

8th April 2005

MINUTES OF THE 7TH MEETING OF NTTFC
10.30 Hours, 2nd April 2005
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 as Annex I.

The meeting commenced with recitation from the Holy Quran by Mr. Javaid Mansoor.

The participants introduced themselves and Mr. A. Rasheed Janmohammad, Chairman, Pakistan Shippers Council (PSC) welcomed the Chairman to the meeting.

Choudhri Muhammad Saeed, President, Federation of Pakistan Chambers of Commerce and Industry (FPCCI) expressed his commitment to support the work of NTTFC.

The Chairman commenced the formal proceedings of the meeting by asking the Executive Secretary, NTTFC to review the minutes of the last meeting and report the progress on decisions of the last meeting.

1. Review of the Minutes of 6th Meeting of NTTFC

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

a) Report of Masood Aziz and Associates

The Executive Secretary informed that the report of M/s Masood Aziz & Associates had been discussed in the Working Group on Documents and Standards and the following recommendations were made:

1. The report of the consultants may be adopted as a benchmark of the international trade transaction processes of Pakistan in practice during 2004.
2. NTTFC Secretariat should get the report vetted by the concerned stakeholders to identify where simplification in procedures could take place and take appropriate follow up action. Improved processes should be recorded for comparison with the benchmarks.
3. Maximum use of Information Technology should be made to get the procedures of all the organizations computerized. The IT systems of all the trade related organizations like the Customs, State Bank of Pakistan, Export Promotion Bureau, Federal Bureau of Statistics, Karachi Port Trust, Port Qasim Authority, Container Terminals etc. should be interlinked so that relevant information can flow freely to the other concerned organization and a trader does not have to provide the same information to different organizations repeatedly.

Referring to the recommendation No. 2 Mr. Will Keenan, Chief Technical Advisor, UNCTAD stated that during the Fifth Tripartite Review (TPR) Meeting held at Islamabad on 29th March 2005 it had been agreed that the Trade and Transport Facilitation Project (TTFP) will support the Working Group on Standards and Documents to identify and quantify the opportunities for reducing the time taken to complete the export procedures.

Decision

The decision taken in the fifth TPR as reported above may be implemented.

The recommendation No. 3 was also discussed. It was taken up again against Item No. 11, where the discussion and the decision are reported.

b) Commercial Invoice

The Executive Secretary informed that the model Commercial Invoice designed in accordance with UN Layout Key had been circulated to commercial enterprises through the chambers of commerce and industry and the trade bodies.

Decision

Support of Pakistan Customs may be obtained to advise the exporters to adopt the model Commercial Invoice based on UN Layout Key.

c) Constitution of the Working Group on Documents and Standards

The executive Secretary reported that to obtain support of the private sector the concerned trade bodies had been invited to nominate their representatives to the Working Group on Documents and Standards and those interested in participating in this work were included in the working group.

Item 2. Report of Legal Working Group

Barrister Zahid Jamil, UNCTAD Legal Consultant reported as follows:

a) 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 16th June 2004 and forwarded by the Ministry of Communications to the Law and Justice Division on 17th June 2004. The Law and Justice Division had returned the draft to the Ministry of Ports and Shipping after vetting. However, the Legal Consultant had found that the vetted draft required some further amendments. The required amendments were advised to Law and Justice Division. The re-vetted draft is awaited by the Ministry of Ports and Shipping.

b) Carriage of Goods by Road Act

The Ministry of Communications has advised that the Summary for approval in principle of the Cabinet has been prepared and is under submission.

c) Carriage by Air Act

The Ministry of Defence has advised that the summary for approval in principle of the Cabinet has been submitted.

d) Amendments to the Railways Act

Subsequent to the meeting of the Legal Consultant with the representatives of Pakistan Railways, they had sent draft of the proposed amendments to the Railways Act. As these amendments required further amendments to some other Sections of the Railways Act and the working procedures of Pakistan Railways, the Legal Consultant was of the opinion that policy decision of the Ministry of Railways at the Secretary level was required.

e) Marine Insurance Act

The Summary to obtain approval in principle of the Cabinet has been submitted on 3rd March 2005.

Decision

- i. *The Ministry of Commerce to pursue the matter with the concerned Ministries to expedite processing of various draft Acts for enactment.*
- ii. *The Ministry of Commerce is to arrange a meeting of the Secretary Commerce with the Secretary Pakistan Railways to resolve the issues relating to the Railways Act. Before the meeting, the Legal Consultant is to identify the issues relating to the concerned Sections of the Railways Act on which policy decision is required.*

Item 3. Report of the Banking Working Group

The Executive Secretary reported that the proposal of carrying out a pilot project for substitution of Form E with Goods Declaration was agreed in principle by the State Bank of Pakistan. However, in the meanwhile Pakistan Customs intervened with their requirements for introducing a paperless environment through CARE pilot project at KICT and for authorizing duty drawback immediately on shipment. Because of this intervention, further work on substitution of Form E cannot proceed till the issues related to Pakistan Customs are resolved.

