(19th Session)

NATIONAL ASSEMBLY SECRETARIAT

"QUESTIONS FOR ORAL ANSWERS AND THEIR REPLIES"

to be asked at a sitting of the National Assembly to be held on

Friday, the 14th February, 2020

45. ***Mst. Shaheen Naz Saifullah:**
(Deferred on 06-02-2020)

Will the Minister In-charge of the Prime Minister's Office be pleased to state:

(a) the year-wise details of vehicles purchased for PM House during last five years alongwith the prices thereof; and

(b) the amount paid to print and electronic media for the advertisement relating to auction of the said vehicles alongwith the total amount collected after auction?

Minister In-charge of the Prime Minister's Office: (a) Year-wise detail of vehicles purchased for Prime Minister's House during last five years is at Annex-I.

(b) Advertisement bill for auction of vehicles is yet awaited from the concerned advertisement agency.

Total amount received through auction of vehicles is 217.55 million.

(Annexure has been placed in the National Assembly Library)

46. ***Jam Abdul Karim Bijar:**
(Deferred on 06-02-2020)

Will the Minister for Finance and Revenue be pleased to state:

(a) *the details of eatables, which include in the essential food items and average price of each in year ending on June 30, 2018 and June 30, 2019 alongwith price of each item at present respectively; and*

(b) *whether it is a fact that if the Government did not impose any tax/duty or cess in financial year, 2019-20 on essential food items, why did prices of such items were considerably increased in recent time?*

Minister for Finance and Revenue: (a) Details of prices of eatable items in annexed.

(b) **<u>CUSTOMS</u>**

Yes; it is true that no new import duties (Customs Duty (CD), Additional Customs Duty (ACD) or Regulatory Duty (RD) was imposed through the Finance Act 2019 on essential food items. In case of certain items like biscuits, wafers, fruit juices, coffee, cheese, etc., rate of ACD was increased due to across-the-board revision of ACD regime but such items are not essential part of the consumption basket of the poor. The rates of ACD was increased from 2% to 4% on goods having statutory CD rate of 16% and 2% to 7% on goods attracting CD rate of 20% or above. These goods are either luxury items or they are produced locally and increase in ACD rates was meant to curtail their consumption and protect local producers.

The increase in ACD from 2% to 7% on ghee/edible oils in the Finance Act 2019 was withdrawn *vide* SRO No. 821(I)/2019 dated 19-07-2019, considering the fact that it is an essential item of daily use and increase in ACD may impact retail price via pass-through effect.

As no new import duty was levied on essential food items in the last budget, so hike in price of essential food items cannot be attributed to 'customs duty factor'. Some domestic factors other than customs duty may be responsible for the increase in prices of essential food items.

SALES TAX

In the Finance Act, 2019, no new taxes have been imposed upon essential food items except sugar where the rate of sales tax has been increased for 8% to 17% but the tax impact upon the price has been Rs. 3 per kg. Secondly, FBR has fixed the price of sugar as Rs. 60 per kg through SRO 812(I)/2016, dated 2 September, 2016. Hence, present market price is not due to increase in tax because the manufacturer is paying tax Rs. 60 per kg.

Further, in the case of edible oil and ghee, FED @ 16% at import stage and Rs. 2 per kg value addition has been done away with and rate of FED in retail packing or otherwise has been fixed @ 17% which has not caused any impact on prices.

Annexed

Average Monthly Prices of 32 Essential eatable Items

S. No.	Description	Unit	Average Prices Jun 19	Average Prices Jun 18	%change Jun 19 over Jun 18	Average Prices Dec 19	Average Prices Dec 18	%change Dec 19 over Dec 18
1	Wheat Flour Bag	20 Kg	802.89	748.84	7.21	906.45	786.94	15.19
2	Rice Basmati Broken (Average Quality)	1 Kg	78.00	72.24	7.97	81.04	75.80	7.97
3	Rice IRRI-6/9 (Sindh/Punjab)	1 Kg	58.64	52.31	12.10	61.38	54.11	13.44
4	Bread plain (Small Size)	Each	42.54	42.44	0.24	48.32	43.00	12.37
5	Beef with Bone (Average Quality)	1 Kg	412.38	363.01	13.60	428.70	383.26	11.86
6	Mutton (Average Quality)	1 Kg	860.42	764.44	12.56	887.77	798.56	11.17
7	Chicken Farm Broiler (Live)	1 Kg	156.91	196.39	-20.10	147.44	172.32	-14.43
8	Milk fresh (Un-boiled)	1 Ltr	85.15	80.35	5.97	93.51	85.24	9.70
9	Curd (Dahi) Loose	1 Kg	104.02	99.93	4.09	107.65	100.75	6.85
10	Powdered Milk NIDO 390 gm Polybag	Each	404.14	376.75	7.26	440.65	394.25	11.77
11	Eggs Hen (Farm)	1 Dozen	84.95	88.31	-3.80	121.34	116.94	3.76
12	Mustard Oil (Average Quality)	1 Kg	192.53	183.03	5.19	204.39	185.86	9.97
13	Cooking Oil DALDA or Other Similar B	Each	1062.64	929.26	14.35	1166.39	985.71	18.33
14	Vegetable Ghee DALDA/HABIB 2.5 kg	Each	508.62	471.53	7.87	561.55	488.04	15.06
15	Vegetable Ghee DALDA/HABIB or Oth	Each	194.44	168.39	15.47	215.65	180.53	19.45
16	Bananas (Kela) Local	1 Dozen	105.97	117.03	-9.44	64.15	61.24	4.77
17	Pulse Masoor (Washed)	1 Kg	122.67	107.84	13.75	136.92	115.87	18.16
18	Pulse Moong (Washed)	1 Kg	165.23	113.30	45.80	197.02	122.82	60.41
19	Pulse Mash (Washed)	1 Kg	172.02	142.49	20.72	207.30	148.54	39.49
20	Pulse Gram	1 Kg	126.54	111.84	13.14	138.36	122.16	13.24
21	Potatoes	1 Kg	32.03	28.90	10.84	46.11	25.60	80.12
22	Onions	1 Kg	50.59	32.05	57.85	72.73	27.66	162.94
23	Tomatoes	1 Kg	40.50	41.18	-1.65	126.89	32.98	284.75
24	Sugar Refined	1 Kg	71.63	53.65	33.51	71.08	55.52	28.03
25	Gur (Average Quality)	1 Kg	102.46	77.65	31.95	109.72	82.81	32.50
26	Salt Powdered (NATIONAL/SHAN) 800	Each	28.95	27.47	5.39	30.00	29.73	0.91
27	Chilies Powder NATIONAL 200 gm Pa	Each	153.72	119.98	28.16	150.29	139.29	7.90
28	Garlic (Lehsun)	1 Kg	215.81	117.02	84.42	284.22	128.83	120.65
29	Tea Lipton Yellow Label 190 gm Pack	Each	210.06	190.23	10.42	229.25	205.16	11.74
30	Cooked Beef at Average Hotel	Per Plate	124.05	108.95	13.86	133.16	113.31	17.52
31	Cooked Daal at Average Hotel	Per Plate	64.04	59.80	7.09	67.59	61.12	10.59
32	Tea Prepared Ordinary	Per Cup	24.10	21.13	14.06	25.75	22.03	16.89

