



## Trade Project



# USAID Trade Project

## Quarterly Report

*Project Year 4, Quarter 2*

**Prepared for:**

USAID/Pakistan

Office of Economic Growth & Agriculture

Contract No. EEM-I-03-07-00005

**January 31, 2013**

This publication was produced for review by the United States Agency for International Development. It was prepared by the advisors supporting USAID's Trade Project. The views expressed in this publication do not necessarily reflect the views of USAID or the United States Government.

## Author

### **Brian Graul**

Chief of Party | Trade Project

Senior Manager | Deloitte Consulting LLP

bgraul@deloitte.com

+92 (0) 334 566 6719

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## Introduction

*The goal of the Trade Project is to collaborate with the Government of Pakistan (GoP) and the private sector to resolve trade challenges and support trade reform through the provision of technical assistance. Specifically, the project aims to encourage improvements in customs and trade facilitation, eliminate anti-export bias in trade policy and enable increased bilateral and regional trade with Pakistan's neighbors through the facilitation of trade and transit agreements and border improvements.*

The project is organized into four components as follows:

**Component 1:** Dedicated to improving Pakistan's trade environment

**Component 2:** Focused on increasing trade at Pakistani borders

**Component 3:** Aimed at supporting Reconstruction Opportunity Zones

**Component 4:** Established to provide project management, operational and life support

To meet project objectives, a team of expatriate and national staff work alongside the GoP and private sector stakeholders as outlined below:

**Public Sector:** Ministry of Commerce (MoC), Trade Development Authority of Pakistan (TDAP), Federal Board of Revenue / Customs (FBR), and the National Tariff Commission (NTC).

**Private Sector:** The South Asian Association for Regional Cooperation (SAARC-CCI), other trade sector associations and trade promotion organizations.

## Some Notable Achievements in Year 4 Quarter 1

*The Trade Project worked directly with the GoP to improve the trade environment and cross-border trade. Some of the key achievements for the period from **October 1, 2012 to December 31, 2012** include the following:*

- Finalized a study on Pakistan-India trade relations entitled, "Determining the Impact of Trade Liberalization: A Sectoral Analysis," in collaboration with the Beaconhouse National University's Institute of Public Policy.
- Completed and shared the results of a human resource needs assessment at the National Tariff Commission to identify the training needs assessment of NTC staff and inform the development of a training plan.
- Completed the "Women in Trade Management Training & Mentorship Program" with 48 recent women graduates placed in 15 national and multi-national firms active in the trade sector. The program provided opportunities in Karachi, Lahore, and Faisalabad.
- Initiated the Legal Gap Analysis of Pakistan's customs regime vis-à-vis the provisions of the World Customs' Organization's Revised Kyoto Convention that aims to harmonize and simplify customs procedures.
- Updated the Wagah Border Assessment Study to reflect existing transit trade movements and procedures. The study was disseminated to the MoC, FBR and USAID.
- Established a technical working group with the MoC and TDAP to resolve existing issues on the maintenance and sustainability of the Trade Portal.
- Facilitated meetings in Islamabad between USAID Afghanistan, USAID Pakistan, the Trade and Accession Facilitation for Afghanistan project and Afghan transit trade stakeholders to discuss APTTA implementation issues.
- Completed the FY12 Q4 Quarterly Trade Bulletin, capturing Pakistan's economic and international trade trends and figures for distribution to USAID.

# Progress Towards Meeting Objectives

## Component 1: Improved Trade Environment



*The objective of Component 1 is to assist Government of Pakistan efforts that affect the movement of goods across Pakistan's borders. In doing so, activities implemented within the component seek to strengthen the overall trade environment by reducing the cost and time required to export and import goods.*

Component 1 counterparts and stakeholders include the Ministry of Commerce (MoC), the Trade Development Authority of Pakistan (TDAP), the National Tariff Commission (NTC), and the Federal Board of Revenue / Customs (FBR), among others.

### Component 1 Results in Quarter 1

#### Research on Trade Liberalization with India:

The Trade Project continues to support the MoC's policy reform efforts to strengthen trade relations with India through the development of fact-based research. A study was completed in collaboration with the Beaconhouse National University's Institute of Public Policy this quarter entitled "Determining the Impact of Pakistan-India Trade: A Sectoral Analysis." The Trade Project is also undertaking additional research requested by the MoC on the potential of intra-industry trade between Pakistan and India and conducting an analysis of Pakistan and India's investment policies. Concept notes were submitted and approved by the MoC with the reports expected for completion next quarter. In addition to the research, the Trade Project and the MoC's Foreign Trade Wing coordinated and collaborated through the working group established last quarter. A draft communications plan was developed and discussed in this forum for the Trade Project to support the MoC's outreach and awareness efforts to the public and private sector on the benefits of trade normalization with India. These activities will commence upon the direction of the MoC. The objective of this assistance is to support informed decision making by GoP policy makers and provide fact-based research to raise the public and private sector's awareness on Pakistan-India trade issues.