Mr. Azhar Majeed Khalid, Collector of Custom, Model Collectorate pointed out that there were two issues relating to Form E: one was the submission of Form E to the Customs and other elimination of Form E. As far as submission of Form E to Customs was concerned, this had been eliminated under the CARE program. The Goods Declaration contains all the information contained in the Form E and this could be eliminated when the CARE program is extended to all Customs stations in Pakistan.

Mr. Samar Hasnain, Joint Director, Exchange Policy Department, SBP stated that they had obtained legal advice and because of the requirement of the declaration on Form E it could not be eliminated.

The Executive Secretary informed that the subject had been discussed with the Governor, SBP. Under the Foreign Exchange Regulation Act, SBP was responsible to ensure repatriation of foreign exchange. The commercial banks had been authorized by SBP to act as its authorized dealers to fulfill requirements of the Act. The Governor had stated that if the Act could be suitably amended to make the exporters directly responsible for repatriation of the foreign exchange, the requirement of the declaration and the Form E could be eliminated. But, because of the reluctance to change at the lower level, the progress was held up.

Decision

Wait till countrywide implementation of CARE program. The matter may then be taken up after considering the results of the CARE program.

Item 4. Report of the Logistic Security Working Group

The Executive Secretary stated that a Cabinet Committee under the chairmanship of the Minister for Ports and Shipping had been constituted to examine the requirements of Container Security Initiative of the US Homeland Security Department. Further action will be taken in light of the decision of the Cabinet Committee and the Ministry of Commerce.

The Chairman informed that it had been decided to appoint a consultant to study the requirements in consultation with US Customs and Border Protection Bureau, and advise how best the CSI requirements could be implemented in Pakistan to avoid delay in clearance of cargo shipped from Pakistan.

Mr. Tariq Rangoonwala stated that ICT based security infrastructure needed to be developed. RFD was the modern technology. But the hardware was rather expensive. Government support was required for introduction of this technology. The Chairman advised Mr. Rangoonwala to provide detailed documents for examination by the ministry.

The Executive Secretary further reported that taking in consideration the requirements of C-TPAT introduced by US Homeland Security Department, the Logistics Security Working Group had finalized the draft of Pakistan Supply Chain Security (PSCS) Code. It was awaiting approval of NTTFC. It was proposed to circulate it amongst the trade and industry for voluntary adoption.

Compliance of PSCS Code with international standards was discussed. It was clarified that the stakeholders and the certification agencies had been consulted.

Decision

PSCS Code is approved for implementation on voluntary basis.

Item 5. Approval of model Commercial Invoice according to UN Layout Key for adoption by Pakistani traders

Already covered under Item 1. b).

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

Grant from the Export Development Fund has been approved and the funds from for the year 2004-05 have been released.

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

The work program for the remaining period of TTFP has already been decided in the TPR meeting held on 29th March 2005.

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

The TPR on 29th March 2005 has approved an independent study to identify the issues for appropriate action to be taken.

2. Remaining items of the Agenda

Most of the items of the Agenda for the meeting were covered during the review of the minutes of the previous meeting. The remaining items were then taken up.

Item 9. TIR Convention

Mr. Tariq Rangoonwala, Chairman ICI-Pakistan stated that actually there were two Conventions:

- i. TIR Convention for transit of goods under TIR Carnet; and
- ii. Istanbul Convention for temporary import of goods under ATA Carnet.

The Istanbul Convention for issue of ATA Carnet should also be brought on the Agenda of NTTFC.

He then informed that the International Road Transport Union (IRU) had admitted Pakistan National Committee of ICC (PNC-ICC) as an Associate Member of IRU. A meeting had been convened on 4th April 2005 to decide how to proceed with implementation of TIR Convention and arrange for issue of TIR Carnet. However, the first requirement was accession to TIR Convention. The request for accession by the Government of Pakistan had been turned down because of some reservation of Government of Pakistan. Action needed to be taken to expedite accession.

Mr. Will Keenan informed that advice had already been provided to the Central Board of Revenue regarding how this difficulty could be overcome. The Chairman stated that such matters had economic as well as political considerations and appropriate action will be taken considering the political developments.