162. ***Ms. Shamim Ara Panhwar:**

Will the Minister for Planning, Development and Special Initiatives be pleased to state:

(a) whether it is a fact that the number of those living in poverty has increased rapidly during the present Government;

(b) if so, the steps being taken by the Government in this regard?

Reply not received.

163. ***Engr. Sabir Hussain Kaim Khani:**

Will the Minister for Finance and Revenue be pleased to state:

(a) whether it is a fact that Land Custom Station, NLC Dry Port, Hyderabad is being closed; if so, the reasons thereof; and

(b) whether it is a fact that commerce and trade of Hyderabad will face irreparable loss due to closure of said Dry Port; if so, the time by which the said decision will be cancelled; if not, the reasons thereof?

Minister for Finance and Revenue: (a) No. Land Customs Station NLC Dry Port Hyderabad is not being closed as the customs administration has decided to continue the Land Customs Station NLC Hyderabad for the facilitation of trade and industry in the interior of Sindh. Board's letter C. No. 15(1)L&P/2019 dated 15-01-2019 in this regard is enclosed. However, it is to inform that NLC being the Dry Port Operator / Custodian of Goods / Terminal Operator, has unilaterally decided that they shall suspend their activity of operation of terminal / dry port operator from May 31, 2020 with the only reason that due to decrease in business, their profit has declined and they are facing losses. However, it is mentioned that the NLC remained profitable for so many years but due to some reasons import clearances has been on lowest side for the year 2016-17. However, in 2017-18, 235 containers along-with Loose Cargo were cleared from this dry port due to which the revenue of Rs. 413.548 millions was deposited in national exchequer. In 2018-19, despite overall import compression and slow economic growth, the Dry Port Hyderabad has managed to collect the revenue of Rs. 841.587 million (104% more than the previous year) and the number of containers along-with loose cargo rose to 337 and the trend is now moving in positive direction.

(b) It is fact that commerce and trade of Hyderabad will face loss due to closure of the NLC Dry Port as this is the only dry port which facilitates trade and industry located in Hyderabad and interior of Sindh. The Hyderabad Chamber of Commerce & Industry as well as other stake holders have showed their concern that closure of Dry Port by NLC will be detrimental to the business environment of Hyderabad and interior of Sindh. The press clippings of statements of stakeholders are enclosed. The NLC Dry Port is functioning but NLC authorities have communicated that Dry Port operation will be closed by May, 2020. Keeping in view, the developments of CPEC project and future relocation of Chinese industry to Pakistan and in order to facilitate the industry of Hyderabad/Sindh, FBR has also requested NLC authorities to revisit their decision regarding closure of Dry Port Hyderabad in the national interest.

164. ***Mr. Mahesh Kumar Malani:**

Will the Minister for Finance and Revenue be pleased to state:

(a) how many contingent paid/contract employees have been employed in Finance Division and its subordinate offices/ autonomous bodies/attached departments; and

(b) detail of each employee and criteria adopted for their employment?

Reply not received.

165. ***Ms. Uzma Riaz:**

Will the Minister for Finance and Revenue be pleased to state the steps, if any, taken or proposed by the Government to relax the tax regime and introduce fair tax regime for the small traders and businesses during the current financial year; if not, reasons thereof?

Minister for Finance and Revenue:

Customs

The government is fully committed for the revival and promotion of industrial sector including small and medium enterprises. In this regard, various incentives in customs import duties have been provided to the manufacturers/ SMEs. The detail of such incentives is as under:—

(A) **Exemption of Customs Import Duty on Raw Materials/Inputs:**

In budget for FY 2019-20, Custom duty on 1639 industrial raw materials/ inputs has been reduced to 0%. In addition to these other raw materials and intermediary goods required by the manufacturing sector including SMEs are subject to lowest tariff slabs *i.e.* 3% and 11% respectively. Special duty exemptions for the local industry have also been provided through 5th Schedule of the Customs Act, 1969. Major sectors/ SMEs which enjoy benefit under said schedule include agriculture, dairy, poultry, bicycle chain manufacturing, tanning, manufacturing of fans and processing of marble & granite etc.