#### Strengthening the National Tariff Commission:

At the request of the MoC and NTC, the Trade Project shared the results of a Human Resource Training Needs Assessment (TNA) in November 2012. The report highlights the need for specific investigation-related trainings and the establishment of a knowledge management mechanism to better support the NTC's goal to effectively administer World Trade Organization (WTO)-compliant trade defense laws. In addition, the Trade Project initiated an Information and Communications Technology (ICT) Needs Assessment. The objective of this report is to identify the existing technology barriers and highlight opportunities where leveraging technology may improve the NTC's capabilities. The NTC is the organization within the MoC with the mandate to administer national trade defense laws. The ability of the NTC to administer these laws effectively will contribute to allaying concerns of stakeholder reluctant to trade liberalization efforts with India and other regional countries.

Revised Kyoto Convention (RKC): Trade Project advisors are working alongside a Pakistani law firm contracted to conduct a legal gap analysis of the World Customs Organization's (WCO) RKC. An inception report or high level assessment was completed prior to the end of the quarter and was under review by both the Trade Project and FBR. The FBR is actively engaged and committed to this activity as evidenced by the fact that the organization has appointed two customs officers to collaborate with the Trade Project and law firm. The RKC is an international agreement that provides a comprehensive set of standards for customs operations to facilitate legitimate international trade while ensuring effective customs controls. Conducting the gap analysis of Pakistan's customs regime with respect to the provisions stated in the WCO's RKC will guide the efforts of the FBR to align its governing principles with international best practices and also meet the provisions of the 2010 Afghanistan-Pakistan Transit Trade Agreement (APTTA).

"Women in Trade" (WIT) Portal: In addition to the continued development and testing of the WIT Portal software, Trade Project advisors

are in discussions with SAARC-CCI and TradeKey, the second largest business-to-business community in the world, for the management and sustainability of the WIT Portal beyond the project's current end date. TradeKey will host, manage and operate the WIT Portal and SAARC-CCI will provide the outreach and awareness platform to ensure engagement of women entrepreneurs and South Asian traders. The objective of the WIT Portal, an on-line trade facilitation tool, is to provide women entrepreneurs visibility, and ultimately access to, international trade opportunities. The Trade Project expects to finalize the terms of the partnership between TradeKey and SAARC-CCI in Project Year 4.

Trade Portal: A working group was established this quarter with the MoC and TDAP in support of finalizing the Trade Project's software development efforts vis-à-vis the Trade Portal. In addition the Trade Project continued to collect data to fill the information needs of Pakistan's Commercial Officers posted abroad. At the end of the quarter, profiles on 21 countries were collected to include the US, Afghanistan, Central Asian Republics and China, among others. The Commercial Officers' site is a platform within the Trade Portal for MoC officers posted abroad. The objective of the Trade Portal is to serve as a core trade facilitation tool to bridge the existing gaps between importers and exporters, provide global exposure to Pakistan's major trading items and help boost Pakistan's trade with the international community. Discussions regarding the institutional arrangements for the sustainability of the Trade Portal subsequent to the Trade Project's end date are ongoing with TDAP.

#### "Women in Trade" (WIT) Management Training & Mentorship Program:

The Trade Project completed the WIT Management Training and Mentorship Program this quarter with a total of 51 recent women graduates placed in 15 national and multi-national private sector partners across Karachi, Lahore and Faisalabad. At the end of the quarter, 19 of the 48 women who completed the program received employment offers. Due to the program's end in late December, the Trade Project expects this figure to continue rising as the Trade Project team mentors and supports women in their job search. Assistance by the Trade Project is provided in the form of resume building, mentorship and interview preparation support. The WIT Program provides opportunities for recent women graduates to explore a career in the international trade sector. Selected women graduates are placed across reputable national and multi-national firms, some of which include Walmart Sourcing, Target, JC Penny, Li & Fung, and Nishat Mills.

Quarterly Trade Bulletin: The Quarterly Trade Bulletin is a report that captures Pakistan's economic and international trade trends and figures for distribution to USAID and other US Government agencies within Pakistan. A report was completed in this quarter.

# Progress Towards Meeting Objectives

## Component 2: Increased Cross-Border Trade



**Component 2 addresses constraints at Pakistan's borders that affect trade and transit traffic with neighboring countries. Activities in this component seek to apply and extend Component 1 trade facilitation activities to reduce transaction costs associated with trade along Pakistan's borders and increase information exchange.**

Key stakeholders within Component 2 include the Federal Board of Revenue / Customs (FBR), the Ministry of Commerce (MoC), and private sector stakeholders.

### Component 2 Results in Quarter 2

**Electronic Data Interchange:** The Trade Project completed the vendor selection for the installation of ICT equipment, power supply and internet connectivity requested by the FBR for eight customs stations along the Afghan transit trade corridor. At the conclusion of installation activities, by February 28, 2013, the FBR will initiate the EDI pilot with Afghanistan to exchange customs information via email. APTTA requires the introduction of various mechanisms to control unauthorized trade, one of which is the introduction of EDI. To meet these provisions, Afghanistan and Pakistan have agreed to implement an EDI system to enable electronic exchange of data eventually eliminating processing delays in goods clearances, curtailing unauthorized trade practices and lowering the costs of transit trade for both countries.

