

**Trade Policy Review Body
23 and 25 January 2002**

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TRADE POLICY REVIEW

PAKISTAN

Minutes of Meeting

Addendum

Chairperson: H.E. Mr. Pekka Huhtaniemi (Finland)

This document contains replies provided by the delegation of Pakistan to outstanding questions.¹

**Organe d'examen des politiques commerciales
23 et 25 janvier 2002**

EXAMEN DES POLITIQUES COMMERCIALES

PAKISTAN

Compte rendu de la réunion

Addendum

Président: S.E. M. Pekka Huhtaniemi (Finlande)

Le présent document contient les réponses fournies par la délégation pakistanaise aux questions en suspens.

**Órgano de Examen de las Políticas Comerciales
23 y 25 de enero de 2002**

EXAMEN DE LAS POLÍTICAS COMERCIALES

PAKISTÁN

Acta de la reunión

Addendum

Presidente: Excmo. Sr. Pekka Huhtaniemi (Finlandia)

El presente documento contiene respuestas facilitadas por la delegación del Pakistán a las preguntas pendientes.

¹ In English only./En anglais seulement./En inglés solamente.

**REPLIES PROVIDED BY THE DELEGATION OF PAKISTAN TO
OUTSTANDING QUESTIONS**

CANADA

III. Trade Policies and Practices by Measure; (2) Measures Affecting Imports; (viii) Government Procurement; paragraph 56:

Paragraph 56 states that the National Regulatory Authority ("Authority") was established to eradicate corruption in the procurement process. Please describe what progress if any the Authority has made in eradicating corruption in the procurement process.

The Public Procurement Regulatory Authority (PPRA) is in the process of being established as a statutory body to eradicate corruption and bring transparency in the government procurement process. The Ordinance has been drawn up and is under submission for promulgation by the President of Pakistan. It is therefore too early to describe the achievements of this Authority.

HONG KONG, CHINA

Financial Services

(WT/TPR/S/95, pp. 101-102, para. 71)

It is noted that Pakistan maintains MFN exemptions for financial services with a view to, among others, preserving reciprocity requirements, as well as for telecommunication services in favour of countries/operators signatories of bilateral agreements on accounting rates with the Pakistan Telecommunication Company Limited (PTCL). We would like to know whether Pakistan has any plans to withdraw the exemptions and to bind its commitments on an MFN basis. We would like to know whether Pakistan has any plans to withdraw the exemptions and to bind its commitments on an MFN basis, especially in view that PTCL's monopoly rights will only remain until end 2002 and that full competition will come into place after.

The matter regarding withdrawal of MFN exemptions and subsequent binding of commitments of MFN basis in the relevant GATS schedule on telecommunications is under consideration. However, a decision in this regard is likely to take place towards the end of PTCL exclusivity period (i.e. end 2002).

Telecommunications

(WT/TPR/S/95, pp. 106-107, para. 88)

It is noted that in accordance with the relevant legislation, the PTCL monopoly rights will remain in place until end 2002 and there will be full competition afterwards. We would like Pakistan to elaborate the ways foreign investors could participate in the progressive privatization of the PTCL, as well as how to obtain additional new licences.

Pakistan Telecommunication Company Limited (PTCL) has exclusive monopoly in basic telephone services including voice telephony until 31 December 2002. The Privatization Commission of Pakistan intends to divest up to 26% shareholding (possibly even greater shareholding) to a qualified strategic investor who would assume management control. Expression of Interest (EOI) has been invited from reputed parties with relevant experience. Privatization process of PTCL provides

an attractive opportunity for foreign investors to invest in fast growing telecom and IT sectors in Pakistan on a competitive basis.

Following the expiry of exclusive rights of PTCL, the Government proposes to encourage full competition and will grant licences to applicant who meet objective criteria specified in the provisions of the licensing rules issued pursuant to the Act. To obtain additional licences applications can be made to Pakistan Telecommunications Authority (PTA) in response to an invitation issued by the Authority as provided for in the PTA regulations 2000.

EUROPEAN UNION

III. TRADE POLICIES AND PRACTICES BY MEASURE

(3) MEASURES DIRECTLY AFFECTING EXPORTS

(v) Duty and tax concessions, (vi) Export-performance and value-added requirements, (vii) Export-processing zones

(para 95, 97, 101) The report states in these paragraphs that various measures, which appear to constitute specific subsidies, have not been notified to the Committee on Subsidies and Countervailing Measures. Could Pakistan please indicate when it will fulfil its obligations to make these notifications which are required under Article 25 of the WTO Agreement on Subsidies and Countervailing Measures.

Pakistan is in the process of preparing requisite notifications as per Article 25 of the WTO Agreement on Subsidies and Countervailing Measures and they are expected to be submitted to the WTO shortly.

THAILAND

III. TRADE POLICIES AND PRACTICES BY MEASURE

WT/TPR/S/95 (Para. 101, p. 65)

Under Pakistan's EPZ regime, certain tax exemptions available for industries are classified as prohibited export subsidies. And, as a developing country, Pakistan is required in the context of the Agreement on Subsidies and Countervailing Measures, to notify in 2001 if she so wishes to continue to utilize such subsidies under the regime. Otherwise, the granting of tax exemptions shall have to be abandoned within 2002. As we understood Pakistan had not notified in 2001, it would therefore be grateful if Pakistan could elaborate on the use of this measure, and whether she may deem to do away with such measure so as to bring her legislation into line with WTO provisions by the end of 2002.

The Government of Pakistan is currently examining the package of facilities being offered in its EPZ regime. After this examination is complete Pakistan will take all necessary measures to ensure compliance with relevant WTO provisions within the stipulated time periods.

UNITED STATES

TBT COMMENTS

Paragraph 122 references the process of how the PSQA develops and adopts standards. Can Pakistan please elaborate on this process? Are mandatory technical regulations, mandating specific standards or testing subject to a public notification and comment period?

In reference to paragraph 127, the United States welcomes Pakistan's notification of its TBT enquiry point and acceptance of the code of good practice on voluntary standards. These are two good steps in full implementation by Pakistan of TBT obligations.

As part of the TBT Committee's Second Triennial Review of the TBT Agreement, the TBT Committee is actively developing a demand driven technical assistance programme in 2002. The programme requires LDCs to identify specific needs for implementing TBT obligations. Based on the information provided in paragraph 127, areas that Pakistan may want to consider for technical assistance are consultation and notification procedures for technical regulations. We encourage Pakistan to identify specific needs that would allow GOP to bring its laws into compliance with its WTO TBT obligations, which are notified under Article 15.7, and send a proposal for technical assistance to the WTO TBT Committee.

Pakistan is a member of the International Standardization Organization (ISO) that provides the details of all the standards developed by it. In the light of these standards Pakistan Standards and Quality Control Authority (PSQCA), with the help of research entities in Pakistan, develops its own national standards. These standards are then examined by the Divisional Council of PSQCA, which are subsequently advertised in national/local newspapers for views/comments of stakeholders. The PSQCA reviews these standards in the light of these comments and adopts them thereafter.