(B) **Special Incentives To Export Oriented Units:**

Special rules / procedure has been formulated *vide* S.R.O. 327(I)/ 2008 dated 29th March, 2008 with the title of **"Export Oriented Units and Small and Medium Enterprises Rules, 2008"** for small and medium export oriented units. Under said SRO they are allowed duty free import of plant, machinery, equipment and apparatus including capital goods, raw materials, accessories, sub-components, components, assemblies and sub-assemblies.

Sales Tax:

As far as sales tax law is concerned small retailers are already out of the ambit of registration. Small retailers only pay sales tax on their electricity consumption as per section 3(9) of the Sales Tax Act, 1990. Sales tax is charged @ 5% where monthly bill does not exceed Rs. 25000 and @ 7.5% if the monthly bill exceeds Rs. 25000.

Moreover, through the Tax Laws (Second Amendment) Ordinance, 2019, the threshold for registration of a retailer on account of electricity consumption has been enhanced from Rs. 600,000 per year to Rs. 1,200,000 per year.

Income Tax:

The Federal Board of Revenue is making dedicated efforts targeted towards exploring avenues for raising of additional revenues and broadening of the tax base in view of the highly ambitious and challenging revenue target assigned to it. Traders contribute significantly to economic activity in the country, however, a large number of traders remain out of the tax net and their contribution to tax revenues is not commensurate with their earnings/profits and gains. Compliance with a relatively complicated tax regime and obligations as a withholding agent etc. also contributes towards reluctance of traders to come within the fold of the tax net.

In this backdrop an agreement was reached between FBR and the trader community after protracted negotiations and discussions on 30-10-2019 in pursuance, of which various amendments were introduced in the Income Tax Ordinance, 2001 and the Sales Tax Act, 1990 through the Tax Laws (Second Amendment).

Ordinance promulgated on 26th December, 2019.The salient features of the tax regime introduced for traders are as under:

(i) The standard rate of minimum tax under section 113 of the Income Tax Ordinance, 2001 has been reduced from 1.5% to 0.5% for the Tax Year 2020 in the case of traders, being individuals, having annual turnover of upto Rs. 100 M.

(ii) Under section 153 of the Ordinance, individuals having turnover of Rs.50 Million or above in any of the preceding Tax Years are obliged to act as withholding tax agents whilst making payments for supply of goods, rendering of services or for execution of contracts. However, traders being individuals and having annual turnover upto Rs. 100 Million shall no longer be required to act as withholding agents under section 153 of the Income Tax Ordinance, 2001.

(iii) A trader has been defined as an individual engaged in the buying and selling of goods in the same state including a retailer and a wholesaler; however, distributors have been ousted from the scope of this definition.

166. ***Ms. Shagufta Jumani:**

Will the Minister for Commerce be pleased to state:

(a) industries whom imports have been reduced during present regime; and

(b) whether Government has assessed the decline of imports of such industries; if so, the details thereof; if not, the reasons thereof?

Minister for Commerce: (a) The data of industries whom imports have been reduced during present regime is enclosed at **Annex-I.**

(b) The decline of the imports in the such industries was not assessed in real terms, however, following factors have contributed in the recent trend of decrease in imports:

i. Depreciation of Pak Rupee, which has made imports expensive.
ii. The current worldwide economic slowdown.
iii. Ban on trade with India.
iv. Increase in duties and taxes on the import of luxury items.
v. Regulation of import of food items *via* SRO 237.
vi. Regulation of import of vehicles *via* SRO 52.

This trend of decrease in imports will continue unless the demand of imported products in Pakistan increases.

(Annexure has been placed in the National Assembly Library)

167. ***Mr. Muhammad Afzal Khokhar:**

Will the Minister for Finance and Revenue be pleased to state:

(a) the details of current account deficit at present; and

(b) time by which this deficit will be converted into surplus?

Minister for Finance and Revenue: (a) Current account deficit as per latest available data (Jul-Dec FY20) is at 2.2 billion US$(0.8 percent of GDP) compared to 8.6 billion US$ (3.0 percent of GDP) in the corresponding period last year. The details of current account deficit is given in the following table:

($ Million)

	July-December	
	FY 20	FY 19
Current Account Balance	-2,153	-8,614
Balance on Trade in Goods	-9,818	-16,201
Balance on Trade in Services	-1,795	-2,176
Balance on Primary Income	-3,119	-2,643
Balance on Secondary Income	12,579	12,406
Current Account % of GDP	-0.8	-3.0

(b) The current account surplus is not always desirable, as the ultimate objective is to maintain a level that is both sustainable and contributes positively to economic growth.

168. ***Ms. Uzma Riaz:**

Will the Minister for Commerce be pleased to state:

(a) the details of the value added exports of Pakistan at present under the Generalized System of Preferences (GSP) Plus status; and

(b) whether there is any proposal under consideration of the Government to optimize the benefits of the said scheme in future; if so, its details?

Minister for Commerce: (a) Pakistani products have duty free access in all 28- member states of the European Union (EU) since 1st January 2014, on almost 91% of the tariff lines. This duty-free access is available under EU's "Special Incentive Arrangement for Good Governance and Sustainable Development", which is also popularly known as GSP+. As a result of this arrangement, Pakistan's total trade to EU has increased from 11,960.59 million US$ in 2013-14 to 14,158.29 million US$ in 2018-19. This arrangement has helped Pakistani products to compete successfully with similar products originating from other competing countries such as China, India, Bangladesh, Turkey and Vietnam etc. Because of GSP+, Pakistan has similar access in the European Union as Bangladesh, Vietnam, Turkey and better market access than India and China. Export of articles of apparel, bed linen & toilet linen, surgical goods etc. have seen tremendous growth since Pakistan got the GSP + status. The details of export of value added goods is placed at **Annex-I.**

(b) Continuous efforts are being made by the Ministry of Commerce to retain the GSP plus status. So far two successful biennial reviews concerning Pakistan's compliance to the implementation of the 27 UN Conventions have been conducted, while the Third Biennial Review is in process.