**Compliance (Risk) Management:** In coordination with the FBR, the Trade Project continued its efforts toward developing an implementation roadmap via the technical working group that was established. The concept note developed by Trade Project advisors entitled "Compliance Management: Overview and Roadmap" was also discussed with the FBR this quarter. The objective of Trade Project's assistance is to support the FBR in maturing its cus-

tom administration to effectively manage the challenges associated with facilitating the movement of legitimate trade while applying controls to detect Customs fraud and other offenses. By employing risk assessments and analysis techniques, the FBR can identify the appropriate balance between inspecting and clearing goods.

**Single Window (SW):** In collaboration with the FBR, the Trade Project began the development of an implementation roadmap for a SW environment within the GoP. This was informed by a concept note developed by Trade Project advisors entitled "Customs Single Window: Overview and Best Practices." The implementation of an effective SW simplifies customs clearance and process formalities for traders, negating the need for manual dealings with multiple government authorities when obtaining relevant clearances and permits for the movement of cargo across national. The Trade Project continues to gather information from the FBR to capture the current state and identify the core group of government departments with which collaboration will be required. The inclusion of additional national and international stakeholders within both the public and private sectors will depend on the GoP / FBR's objectives for SW, which will be ascertained in subsequent months.

**Pakistan-India Border Assessment Study:** at the request of the MoC and FBR, the Trade Project updated the Wagah Border Assessment Study, initially developed in May 2012, due to significant changes around transit trade movements and procedures that occurred in this period. Discussions were held with public and private sector stakeholders including Pakistan Railways, Pakistan customs officials and the Lahore Customs Agents Association to obtain their views on transport issues along the Wagah road and rail route. The study has three components, existing

infrastructure, customs processes and practices in place and a concluding set of recommendations addressing existing impediments for the improvement of physical infrastructure, human capacity development and procedural reforms in the short, medium and long run. The objective of the study is to support informed decision making within the GoP to effectively meet and manage the expected surge in the trade volumes upon the implementation and/or passing of trade liberalization policies with India.

**Coordination with USAID Afghanistan:** On December 6 and 7, 2012, the Trade Project facilitated meetings between representatives from the USAID Missions of Afghanistan and Pakistan, the USAID Trade and Accession Facilitation for Afghanistan project and Pakistani public and private sector stakeholders with interest in the implementation of APTTA. In addition to providing all participants a thorough understanding of existing Afghan transit trade related issues, the Trade and TAFE projects agreed to establish communication to more effectively coordinate on issues associated with Afghan transit trade. Additional discussions were held regarding the readiness of Afghanistan and Pakistan to participate in trade along the Central Asia Regional Economic Cooperation (CAREC) Corridor 5.

**Infrastructure Improvements at Torkham:** In April 2012, after almost a year of negotiations, the FBR, a private landowner and the Trade Project came to an agreement regarding land-use and fee-sharing arrangements for the installation of import and export weighbridges at Torkham. The installation of the weighbridges is on hold until the FBR and the landowner can obtain clearance from the Pakistan military to proceed with the installation. The Trade Project will continue to monitor the situation and install the weighbridges once the necessary clearances have been obtained. Infrastructure projects of this nature meet the provisions of APTTA by improving customs' ability to efficiently manage and track Afghan transit trade and reduce the time and costs associated with Afghan transit trade consignments.

# Obstacles & Challenges

## Federal Level

Obstacles / Challenges	Resolution / Next Steps Required to Remedy
<u>Assistance in Trade Liberalization with India:</u> Since Pakistan-India Trade liberalization is contingent upon political harmony and peace between the two countries, the GoP may limit the involvement of USAID in order to publicly convey that the process of trade liberalization with India is an independent initiative and is not backed by any outside third party.	The Trade Project will work with USAID to obtain branding and marking waivers to effectively support the MoC in meeting its objectives. Dissemination of materials will be devised with the complete consent and approval of the MoC and USAID.
<u>Assistance in Trade Liberalization with India:</u> There is a continued lack of understanding among the private sector interest groups, such as those in the agriculture, automobile and pharmaceutical sector, about the post-MFN impact on Pakistan's economy and trade revenues .	The Trade Project has developed and shared a communications plan with the MoC to support their efforts in raising awareness among both the public and private sector. Upon the direction, and in direct coordination with the MoC, the Trade Project will engage in awareness and outreach activities.
<u>Support to PNC-ICC on the TIR Convention and ATA Carnet:</u> PNC-ICC has expressed its concern about the public visibility of the US government in supporting efforts for Pakistan to accede to the TIR Convention as it may create apprehensions in some of the Government quarters and cause delays to the accession process. As a result, PNC-ICC has requested the Trade Project to put its assistance initiatives, such as organizing awareness seminars and capacity building workshops on the TIR Convention, on hold until Pakistan has acceded to the TIR Convention	The Trade Project is in regular communications with PNC-ICC about potential areas of assistance. Upon Pakistan's accession to the TIR Convention, the Trade Project will be ready to support outreach and awareness efforts, keeping in mind the political sensitivities around the public visibility of US Government involvement.
<u>Implementation Assistance for Electronic Data Interchange (EDI):</u> Reluctance of Afghanistan Customs to share critical trade related data with Pakistan Customs through the Electronic Data Interchange (EDI) mechanism could obstruct the bilateral exchange flows of information and cause possible failure/collapse of the system.	The Trade Project will continue to support the FBR and MoC through bilateral negotiations with Afghanistan's customs administration. Any developments that may impact the Trade Project's existing or planned activities will be communicated to USAID.
<u>Implementation Assistance for Electronic Data Interchange (EDI):</u> The technical teams of Pakistan and Afghanistan Customs need to meet on a more frequent basis to resolve implementation issues. Working Groups such as APTTCA and APCP currently meet every 6-8 months and do not promote the timely resolution of issues faced at the operational level	The Trade Project and the Trade And Accession Facilitation for Afghanistan (TAFA) are exploring mechanisms for the technical teams of Pakistan and Afghanistan Customs to interact on a more frequent basis.