Item 10. Report of seminar on promoting export of mangoes

The Executive Secretary informed that most of the recommendations of the seminar on export of mangoes were being implemented by Pakistan Horticulture Development and Export Board (PHDEB). However, they had asked for support in organizing training of farmers and exporters in meeting the international phytosanitary and food safety requirements. Without meeting these requirements export of perishable food items to developed countries paying better price was no longer possible. As it had not been possible to support this proposal through TTFP alternate arrangements needed to be worked out.

Mr. M. Iqbal, Chief Operating Officer, PHDEB explained that this was essential for access to the international food market.

Decision

NTTFC, through the Ministry of Commerce and TTFP, explore the possibility of providing the required facility through the European Union's Trade Related Technical Assistance to Pakistan being provided through UNIDO.

Item 11. Proposals from stakeholders

The Executive Secretary informed that during the meetings of the Working Groups it had emerged that the IT systems of all the trade related organizations such as, Customs, ports, container terminals, State Bank of Pakistan, banks, Export Promotion Bureau, Federal Bureau of Statistics, Immigration, Mercantile Marine Department, Port Health Department, Plant Protection Department, chambers of commerce and industry, shipping agents, Customs agents, freight forwarders, traders etc. needed to be interconnected, so that the documents are submitted to the concerned organization once under a single window arrangement and the relevant information becomes available to all other concerned organizations through one central portal.

To explain the international situation he gave a presentation of the "Single Window" systems operating in other countries. A Single Window is a facility that allows parties involved in international trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements. If information is electronic, then individual data elements should only be submitted once. The Single Window aims to expedite and simplify information flows between trade and government and bring meaningful gains to all parties involved.

The Executive Secretary pointed out that unless Pakistan quickly adopted such a Single Window system, electronic trade documents in accordance with international standards and codes for trade data elements, and other trade facilitation measures Pakistan will lose the competitive position in the international market.

Decision

Chief Technical Advisor, UNCTAD to prepare comprehensive terms of reference for a consultant to analyze the requirements and propose alternative for a Single Window system to be introduced in Pakistan.

There being no other business the meeting was adjourned at 12.30 hours with thanks to the Chair and the participants.

Javaid Mansoor
Executive Secretary

Encl: 1) Participant's List - Annex 1
2) Circulation list

Saturday, April 2nd 2005

List of Participants 7th National Trade & Transport Facilitation Committee Meeting

| Sr. No. | Name | Designation | Organization | Telephone / Fax/ Email |
|---------|------------------------------|--|---|---|
| 1 | Mr. Tasneem Noorani | Secretary | Ministry of Commerce | 051-920 1816 051-920 3104 |
| 2 | Syed Irtiqa Ahmed Zaidi | Economic Consultant Project Director/TTFC | Ministry of Commerce | 051-920 1796 051-920 3024 sia_zaidi@hotmail.com |
| 3 | Mr. Zafar Mahmood | Vice Chairman | Export Promotion Bureau | 021-9206484 |
| 4 | Mr. Azher Majid Khalid | Collector of Customs, | Appraisalment and Model Collectorate | 021-921 4160 021-921 4170 amkpk1@hotmail.com |
| 5 | Ch. Muhammad Saeed | President | Federation of Pakistan Chamber of Commerce & Industry | 021-587 3640 021-587 4332 fpcci@cyber.net.pk |
| 6 | Mr. A. Rasheed Janmohammad | Chairman | Pakistan Shippers Council / NTTFC | 021-241 2265 / 66 021-241 0427 westbury@cyber.net.pk |
| 7 | Mr. Muhammad Iqbal | Chief Operating Officer | Pakistan Horticulture Development Export Board | 021-923 0173 miqbal@phdeb.org.pk |
| 8 | Mr. Sajid Bashir | General Manager Legal | Civil Aviation Authority | 021-924 8102 |
| 9 | Capt. M. Alim Shaikh | Director Shipping | Ministry of Port and Shipping | 021-9204190 |
| 10 | Mr. Samar Hasnain | Joint Director, EPD | State Bank of Pakistan | 021-921 8431 samar.husnain@sbp.org.pk |
| 11 | Col. Mubashir Hussain Tarar | D.D. Dry Port | National Logistic Cell | 021-285 1317 |
| 12 | Dr. M. Usman | D. Director | Export Promotion Bureau | 021-920 6812 021-920 6461 |
| 13 | Mr. Tariq Rangoonwala | Chairman | ICC-Pakistan | 021-2311453 iccpak@cyber.net.pk |
| 14 | Mr. Babar Badat | Chairman | Pakistan International Freight Forwarders Association | 021-231 4159 021-231 4841 transfrt@cyber.net.pk |
| 15 | Rear Admiral (R) S.H. Khalid | Vice Chairman | Pakistan Ship Agents Association | 021-589 8864 psaa@cyber.net.pk |
| 16 | Mr. Muhammad Sahid Saleem | Representative | Karachi Customs Agent Group | 021-453 7891 |
| 17 | Mr. Will Keenan | Chief Technical Advisor | UNCTAD | 051-227 3247 keenan@dsl.net.pk |
| 18 | Barrister Zahid Jamil | Legal Consultant | UNCTAD | 0300-8238230 zjamil@cyber.net.pk |
| 19 | Mr. Javaid Mansoor | Executive Secretary | NTTFC | 021-582 1814 nttfc@cyber.net.pk |