To ensure the effective implementation of the 27 UN conventions, Ministry of Commerce has set up a Treaty Implementation Cell to coordinate with all stakeholders at Federal and Provincial levels. The Treaty Implementation Cell has proved to be a highly effective mechanism for building consensus and assigning responsibilities among different stakeholders.

For overall promotion of exports, the commercial counselors in various countries effectively engage with all the concerned stakeholders to arrange incoming and outgoing trade delegations to promote Pakistani products under the banner of Emerging Pakistan initiative, and in collaboration with TDAP Pakistani exporters participate in different trade fairs throughout the year.

TDAP facilitated the participation of exporters in SIAL Paris, International Foods exhibition (October 2019) in Paris, that was mainly related to rice, spices and juices.

To introduce Pakistani Mangoes in the Foreign Markets, mango festivals were organized in different countries. Different varieties of Pakistani mangoes were displayed there.

2nd Inter-governmental Conference (IGC) between Pakistan and Bulgaria was held in May, 2019 in Islamabad.

Inaugural Session of Pak-Hungary Joint Commission was held on 12-13 September, 2019 in Budapest, Hungary.

4th Session Pakistan-Italy Joint Commission was held on 26th November, 2019 in Islamabad.

Annex-I

Value added exports to EU

Sector / Product	**Pak Exports to EU 2013 ($ million)**	**Pak Exports to EU 2018 ($ million)**	**Growth**
Bed Linen & toilet linen	1,381.1	2093.5	51.6%
Men's trousers & shorts of cotton	697.7	1,273.8	82.6%
Jersey's, cardigans & waistcoat	182.6	469.1	159.6%
T-Shirts	82.5	204.5	147.9%
Babies Garments (Knitted)	18.8	50.1	165.9%
Men's & Women's overcoats, cloaks etc.	49.4	94.9	92.2%
Inflatable balls	86.1	104.4	21.3%
Surgical goods	113.3	136.2	20.2%

169. ***Mr. Ali Khan Jadoon:**

Will the Minister for Planning, Development and Special Initiatives be pleased to state:

(a) the names of those projects of CPEC for which Chinese companies have given us loans; and

(b) the nature/kinds of these loans, indicating also the share of interest-free loans out of these loans?

Minister for Planning, Development and Special Initiatives (Mr. Asad Umar): (a) Chinese companies have not given any loans to Government of Pakistan. However, Chinese Government has provided loan for the following projects:

(i) Thakot-Havelian Road project (KKH-II)

(ii) M-5 Motorway Multan-Sukkur Section

(iii) Optical Fiber (Khunjrab-Rawalpindi)

(iv) Orange Line Metro Train Project

(v) Eastbay Expressway Road Project

(b) Three kind of loan modes have been used for the execution of the CPEC projects:

(i) Government Concessional Loans (GCL)

(ii) Preferential Buyer Credit (PBC)

(iii) Buyer Credit (BC)

Furthermore, Eastbay Expressway project worth US$ 179 Million is an interest free loan.

The composite interest rate of all CPEC loans is approximately 2.4%. The loans are for a tenor of 20 years with grace period of 5 to 7 years.

170. ***Ms. Shamim Ara Panhwar:**

Will the Minister for Commerce be pleased to state:

(a) whether it is a fact that all types of trade of Pakistan excluding medicines is discontinued with India at present; if so, since when; and

(b) the total value of loss occurred to Pakistan and India so far therefrom?

Minister for Commerce: (a) In the wake of Government of India's unilateral and unlawful action of revoking the Article 370 of its constitution; thereby changing the constitutional status of the Indian held Kashmir and imposing curfew for an unannounced period in the conflict region, Government of Pakistan formally suspended imports from India through SRO 927(I)/2019 (Annex-I) and exports to India through SRO 928(I)/2019 (Annex-II) issued on 9th August 2019. However, those therapeutic products that are regulated by Drug Regulatory Authority of Pakistan (DRAP) were excluded from the operations of suspension of trade through (SRO 977(I)/2019 (Annex-III) and SRO 978(I)/2019 (Annex-IV) issued on 2nd September, 2019.

Furthermore, Trade is also suspended along two trading points at LOC; Chakotthi -Uri, Rawalakot-Poonch.

(b) As a result of imposition of 200% duty by India on its imports from Pakistan since 16th February, 2019 (post Pulwama attack), and suspension of trade by Pakistan since 9th August, 2019, the bilateral trade between two countries has seen a plunging trend trendas depicted below:

Values: USD Million

Years	**Exports**	**Imports**	**Total Trade**	**Trade Balance**
2014-15	358.082	1,699.65	2057.736	(-) 1,341.57
2015-16	303.58	1779.60	2083.18	(-) 1476.02
2016-17	359.179	1701.670	2060.849	(-) 1342.49
2017-18	342.44	1840.96	2183.40	(-) 1498.52
2018-19	261.69	1503.73	1765.42	(-)1242.04
Jul-Jan (2018-19)	233.3	888.23	1121.53	(-) 654.93
Jul-Jan (2019-20)	8.3	298.99	307.29	(-) 290.69

Source: FBR

Nevertheless, Ministry of Commerce has taken several steps including exploration of new markets to divert its exports (earlier destined to India) in order to minimize the loss incurred as a result of trade suspension between the two countries. Exports of dates constituted the largest share; therefore, Ministry of Commerce immediately took cognizance of the matter and in collaboration with FBR brought back dates already sent to India without charging any demurrage. Furthermore, through Pakistan Horticulture Development and Export Company (PHDEC), dates exporters participated in World Trade Farm Expo (Turkey) in 2019 and also delegations of dates exporters were sent to Nepal, Bhutan, Bangladesh and Sri Lanka (except for Bangladesh, orders have been received from other countries).