## Provincial Level

Obstacles / Challenges	Resolution / Next Steps Required to Remedy
<u>Infrastructure Improvement at Torkham:</u> The installation of the weighbridges is on hold until the FBR and the landowner can obtain clearance from the Pakistan military to proceed with the installation.	The Trade Project will continue to monitor the situation and install the weighbridges once the necessary clearances have been obtained.

# Training

## Component 1: Improved Trade Environment

Title	Date	Participants			Outcome/Result	Location
		Male	Female	Total		
<i>WIT Management Training &amp; Mentorship Program</i>	7/17/12 to 12/10/12	-	15	15	Bi-weekly contact with mentors maintained and continuous guidance provided to the trainees regarding their day to day work	Lahore
<i>WIT Management Training &amp; Mentorship Program</i>	7/17/12 to 11/15/12	-	16	16	Bi-weekly contact with mentors maintained and continuous guidance provided to the trainees regarding their day to day work	Faisalabad
<i>WIT Management Training &amp; Mentorship Program</i>	7/17/12 to 12/10/12	-	18	18	Bi-weekly contact with mentors maintained and continuous guidance provided to the trainees regarding their day to day work	Karachi
<b>Total</b>				<b>49</b>		

## Component 2: Increased Trade at Pakistani Borders

No training was delivered in support of Component 2 during Project Year 4, Quarter 2.

# Quarterly Security & Risk Review

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## Security Risks & Mitigation Actions

Pakistan continues to carry a risk for business travelers and expatriates. Fighting between tribal militias, insurgents and the security forces has destabilized large parts of the country, particularly border areas with Afghanistan. Crime rates are particularly high in Karachi, Hyderabad and the rural areas of Sindh. There are also high levels of banditry in rural Sindh. The commercial centers of other main cities are generally safe from all but petty crime, such as pickpocketing, until late at night. Sectarian tensions between Shia and Sunni Muslim communities can result in sporadic bomb attacks and rioting, particularly in Quetta (Baluchistan province), Lahore (Punjab province) and Karachi (Sindh province). Anti-government protests are common, of which sometimes descend into violence or are extremely disruptive; these are usually contained swiftly by the security forces.

Anti-US sentiment is pervasive, with related protests increasing notably due to several high-profile incidents in 2011, including the killing of al Qaida figurehead Osama bin Laden, and in 2012 following the production in the US of a controversial film that was perceived as insulting to Islam.

The project adopts proactive security measures, utilizing well developed networks and constantly monitoring open source media. Within Islamabad, the project's security team manages all expatriate transport and travel and whilst in the provinces the Regional Security Team provides enhanced security protocol, enabling business to continue in some challenging locations.

Personnel receive a daily electronic briefing that details areas of potential concern. It includes standing security protocols and contact details for the security team and also information of a more general health and safety nature. It serves as a central point of information for security and is one of the methods employed for early warning of expatriate staff on the project.