Circulation List of 7th NTTFC meeting minutes

| | |
|----|--|
| 1 | Mr. Tasneem Noorani, Secretary, Ministry of Commerce and Chairman, NTTFC |
| 2 | Syed Irtiqa Ahmed Zaidi, Economic Consultant, Ministry of Commerce |
| 3 | Malik Saeed M. Khan, Member – Infrastructure , Planning Commission |
| 4 | Vice Admiral (R) S.Tauqir Hussain Naqvi, Chairman, Pakistan National Shipping Corp. |
| 5 | Vice Admiral Ahmad Hayat, Chairman, Karachi Port Trust |
| 6 | Rear Admiral Saleem Ahmed Meenai, Chairman, Port Qasim Authority |
| 7 | Capt. Anwar Shah, Director General, Port & Shipping Wing, Ministry of Communications |
| 8 | Mr. Zafar Mahmood, Vice Chairman, Export Promotion Bureau |
| 9 | Mr. Farhat Saeed, Executive Director, State Bank of Pakistan |
| 10 | Mr. Azher Majid Khalid, Collector of Customs, Appraisal and Model Collectorate |
| 11 | Mr. Mumtaz Malik, Joint Secretary (External Finance), Ministry of Finance |
| 12 | Mr. Firdous Alam, Joint Secretary, Ministry of Communications |
| 13 | Mr. Tariq Badshah, Member (IT), Ministry of Information & Technology |
| 14 | Mr. Shehryar Khan, Joint Technological Advisor, Ministry of Science & Technology |
| 15 | Brigadier Ghulam Akber Khan Niazi, Commander, HQ Dry Port, National Logistic Cell |
| 16 | Mr. M. Nasim Zafar, Director Legal, Civil Aviation Authority |
| 17 | Mr. Sajid Bashir, General Manager Legal, Civil Aviation Authority |
| 18 | Capt. M. Alim Shaikh, Director Shipping, Ministry of Port and Shipping |
| 19 | Mr. Shahab Anwar Khawaja, CEO, SMEDA |
| 20 | Mr. Muhammad Iqbal, COO, Pakistan Horticulture Development & Export Board |
| 21 | Mr. Samar Hasnain, Joint Director-EPD, State Bank of Pakistan |
| 22 | Dr. M. Usman, D. Director, Export Promotion Bureau |
| 23 | Col. Mubashir Hussain Tarar, D.D. Dry Port, National Logistic Cell |
| 24 | Mr. Nazir Ahmed, Additional General Manager-Freight, Pakistan Railways |
| 25 | Mr. Azam Khan Manager Business Development, Pakistan International Airlines |
| 26 | Ch. Muhammad Saeed, President, Federation of Pakistan Chamber of Commerce & Ind. |
| 27 | Mr. A.Rasheed Janmohammad, Chairman, Pakistan Shippers Council, FPCCI |
| 28 | Chairman, Insurance Association of Pakistan |
| 29 | Mr. Babar Badat, Director, Pakistan International Freight Forwarders Council |
| 30 | Mr. Cyrus Cowasjee, Chairman, Pakistan Ship Agents Association |
| 31 | Mr. Sohail Shams, Chairman, All Pakistan Shipping Association |
| 32 | Rear Admiral (R) S.H. Khalid, Vice Chairman, Pakistan Ship Agents Association |
| 33 | Shaikh Farrukh Saleem, President, Karachi Customs Goods Agents Group |
| 34 | Mr. Muhammad Sahid Saleem, Representative, Karachi Customs Agent Group |
| 35 | Mr. Muhammad IshaqJan, Chairman, Karachi Goods Carrier Association |
| 36 | Mr. Tariq M. Rangoonwala, Chairman, International Chamber of Commerce Pakistan |
| 37 | Mr. Amer Z. Durrani, Task Manager, TTFP, World Bank |
| 38 | Mr. Shahid Anwar, Deputy Secretary, Ministry of Defence, Islamabad. |
| 39 | Mr. Will Keenan, Chief Technical Advisor, UNCTAD |
| 40 | Barrister Zahid Jamil, Legal Consultant, UNCTAD |