(Annexures have been placed in the National Assembly Library)

171. ***Mr. Saad Waseem:**

Will the Minister for Finance and Revenue be pleased to refer the Starred Question No.87 replied on 07-11-2019 and to state:

(a) the debt to GDP ratio in fiscal year 2018-19 and expected ratio of the same in year 2019-20;

(b) in clear terms, the additional burden of debt, which have been saved due to revenue mobilization, rationalization of expenditure, restructuring of public sector enterprises alongwith details of such revenue mobilization, rationalization of expenditure and restructuring of public sector enterprises; and

(c) the year-wise expected downfall of debt to GDP in next four years?

Reply not received.

172. ***Mr. Mahesh Kumar Malani:**

Will the Minister for Finance and Revenue be pleased to state:

(a) whether it is a fact that Accountant General of Pakistan have some discretionary powers of disbursement of House Building Advance and Motor Car Advance to Federal Government employees;

(b) if so, detail of employees including their names, designations and department who have been provided Advances by exercising

the discretionary powers of Accountant General of Pakistan since last five years?

Minister for Finance and Revenue: (a) Yes. A two member committee consisting of Accountant General Pakistan Revenue AGPR & Additional Finance Secretary (IGF), Finance Division has been constituted to recommend hardship cases for grant of House Building Advance and Motor Car Advance to Federal Government Employees. The hardship cases are received from the Parliamentarians and employees serving in Ministries / Divisions / Departments of Federal Government.

(b) The details of employees, who have been granted HBA & MCA is at Annex-A Annex-B respectively.

(Annexures have been placed in the National Assembly Library)

173. ***Ch. Muhammad Barjees Tahir:**

Will the Minister for Planning, Development and Special Initiatives be pleased to state:

(a) when CPEC Authority was established;

(b) the number and names of its Chairmen appointed so far;

(c) the procedure adopted for their appointment alongwith their academic qualification, salary and other perks and privileges?

Minister for Planning, Development and Special Initiatives (Mr. Asad Umar): (a) CPEC Authority was established in October 2019 through promulgation of Presidential Ordinance.

(b) The Authority is headed by Chairman, Lt. General Asim Saleem Bajwa (Retired), Tbt, HI (M).

(c) The appointment was made in accordance with Section 3(5) of the CPEC Authority Ordinance, 2019, which empowers the Prime Minister in this regard (copy enclosed). The Chairman was appointed in MP-I Scale. He holds a master degree from kings College London and also from NDU.

(Annexure has been placed in the National Assembly Library)

174. ***Syed Abrar Ali Shah:**

Will the Minister for Finance and Revenue be pleased to state:

(a) whether it is a fact that under Fiscal Responsibility and Debt Limitation Act, 2005, Government have to inform the National Assembly when the total debt to GDP ratio exceed 60%;

(b) if so, whether it is also a fact that Government have not informed formally to the National Assembly despite the limit of total debt to GDP has been crossed;

(c) if so, the reasons thereof and what steps which are being taken in this regard?

Minister for Finance and Revenue: (a) Yes, the Government is submitting the compliance status of the Debt to GDP ratio to the National Assembly every year as per the requirement of Fiscal Responsibility and Debt Limitation Act.

(b) As stated above, Government has been informing the National Assembly on annual basis Debt to GDP ratio without fail.

(c) Not Applicable in light of above clarifications.

175. ***Ms. Tahira Aurangzeb:**

Will the Minister for Finance and Revenue be pleased to state:

(a) the total number of non-custom paid confiscated vehicles in the custody of custom department at present; and

(b) the names of cities in which these vehicles have been parked?

Minister for Finance and Revenue: (a)

NAME OF CITY WHERE PARKED	NO. OF NON-DUTY PAID CONFISCATED VEHICLES
Lahore	36
Gwadar	19
Gaddani	23
Chaman	25
Dalbandin	2
Manikhawa/ Zhob	19
Mashkel	9
Nokundi	3
Noshki	3
Quetta	331
Sheela Bagh	18
Surab	2
Sukkur	12
Hyderabad	45
Karachi	119
State War House, Peshawar	21
State War House, Abbotabad	5
State War House, Mardan	5
State War House, Nowshehra	7
State War House, Kohat	15
Sambrial	4
Islamabad/ Rawalpindi	82
Multan	58
Faisalabad	5
TOTAL:	**868**

(b) as above.

176. ***Rai Muhammad Murtaza Iqbal:**

Will the Minister for Commerce be pleased to state that how much salt is being exported to India annually and on what terms?

Minister for Commerce: Ministry of Commerce had not signed any agreement with India with respect to export of salt. Moreover, Ministry of Commerce, *vide* SROs 927 and 928 dated 09-08-2019 suspended bilateral trade with India except for therapeutic drugs in compliance with decision of the Federal Cabinet.