# Key Meetings

## Component 1: Improved Trade Environment

Activity	Meeting with	Date	Overview	Outcome/Result	Location
Ministry of Commerce	Secretary Ministry of Commerce	10/9/2012	Briefed the Secretary of Commerce on the progress of the Trade Project's activities as they relate to the MoC	The MoC was interested in seeking support from the Trade Project to assess the existing transit trade and transport agreements of Pakistan with CAREC Corridor 5 countries to identify measures for their effective implementation as well as to identify and address the policy and procedural barriers. Support was also sought on implementing the RKC in Pakistan and developing Customs infrastructure at ports and border crossing points	Islamabad
Regional Trade	Secretary of Commerce and representatives of Pakistan's team for the Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA)	10/11/2012	Provided technical assistance to Pakistan's negotiating team for the APTTCA meeting with Afghanistan. Participants discussed various options to resolve the issues relating to the implementation of APTTA. A concept note on APTTA's requirements was also shared with the MoC	During the meeting, Pakistan's negotiating strategy with Afghanistan was finalized. The participants appreciated the technical advice and support by the Trade Project	Islamabad
Regional Trade	Joint Secretary, Foreign Trade Wing Ministry of Commerce	10/16/2012	Discussed the modalities of preparing the Schedule of Commitments under the SAARC Agreement on Trade in Services (SATIS) to be submitted to the SAARC Secretariat. The exercise was a result of Pakistan's ratification of SATIS	The Trade Project provided technical support and capacity building to MoC officials in preparing the Schedule of Commitments under SATIS. The support from the Trade Project was appreciated by the MoC	Islamabad
Regional Trade	Joint Secretary (EU) Ministry of Commerce	10/16/2012	Provided technical support to the MoC to develop Pakistan's negotiating strategy for the Preferential Trade Agreement (PTA) with Turkey	Various options were discussed to finalize the PTA with Turkey. The Trade Project advised the MoC in Pakistan's final offer list for the PTA with Turkey	Islamabad
WIT and Trade Portal	BearingPoint Pakistan	11/5/2012 11/6/2012	Conducted a quality assurance and technical review of the Trade and WIT Portals	Technical reviews were successfully conducted for the Trade and WIT Portals	Karachi
WIT Portal	TradeKey Pvt. Ltd.	11/7/2012	Discussed the potential arrangements for the sustainability of the WIT Portal and an outreach / communications plan	Options on how to proceed with the developmental/outreach arrangements for the WIT Portal were considered	Karachi
TIR Convention and ATA Carnet	Chairman PNC-ICC	11/8/2012	PNC-ICC informed the Trade Project of a conference in January 2013 on "Addressing Maritime Piracy, Sanctions and Trade Fraud," to be organized by PNC-ICC in collaboration with the International Maritime Bureau, Pakistan Maritime Security Agency and Commercial Crime Services. PNC-ICC expressed its interest in holding a workshop on the TIR Convention on the sidelines of the conference	The Trade Project agreed to support PNC-ICC in holding a workshop on the TIR Convention. The Trade Project stated it will work in collaboration with PNC-ICC to develop the agenda and identify the resource persons for the seminar and PNC-ICC will manage the communication and dissemination of information to the public and private sectors	Karachi
General	President Karachi Chambers of Commerce & Industry (KCCI)	11/8/2012	Met with KCCI, upon the request of USAID, to introduce the Trade Project and its initiatives to enhance the trade capacity of Pakistan	KCCI appreciated the Trade Project's role in improving Pakistan's trade capacity. The KCCI recommended areas of additional support to enhance transit trade, of which the Trade Project assured would be communicated to the USAID/Pakistan Mission	Karachi

## Key Meetings

### Continued Component 1 Meetings

Activity	Meeting with	Date	Overview	Outcome/Result	Location
Ministry of Commerce	Joint Secretary (Foreign Trade) Joint Secretary (Foreign Trade) Deputy Secretary (India) Section Officer (India) Ministry of Commerce	11/16/2012	Shared and discussed the communications strategy developed by the Trade Project for the outreach of Pakistan-India trade normalization studies commissioned in collaboration with the Institute of Public Policy (IPP)	The MoC was updated on a delegation of the Pakistan Business Council (PBC) scheduled to visit India, which had requested a presentation on the trade liberalization studies prior to the visit. The MoC asked the Trade Project to provide a written request for participation in the presentation to PBC. The MoC also stated it would review the Communications Plan and provide feedback	Islamabad
Regional Trade	Joint Secretary (Foreign Trade), Section Officer (Euro 1) Section Officer (Turkey) Ministry of Commerce	11/19/2012 11/21/2012	Assisted the MoC in preparing Pakistan's position on the TIR Convention and the Pakistan-Turkey PTA, which was discussed with the Turkish delegation on the sidelines of the D-8 Summit. The D-8, hosted by Pakistan in November 2012, is a Regional Economic Corporation initiative of 8 developing countries	The MoC appreciated the valuable inputs provided by the Trade Project in preparing Pakistan's position for the bilateral meeting with Turkey on the TIR Convention and the Pakistan-Turkey PTA. Pakistan assured Turkey that efforts will be made for Pakistan's early accession to the TIR Convention. Both sides agreed to move forward for an early implementation of the PTA	Islamabad
Strengthening the NTC	Ministry of Commerce National Tariff Commission (NTC)	11/24/2012 11/25/2012	Shared NTC's HR Needs Assessment, compiled by the Trade Project. The report was discussed in detail and feedback was received from the NTC	Initial feedback was received from the NTC and MoC. The formal Inputs on the HR Need Assessments report were communicated by the NTC to the Trade Project on November 28, 2012. The comments/inputs from the NTC were incorporated in the report, which will serve as the base document to support NTC's future capacity building initiatives	Islamabad
Revised Kyoto Convention	FBR Lodhi Law	11/27/2012	Held a tripartite meeting in support of the Trade Project's RKC "Gap Analysis and Reform Roadmap" initiative. The work-products were discussed and Lodhi Law Associates was introduced to the FBR officials	FBR agreed to actively participate in the Gap Analysis that the Trade Project contracted with Lodhi Law by designating two customs officials to review and provide feedback on the work products	Islamabad
Trade Portal	Chief Executive of TDAP	12/7/2012	Introduced the Trade Project to the newly appointed Chief Executive (CE), discussed issues regarding the Portal development and future activities related to the Trade Portal	At the CE's request, the Trade Project will present a demonstration of the Trade Portal's functionality in early January 2013. The CE of TDAP expressed interest in obtaining additional support from the Trade Project regarding ways in which the Government of Pakistan could take advantage of the US Generalized System of Preferences (GSP) program	Karachi

