Marshuk Ali Shah, Country Director, Asian Development Bank
58	Mr. Onder Yucer, UN Resident Representative, UNDP
59	H.E. Ikka Uusitalo, Head of Delegation of the European Commission to Pakistan
60	Mr. Haroon Sharif, Economic Advisor, DFID, British High Commission, Islamabad
61	Mr. Masood Aziz, Masood Aziz Associates, Karachi
62	Mr. Will Keenan, Chief Technical Advisor, UNCTAD