The following table shows export of Rock Salt to India for the last 2 years:

Quantity Mt — Value in Million US $

Commodity by Country	July-June, 2017-18		July-June 2018-19	
Rock Salt	Quantity	Value	Quantity	value
Total Export	145,948	27.31	145,348	25.78
India	19,063	2.28	10,612	1.97

Commodity by Country	July-November, 2018-19		July-November 2019-20	
Rock Salt	Quantity	Value	Quantity	value
Total Export	52254	7.89	72739	15.46
India	1706	0.35	5456	0.89

Source: PBS

177. ***Ch. Muhammad Barjees Tahir:**

Will the Minister for Planning, Development and Special Initiatives be pleased to state the number of un-employed persons in the country at present, alongwith the percentage of increase during each year in the un-employment after 1990?

Minister for Planning, Development and Special Initiatives (Mr. Asad Umar): According to the latest available Labour Force Survey (2017-18), the total unemployed persons in the country are 3.79 million out of total labour force of 65.5 million, depicting unemployment rate of 5.79%.

Year-wise data on total labour force, total unemployed persons and unemployment rate from year 1990-91 to year 2017-18 is given below:

Year	Total Labour Force (Million)	Unemployed Labour Force (Million)	Unemployment Rate (Percentage)
1990-91	30.99	1.99	6.42
1991-92	32.98	1.93	5.85
1992-93	37.71	1.60	4.24
1993-94	34.73	1.68	4.84
1994-95	35.23	1.89	5.36
1995-96	35.23	1.86	5.28
1996-97	36.36	2.27	6.24
1997-98	38.19	2.25	5.89
1998-1999	39.55	2.33	5.90
1999-2000	39.40	3.08	7.82
2000-2001	40.74	3.18	7.80
2001-02	42.39	3.51	8.28
2002-03	43.44	3.61	8.30
2003-04	45.23	3.50	7.75
2004-05	46.94	3.61	7.70
2005-06	50.05	3.11	6.21
2006-07	50.33	2.68	5.32
2007-08	51.78	2.69	5.20
2008-09	53.72	2.93	5.45
2009-10	56.33	3.12	5.54
2010-11	57.24	3.40	5.94
2011-12	57.24	3.52	6.15
2012-13	59.74	3.73	6.24
2013-14	60.10	3.58	5.96
2014-15	61.04	3.62	5.93
2015-16*	62.26	3.68	5.94
2016-17*	63.51	4.41	6.94
2017-18	65.50	3.79	5.79

Source: Labour Force Survey (LFS) of different years.

*Projected figures as the LFS was not published in these years.

178. ***Syed Imran Ahmad Shah:**

Will the Minister for Finance and Revenue be pleased to state:

(a) year-wise amount of tax, which has been deposited to national exchequer by each Cellular company that is actually deducted under the head of different taxes, duties etc. from consumers for the last six years;

(b) is there any mechanism, which is used to reconcile the amount that is actually deducted from consumers by the cellular companies and the amount that is deposited to national exchequer by cellular companies; if so, the details thereof;

(c) is there any discrepancy, of deducted amount from consumers, and amount which is deposited to national exchequer by such companies, surfaced in the aforesaid period; if so, the details thereof; and

(d) what corrective measures are being taken by the Government to ensure 100% deposit of deducted amount from consumers by cellular companies to national exchequer?

Minister for Finance and Revenue: (a) Detail of year-wise amount of tax, deposited by each cellular company to national exchequer is attached as **Annex-A**

(b) As per section 165 of the Income tax ordinance, 2001 periodic withholding statement are filed biannually for the tax year which are analyzed and if any discrepancy is observed, recovery orders under section 161/205 of the income tax ordinance, 2001 are issued accordingly.

The discrepancies can also be taken up at the end of the year after filing of Return of Income, which can be selected for audit and remedial action if any can be taken if required.

Efforts are being made to get real time access of collection data in respect of telecommunication services providing companies to confirm if the tax deducted is posted correctly to the total collected amount under section 236 of the Income Tax Ordinance, 2001.

A substantial amount of services provided are claimed as discount on which no tax is deducted under section 236 of the Income Tax Ordinance, 2001. The said amounts have been disallowed / added back to the income in amendment proceedings and during the course of withholding proceedings under section 161 of the income tax ordinance, 2001. Demands / defaults have been created during the course of audits of withholding taxes against the telecom companies. The Issues are sub-judice before various Appellate Fora.

Accordingly default surcharge under section 205 of the income tax ordinance, 2001 which is in addition to the original amount of default is also charged.

(c) A substantial amount of services are claimed as discount on which no tax is deducted under section 236 of the Income Tax Ordinance, 2001. The said amounts have been disallowed / added back to the income in amendment proceedings and during the course of withholding proceedings under section 161 of the Income tax Ordinance, 2001. Massive demands / defaults have been created / identified during the course of audit and withholding proceedings. Details attached as **Annex-B**. The issues are sub-judice before various Appellate Fora.

(d) Following corrective measures are taken to ensure 100% deposit of deducted amount from consumers by cellular companies to national exchequer:

i. Periodic audits of withholding taxes are conducted.

ii. Data of collection under this head is uploaded with PRAL for analysis.

iii. Real time access on surprise visits is conducted to ensure proper collection / deduction and payment into government exchequer.

(Annexures have been placed in the National Assembly Library)

179. ***Mr. Ali Khan Jadoon:**

Will the Minister for Finance and Revenue be pleased to state the steps taken by the incumbent Government to bring back stashed money by the money launderers for the last decades, from foreign countries/foreign accounts in to Pakistan's National Kitty?

Reply not received.

180. ***Syed Hussain Tariq:**

Will the Minister In-charge of the President's Secretariat be pleased to state:

(a) details of different events conducted in the Presidency, since September 9th, 2018;

(b) the nature of each event alongwith expenditure incurred upon each event;

(c) whether such expenditure are borne either by Presidency or any other agency; if so, the detail thereof; and

(d) the rational of holding such events in Presidency?

Reply not received.