## Key Meetings

### Continued Component 1 Meetings

Activity	Meeting with	Date	Overview	Outcome/Result	Location
Pakistan-India Trade	Secretary, Ministry of Commerce	12/14/2012	Provided an updated Wagah Border Infrastructure Assessment to inform the Secretary prior to the MoC's visit to Wagah. The purpose of the visit on December 13, 2012 was to assess the infrastructure needs and impediments that hinder trade	The Secretary appreciated the valuable inputs of the report. The MoC also informed the Trade Project that meeting the deadline to grant MFN status to India by December 31, 2012 may not be attainable due to pressures from interest groups. The MoC and Trade Project agreed to hold a presentation on the findings from the Pakistan-India studies conducted in collaboration with the IPP	Islamabad
TIR Convention and ATA Carnet	PNC-ICC	12/17/2012	Discussed the Trade Project's support of PNC-ICC's workshop in January 2013 on the "Impediments to Regional Trade." This workshop is planned to occur alongside the seminar on "Addressing Maritime Piracy, Sanctions and Trade Fraud." The Trade Project agreed to provide funding for the seminar on regional trade as per the provisions of the MoU signed by the both parties	PNC-ICC informed the Trade Project that it is optimistic that Pakistan will accede to the TIR Convention. As a result of the intra- and inter- governmental discussions occurring on this subject, PNC-ICC requested that this activity is put on hold until the accession process was completed. The Trade Project Chief of Party communicated that once accession is completed, discussions around outreach and awareness efforts can resume. Both sides agreed to maintain open communication in the mean time.	Karachi

### Component 2: Increased Trade at Pakistani Borders

Activity	Meeting with	Date	Overview	Outcome/Result	Location
General	Political / Economic Officer US Embassy	10/10/2012	Appraised the economic officer on issues relating to the implementation of APTTA and the forthcoming APTTCA meeting	The expected agenda of the APTTCA meeting was discussed along with the continued issues around the release of insurance guarantees by Pakistan Customs. An overview of the situation and was provided to meeting participants	Islamabad
General	USAID Islamabad USAID Lahore	10/11/2012 10/12/2012	Provided an overview of the Trade Project to the newly appointed officers at USAID Islamabad and Lahore	A presentation was made to the US mission officers with a subsequent discussion on activities	Islamabad
Pak-Afghan Trade	FBR/Pakistan Customs	10/15/2012	Monthly meeting between Trade Project Chief of Party and Member Customs	An update was provided to Member Customs on Trade Project activities that support the FBR	Islamabad
Border Assessment Studies	Pakistan Railways Lahore	10/22/2012 10/23/2012	Conducted interviews in order to obtain information required to update the Trade Project's Wagah Border Assessment Study	Information was collected from the Pakistan Railways officials on the current infrastructure constraints, processes and procedures and the human capital and information technology gaps that exist	Lahore
Electronic Data Interchange	PRAL FBR	11/2/2012	Discussed the Trade Project's assistance to provide ICT, power supply and internet connectivity to eight customs stations in support of the FBR's EDI implementation	The draft Letter of Agreement (LoA) was shared with FBR to obtain their review and comments. The bill of materials was also reviewed with PRAL and the FBR who stated they would provide formal concurrence in the following days	Islamabad

## Key Meetings

### Continued Component 2 Key Meetings

Activity	Meeting With	Date	Overview	Outcome/Result	Location
Pak-Afghan Trade	US State Department	11/8/2012	Discussed the logistics of trade in Pakistan with a focus on the performance of sea ports, road and rail transportation, and the border crossings of Torkham and Chaman	The Trade Project provided a briefing on the physical infrastructure and impediments that affect trade. The Trade Project recommended that modernizing the trucking industry and Pakistan Railways along with implementing risk management practices and a single business window environment would support trade facilitation efforts	Islamabad
Single Window Customs Risk Management	FBR and Trade Project Working Groups on Single Window and Customs Risk Management	11/14/2012	Detailed the progress made since the first working group meeting held on September 27, 2012 and identified next steps	Documents prepared by the FBR on its implementation assistance with regards to Single Window was provided to the Trade Project in addition to the Prime Minister's memo identifying the FBR as the lead agency for this effort. The FBR also stated it would provide terms of reference for Compliance (Risk) Management. Participants agreed to continue collaborating on these two efforts	Islamabad
General	FBR/Pakistan Customs PRAL	11/20/2012	Monthly meeting between the FBR and Trade Project to review the ongoing and new program activities	The Trade Project provided the Member Customs with an update to its assistance to the FBR. In addition, the FBR agreed to formalize the mandates of the Working Group in support of building implementation roadmaps for Single Window and Customs Risk Management. The Working Group will meet regularly to maintain the momentum of technical collaboration	Islamabad
Border Assessment Studies	Collector of Customs Lahore, Additional Collector Wagah, Deputy Collector, Wagah	11/26/2012	Met with Pakistan Customs/FBR officials overseeing freight movement by road between India and Pakistan through Wagah to gather information on the current situation and readiness of the Wagah border station to cope with the expected surge in volumes of transit trade traffic	The Trade Project obtained information related to the problems currently faced in freight movement through Wagah and gathered recommendations. The information collected will assist the Trade Project in finalizing its Wagah Border Assessment Study	Lahore
Border Assessment Studies	General Manager (Development), Pakistan Railways	11/26/2012	Researched the rail freight service between Pakistan and India via the Wagah border crossing	The current position regarding freight operations by rail between India and Pakistan and Pakistan Railway's future plans for covering the expected surge in traffic from 2013 onward were discussed. Major issues being faced by the authorities include shortage of rail locomotives, insufficient funds and non-tariff barriers imposed by India on exports from Pakistan	Lahore