181. ***Syed Agha Rafiullah:**

Will the Minister for Commerce be pleased to state the steps being taken by the Government to enhance country's exports to Ethiopia in next financial year?

Minister for Commerce: As part of "Look Africa" initiative of Ministry of Commerce, Pakistan-Africa Trade Development Conference was held in Nairobi, Kenya on 30th-31st January, 2020. A business delegation consisting of Government Officials and eight businessmen from Ethiopia attended the Conference. During the conference, B2B meetings between Pakistani & Ethiopian businessmen also took place on both days.

A Memorandum of Understanding on Trade Relations between Pakistan & Ethiopia, vetted by Law Division, had been shared with the Ethiopian side. Confirmation of MoU has been received from Ethiopian side and finalization of MoU is under process.

Since Ethiopia is the headquarters of African Union, a new Commercial section has been opened in Ethiopia, where Minister Trade & Investment (BS-20) has assumed duties.

An increased participation in Ethiopian exhibitions and visits of delegations will be arranged as Commercial Section in Addis Ababa has started working.

Recently, ban on import of Red Kidney beans from Ethiopia has been lifted after request from Ethiopian side by Department of Plant Protection. This will help in strengthening trade relations between the two countries and build confidence.

Ethiopia has shown interest in buying Pharmaceutical and Surgical products from Pakistan. Ministry of Commerce/Trade Development Authority of Pakistan are considering a business delegation from Ethiopia to Pakistan in order to facilitate the exports of Pharmaceutical and Surgical products to Ethiopia.

In August 2019, Foreign Minister and Trade Minister of Ethiopia visited Pakistan and held a meeting with Advisor to P.M on Commerce, Industry & Production and Investment. Matters of bilateral trade between the countries were discussed during the meeting.

182. ***Mr. Abdul Shakoor:**

Will the Minister for Finance and Revenue be pleased to refer to the Starred Question No.1 replied on 01-01-2020 and to state the role being played by the Federal Government, in developing consensus, with Federating Units, on calling upon NFC, for release of 3% share, for the merged districts of erstwhile FATA out of Federal Divisible Pool as approved by the Federal Cabinet on 2nd March, 2017?

Minister for Finance and Revenue: NFC is a constitutional body constituted under Article 160 of the Constitution. Traditionally, it takes decisions with consensus of all stakeholders. Finance Division has no role in decision making of the NFC. Finance Division only provides sartorial support to the NFC.

The matter regarding funding for erstwhile FATA came under discussion in 4th meeting of the 9th NFC held on 06-02-2019. A Sub-Group of the NFC has been tasked to deliberate and make recommendations to NFC for allocation of resources for the development of erstwhile FATA, following its integration/ merger with Khyber Pakhtunkhwa. As soon as the recommendations are finalized, these shall be placed before the NFC for consideration.

183. ***Syed Hussain Tariq:**

Will the Minister for Commerce be pleased to state:

(a) whether it is a fact that Free Trade Agreements (FTAs), which have been signed by the Pakistan have proven detrimental to the economy of the country in general and indigenous industries in particular;

(b) if so, whether concerned authorities of the Government has conducted an assessment to determine the exact magnitude of negative impact of the said FTAs to the economy and industries; if so, the details thereof;

(c) whether Government intends to review the said FTAs in order to make it favourable to the country; if so, the details; if not, the reasons thereof?

Minister for Commerce: (a) Free Trade Agreements (FTAs) helps in getting enhanced market access in other countries. FTAs also contribute to greater economic activity, improved quality and job creation in the country. The attractiveness of a country as FTA partner is determined by in-depth and quantifiable analysis. Feasibility studies are carried out with the partner countries to evaluate the likely benefit of agreement both in short term and long term. FTAs are initiated only if recommended in the feasibility studies. Feasibility studies were conducted for all the three FTAs signed by the Commerce Division to date, namely, Pakistan-China FTA (CPFTA) (operational since July, 2007), Pakistan-Sri Lanka FTA (PSFTA) (operational since June, 2005), and Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA) (operational since January, 2008).

The post FTA trade statistics between Pakistan and Sri Lanka shows that Pakistan has always enjoyed trade surplus with Sri Lanka and the trade equation has been skewed in favour of Pakistan since the agreement was signed (Annex-I). Similarly, after Malaysia-Pakistan Closer Partnership Agreement and China-Pakistan Free Trade Agreement came into effect, Pakistan's exports to Malaysia and China have significantly gone up (Annex-II).

(b) In post FTA scenario, impact assessment is made to keep track of the progress made under bilateral or multilateral arrangements and address concerns of the trading partners during the course of implementation.

i. Ex-post studies were carried out for the FTA with China. As a result of this assessment, during the second phase, Pakistan got major concessions from China in the form of protection of domestic industry, inclusion of safeguard measures and getting immediate market access on 313 priority items. Also, the liberalization level has been increased from 36% to 90% by China for Pakistan.

ii. Provisions have been added in Phase II of CPFTA which can help to stall the threat of decline in monetary reserves.

iii. However, with regards to Malaysia, despite the FTA, trade balance is not in favor of Pakistan due to inelastic demand of palm oil. A Joint Review Committee meeting has currently been requested from Malaysia in this regard.

(c) Pakistan has already reviewed China-Pakistan Free Trade Agreement (CPFTA) and phase II of CPFTA has already been implemented *w.e.f* 1st January, 2020.

Major gains under China Pakistan Free Trade Agreement (Phase-II) are as under;

- Pakistan has gained immediate market access on 313 items of its prime export interest (at par with ASEAN).

- These 313 most priority tariff lines cover over $8.7 billion worth of our global exports and $64 billion worth of Chinese global imports.