## Key Meetings

### Continued Component 2 Key Meetings

Activity	Meeting With	Date	Overview	Outcome/Result	Location
Border Assessment Studies	Assistant Collector FBR T10 Railway	11/27/2012	Met with the Customs officer in charge of the T10 platform series at the Lahore railway station to gather information on trade via rail between India and Pakistan	The Trade team obtained information regarding problems currently being faced in freight movement by rail between India and Pakistan and compiled suggestions on how to rectify them. Outdated, inadequate infrastructure and non-tariff barriers imposed by India were identified as the major hurdles impeding rail trade between the two countries	Lahore
Border Assessment Studies	Lahore Chamber of Commerce and Industry (LCCI) Lahore Custom Agent Association (LCAA) Private sector stakeholders	11/27/2012	Gathered the views of the private sector on transit trade with India via road and rail	Problems and concerns of the local business community on issues relating to trade between India and Pakistan by road and rail were discussed. The President of LCCI appreciated the efforts of the Trade Project to improve the country's trade environment, including technical assistance being provided to FBR on Compliance Risk Management and Single Window Systems	Lahore
Border Assessment Studies	Lahore Customs Agent Association (LCAA) and Proprietor, Urfi Agencies	11/27/2012	Obtained updates from customs agents and traders involved in the movements of import and export goods between India and Pakistan by road and rail via the Wagah border station	The Trade Project team gathered information on the regulatory processes and challenges experienced by stakeholders. Information gathered will support the Trade Project in finalizing its Wagah Border Assessment Study	Lahore
General	USAID Afghanistan, USAID Pakistan, Trade and Accession Facilitation for Afghanistan (TAFA)	12/6/2012- 12/7/2012	Facilitated meetings between representatives from the USAID Missions of Afghanistan and Pakistan, Trade and Accession Facilitation for Afghanistan (TAFA) and Pakistani public/private sector stakeholders to discuss the implementation of the Afghanistan Pakistan Trade and Transit Agreement (APTTA) and identify areas of potential collaboration	USAID Pakistan and Afghanistan projects agreed to communicate regularly to notify the status and issues associated with the implementation of APTTA. The readiness of Afghanistan and Pakistan to participate in trade along the CAREC Corridor 5 and mechanisms for coordinating USAID support to Afghanistan and Pakistan on the operationalization of CAREC Corridor 5 were discussed. Public and private sector stakeholders were also provided an opportunity to share their views and ideas on how to support the implementation of APTTA and other trade facilitation policies.	Islamabad

# Project Documents

## Component 1: Improved Trade Environment

Title	Date	Portal Link
Pakistan-India Trade Relations Report: Deliverable 3 of the IPP studies entitled, "Pakistan-India Trade Relations: A Sectoral Analysis."	Dec 2012	<a href="#">Click to access Deliverable 3 of the IPP studies entitled, "Pakistan-India Trade Relations: A Sectoral Analysis."</a>
Pakistan-India Trade Relations Report: Deliverable 4 of the IPP studies entitled, "Managing Trade With India Through Tariff Rationalization."	Dec 2012	<a href="#">Click to access Deliverable 4 of the IPP studies entitled, "Managing Trade With India Through Tariff Rationalization"</a>
Presentation on Pakistan-India Trade Liberalization: Potential Impact, Level Playing Field and Policy Options	Dec 2012	<a href="#">Click to access Presentation on Pakistan-India Trade Liberalization: Potential Impact, Level Playing Field and Policy Options</a>
Briefing Note on Level Playing Field and Potential Impact With Respect to Pakistan-India Trade Liberalization	Dec 2012	<a href="#">Click to access Briefing Note on Level Playing Field and Potential Impact With Respect to Pakistan-India Trade Liberalization</a>
Report on Pakistan India Trade Relations: Level Playing Field and Potential Impact	Dec 2012	<a href="#">Click to access Report on Pakistan India Trade Relations: Level Playing Field and Potential Impact</a>
Concept Note on Pakistan India Trade Relations: Bi-lateral Trade in the Services Sector	Oct 2012	<a href="#">Click to access Concept Note on Pakistan India Trade Relations: Bi-lateral Trade in the Services Sector</a>
Concept Note on the Investment Policy of India and its Implications for Pakistan	Oct 2012	<a href="#">Click to access Concept Note on the Investment Policy of India and its Implications for Pakistan</a>
Concept Note on Intra-Industry and Intra-Firm Trade and the Internalization of Production: A Case of Pakistan and India in Certain Sectors	Oct 2012	<a href="#">Click to access Concept Note on Intra-Industry and Intra-Firm Trade and the Internalization of Production</a>
Report on Human Resource Capacity Development: Needs Assessment for the National Tariff Commission	Nov 2012	<a href="#">Click to access Report on Human Resource Capacity Development Needs Assessment for the National Tariff Commission</a>
Presentation on Research and Outreach Support For the Normalization of Trade Relations Between Pakistan and India	Oct 2012	<a href="#">Click to access Presentation on Research and Outreach Support For the Normalization of Trade Relations Between Pakistan and India</a>
Presentation on the Revised Kyoto Convention: Overview of the Technical Structure	Oct 2012	<a href="#">Click to access Presentation on the Revised Kyoto Convention</a>
Report on Stakeholder Awareness Strategy to Support the Normalization of Pakistan-India Trade Relations	Oct 2012	<a href="#">Click to access Stakeholder Awareness Strategy to Support the Normalization of Pakistan-India Trade Relations</a>
Report on ICT Capabilities Assessment at the National Tariff Commission	Oct 2012	<a href="#">Click to access Report on ICT Capabilities Assessment at the National Tariff Commission</a>
Workplan for ICT Capabilities Assessment at the National Tariff Commission	Nov 2012	<a href="#">Click to access Workplan for ICT Capabilities Assessment at the National Tariff Commission</a>
WorkPlan for the Legal Gap Analysis of the Revised Kyoto Convention	Nov 2012	<a href="#">Click to access WorkPlan for the Legal Gap Analysis of the Revised Kyoto Convention</a>
Concept note on the closing ceremony of the "Women In Trade" (WIT) Program	Dec 2012	<a href="#">Click to access Concept note on the WIT Program closing ceremony</a>
Report on the WIT Program: Summary of Post Round 1 Survey	Dec 2012	<a href="#">Click to access Report on the WIT Program: Summary of Post Round 1 Survey</a>
Quarterly Trade Bulletin (FY12 Q4)	Dec 2012	<a href="#">Click to access Quarterly Trade Bulletin (FY12 Q4)</a>