- China has agreed on 90% liberalization for Pakistan in terms of its trade volume.

- Under the complete offer from China, over $19 billion of Pakistan's exports will be covered corresponding to $1.6 trillion of the China's global imports.

- Pakistan has successfully brokered revision of Safeguard Measures (SGM) which are invoked to temporarily restrict imports of a product which cause injury or threaten to cause injury to domestic industry.

Currently, Malaysia and Pakistan are in the process of exploring the possibility of expanding Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA). The meeting of the Joint Review Committee under MPCEPA is expected to be held soon in this regard.

Annex-I

Pakistan's Exports to Sri Lanka

USD Million

Year	Exports
Pre-FTA	
2004-05	155.830
Post FTA	
2005-06	159.212
2006-07	200.605
2007-08	214.582
2008-09	189.694
2009-10	283.142
2010-11	331.848
2011-12	305.301
2012-13	327.141
2013-14	260.239
2014-15	266.907
2015-16	247.11
2016-17	263.26
2017-18	289.66
2018-19	316.36

Source: FBR

Annex-II

Pakistan's Exports to Malaysia

USD Million

Years	Exports
Pre-FTA	
2006-07	81.3
Post FTA	
2007-08	138
2008-09	158.2
2009-10	145.5
2010-11	165.6
2011-12	226.1
2012-13	237
2013-14	213.9
2014-15	206.9
2015-16	162.3
2016-17	139.7
2017-18	145.1
2018-19	149.68

Pakistan's Exports to China

USD Million

Year	Imports
Pre FTA	
2006-07	3,522
Post FTA	
2007-08	4,696
2008-09	4,085

Year	Imports
Post FTA	
2009-10	4,410
2010-11	5,789
2011-12	6,710
2012-13	6,639
2013-14	7,772
2014-15	10,172
2015-16	12,105
2016-17	14,133
2017-18	15,745
2018-19	12,752

Source FBR

184. ***Mr. Muhammad Aslam Khan:**

Will the Minister for Economic Affairs be pleased to state the details of proposed projects received by Economic Affairs Division from the Federal Ministers/Divisions for Japanese request survey for technical assistance launched by the Japanese Government for Pakistan during the last the five years?

Minister for Economic Affairs (Mr. Muhammad Hammad Azhar): Economic Affairs Division received a total of 158 project proposals from Federal Ministries / Divisions during the last five years. Year wise break up is as under:—

Year	No. of Projects received
2014-15	33
2015-16	44
2016-17	30
2017-18	17
2018-19	34
Total:	**158**

Details are attached.

(Annexure has been placed in the National Assembly Library)

185. ***Mr. Muhammad Afzal Khokhar:**

Will the Minister for Commerce be pleased to state:

(a) whether any decrease in imports has been recorded during the period of this Government;

(b) if so, its financial impact on the economy of the country; and

(c) whether imports can be further decreased; if so, the details; if not, the reasons thereof?

Minister for Commerce: (a) I. Pakistan's imports decreased by 9.95% from US$ 60.86 Billion in FY 2017-18 to US$ 54.80 Billion in FY 2018-19.

Value: US$ Billion

Series	FY 2017-18	FY 2018-19	% CHANGE
Exports	23.20	22.98	-0.94
Imports	60.86	54.80	-9.95
Balance of Trade	-37.66	-31.82	-15.50

Source: PBS

II. During the first half of the current fiscal year (FY 2019-20), Pakistan's imports have decreased by 16.90% from US$ 27,952 Million in the first half of FY 2018-19 to US$ 23,229 Million.

Value: US$ Million

Series	**JULY-DECEMBER 2019**	**JULY-DECEMBER 2018**	**% CHANGE**
Exports	11,533	11,181	3.15
Imports	23,229	27,952	-16.90
Balance of Trade	-11,696	-16,771	-30.26

Source: PBS

(b) I. As a result of decrease in Imports, Pakistan's trade deficit decreased by 15.50% form US$ 37.66 Billion in FY 2017-18 to US$ 31.82 in FY 2018-19. Correspondingly, during the first half of the current fiscal year (FY-2019-20), Pakistan's trade deficit has decreased by 30.26% from US$ 16,771 Million in the first half of FY 2018-19 to US$ 11,696 Million.

II. The decrease in imports has improved the Foreign Exchange Reserves of Pakistan as the burden on dollar has decreased.

Value: US$ Million

Series	**January 2019**	**January 2020**	**% CHANGE**
Total Liquid FX Reserves	14,920.9	18,644.5	24.95

Source: SBP

III. A decrease in national reliance on imports of a product will result in its local production which will strengthen the local industry and create jobs.

(c) I. The following factors have contributed in the recent trend of decrease in exports:

i. Depreciation of Pak Rupee, which has made imports expensive.
ii. The current worldwide economic slowdown.
iii. Ban on trade with India.
iv. Increase in duties and taxes on the import of luxury items.
v. Regulation of import of food items *via* SRO 237.
vi. Regulation of import of vehicles *via* SRO 52.

II. This trend of decrease in imports will continue unless the demand of imported products in Pakistan increases.

ISLAMABAD:
The 13th February, 2020

TAHIR HUSSAIN,
Secretary.

PCPPI—228(2020) NA—13-02-2020—600.

(c) Presently 5 MW of electricity is available which is sufficient to meet the requirements of the zone. SSGCL has initiated the case for laying of the network for provision of 5 MMCFD (Millions of Cubic Feet Per Day) gas to Khairpur SEZ and has communicated that Natural Gas will be provided to the zone in 18 months' time.

ISLAMABAD:
The 13th February, 2020.

TAHIR HUSSAIN,
Secretary.

PCPPI—228(2020) NA—13-02-2020—600.