# Project Documents

## Component 2: Increased Trade at Pakistani Borders

Title	Date	Portal Link
Report on Pakistan-India Trade: Assessment of Pakistan's Customs Border Post at Wagah-Attari	Dec 2012	<a href="#">Click to access Assessment Report on Pakistan's Customs Border Post at Wagah-Attari</a>
Statement of Work: Information Communications Technology (ICT) support for the implementation of Electronic Data Interchange (EDI) between Pakistan and Afghanistan	Oct 2012	<a href="#">Click to access Statement of Work: Information Communications Technology (ICT) support for the implementation of Electronic Data Interchange (EDI) between Pakistan and Afghanistan</a>

## Component 0: PMO and Cross Cutting

Title	Date	Portal Link
Quarterly Performance Report	Oct 2012	<a href="#">Click to access Trade Project's Quarterly Performance Re-</a>
6 Bi-Weekly Reports	Dec 2012	<a href="#">Click to access Trade Project's Bi-Weekly Reports</a>
Project Year 4 Workplan	Dec 2012	<a href="#">Click to access the Trade Project's Year4 Workplan</a>

# Acronyms

Acronym	Description
APCP	Afghan-Pakistan Cooperation Process
APTTA	2010 Afghan-Pakistan Transit Trade Agreement
APTTCA	Afghan-Pakistan Transit Trade and Coordination Authority
ATA Carnet	Admission Temporaire/Temporary Admission Carnet
BoI	Board of Investment
CAREC	Central Asia Regional Economic Cooperation
EDI	Electronic Data Interchange
FBR	Federal Board of Revenue / Customs
FCPA	Foreign Corrupt Practices Act
GoP	Government of Pakistan
ICT	Information and Communications Technology
ICTSD	International Centre for Trade and Sustainable Development
IPP	Institute of Public Policy
IRU	International Road Transport Union
ICT	Information and Communications Technology
LoA	Letter of Agreement
LoC	Letter of Cooperation
PNC-ICC	Pakistan National Committee of the International Chamber of Commerce
MFN	Most Favored Nation
MoC	Ministry of Commerce
NLC	National Logistic Cell
NOC	No Objection Certificate
NTC	National Tariff Commission
PRAL	Pakistan Revenue Automation Limited
RKC	Revised Kyoto Convention
RMS	Risk Management System
ROZs	Reconstruction Opportunity Zones
SAARC	South Asian Association for Regional Cooperation
SBW	Single Business Window
TDAP	Trade Development Authority of Pakistan
TIR Convention	Transit International Routier Convention
UAT	User Acceptance Testing
USAID	US Agency for International Development
USD	US Dollar
WCO	World Customs Organization
WIT	“Women in Trade”
WTO	World Trade Organization

**USAID Trade Project**  
Islamabad, Pakistan

[www.pakistantrade.org](http://www.pakistantrade.org)

## *Dedicated to Improving Trade*

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*The Trade Project is a program led by the **U.S. Agency for International Development** to help Pakistan create favorable frameworks that promote trade. The Trade Project is comprised of a diverse team of economists, trade lawyers, development experts and sector specialists who work alongside Government of Pakistan officials, providing technical assistance on a daily basis.*