

*In the Name of
ALLAH, Most
Benevolent, Ever
Merciful.*

Government strategies to enhance the exports of Pakistan.

By

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Dedication

*To my Parents, who have always
loved me.*

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This thesis has been divided into six chapters. Chapter no 1 is an introduction to Pakistan. Pakistan is basically an agricultural country which contributes 24% of GDP and is the mainstay of the economy, and employs 48% of the man power. In chapter # 2 major exports of Pakistan are discussed. Exports of Pakistan are divided into two categories i.e. core categories & the development categories. Further more in chapter # 3 some factors are discussed which are the root cause of resistance from the international buyers. These main factors are cost, quality, low productivity, packaging and some other factors as well. In the fourth chapter the role of export promotion bureau is given. The topics under discussion in this chapter are the organizational framework of EPB, services provided by EPB and the Pakistan export strategy given by the government of Pakistan. The vision of this strategy is providing leadership, direction, pro and re-active facilitation to an aggressive national drive for maximization of sustainable growth of Pakistan's foreign trade. In the fifth chapter trade policy for the year 2003-2004 is given with the main features, the role of export processing zones which has been formed by the government of Pakistan is also discussed. Than there are many incentives that are given by the government of Pakistan e.g. sales tax refunds, income tax refunds, export credit guarantee scheme. Government also organizes different kinds of fairs and exhibitions in order to boost up the exports of the country. There are many skill development institutes that are working in the country in order to improve the quality of the products and in order to meet the international standards of exports. Finally certain recommendations are given in order to increase the exports of the country, so that we can have a balance of trade in our economy.

Chapter # 1

Pakistan

1.1 The land of opportunities:

Pakistan is a country full of splendors. Endowed with natural beauty, Richness of resources and a cultural heritage dating back to over 5000 years, it is now the ninth most populous country in the world, and is located between 23 and 37 degrees north, and 61 to 76 degrees east, spanning 796,095 square kilometers of land mass.

It is a federation of four provinces, and has a parliamentary form of government with a bicameral legislature. Islamabad is the federal capital while the provincial seats of government are Karachi, Lahore, Peshawar and Quetta.

Pakistan, due to its strategic location, provides an ideal transit route to the markets of Iran, Afghanistan, the Central Asian Republics, and the Middle East, being at the cross-roads of the Persian Gulf States, Central Asia and South Asia. It shares borders in the north with China, to the west with Afghanistan and Iran, and with India to the East. In the south, it has a vast coastline with excellent development potential for maritime trade.

Pakistan has a large market with the population of 136 million and ranks amongst the top seven fastest growing economies in Asia, with a reasonable GDP growth rate. Agriculture contributes to 24% of GDP and is the mainstay of the economy, and employs about 48% of the manpower. The share of manufacturing sector in GDP has been steadily increasing and has shown a growth rate of over 8% over the years.

Cotton yarn and textiles take the lead in the manufacturing sector. With the liberalization of the economy and structural reforms initiated by the government there has been growing emphasis on the development of the engineering, electrical and non-electrical machinery, automobile, chemical and processed food industries.

Due to the vision of the government to adopt market friendly policies, Pakistan is now viewed as a leading emerging market, and this perception has resulted in influx of foreign investments, as well as collaboration in the technical fields. The country also boasts of a fairly well developed infrastructure, and an abundant supply of skilled, semi-skilled and unskilled labour force at very competitive rates. It also has a highly developed financial

sector, consisting of a fairly large network of public sector, private and foreign commercial banks, development financial institutions, investment banks, leasing companies, mutual funds and 'modaraba' fund companies.

1.2 The People & the Business Environment:

Accustomed to living an environment where it takes a considerable effort to provide for one's family's livelihood. The Pakistani labour force has reputation for being one of the hardest working in the world. Pakistani labour is also one of the most cost effective in the world and supports very high returns on investment. A large percentage of the labour force is skilled, from the domestic training through a network of training institutes, and from employment in the Middle East and studying in the developed countries. The 41.54 million labour force includes a large, highly trained and experienced corps of professional managers, engineers, computer scientists, bankers and financiers, vital to underpinning the industrial and corporate environment.

Pakistan ranks amongst the top seven fastest growing economies of Asia. Except for periods in the fifties and the seventies, annual Gross Domestic Product (GDP) has been growing at a rate exceeding six percent per year. Although agricultural is still the mainstay of the economy and employs 48% of the work force, its share in the GDP has declined over time to 24%. At the same time, the share of the manufacturing sector in GDP has constantly been increasing, with the annual growth of the manufacturing sector averaging more than 8% over the last 40 years.

In manufacturing cotton yarn and textiles is the leading sector, followed by the food processing industries largely based on indigenous raw materials. The growing emphasis on the development of engineering, electrical and non-electrical machinery, automobiles and chemical industries and the increasing proportion of investment flowing into these sectors has significantly diversified the industrial structure in recent years.

An outward looking industrial strategy with continuing and consistent emphasis on liberalization deregulation and privatization has created profitable investment opportunities for both local and foreign investors. Private investors are encouraged in all major sectors of the economy especially manufacturing, hydroelectric power, transport, communication, agriculture and social service. An open economy and liberal business environment has given a strong boost to private sector investment.

Pakistan has a large market with a population of 146 million. The markets of the land-locked countries of Afghanistan and the Central Asian Republics can be effectively and conveniently serviced from Pakistan. The fact that Pakistan is a member of both the Economic Co-operation Organization (ECO) and the South Asian for Regional Co-operation (SAARC) further expands the potential of the target market to be accessed from Pakistan, thereby supporting the establishment of economic-sized plants for almost any industrial activity in Pakistan.

Pakistan has a highly developed financial sector consisting of four public, twelve private and twenty one foreign commercial banks, development financial institutions, investment banks, leasing companies, mutual funds and Islamic venture capital funds companies (“Modaraba” Companies).

The Commercial banks have assets of over one trillion rupees of which about 80% is held by domestic banks and the rest by the foreign banks. Besides providing working capital and long-term financing to the investors, these banks offer a range of vital services, such as remittances of profits/dividends and foreign currency accounts. The specialized development institutions provide credit for investment in various sectors. Karachi, Lahore and Islamabad have developed active stock exchanges with an aggregate capitalization of US\$ 20 billion.

1.3 Pakistan’s Hopes and Challenges in the new Millennium:

Economic development is an essential prerequisite of social, in fact, socio-political progress. As should be obvious, progress implies advancing from one state to another, perceptibly better state, in the continuity of time; and for this, considerable effort is required, particularly for achieving sustainable development. At the same time some vital issues have to be addressed at the same time. As a developing country, Pakistan is involved in this process.

Among the issues to be addressed, one is the identification of the sectors within the national economy which have to be accorded priority in terms of their potential. Another is the impact of international factors which have a bearing on the current situation.

In relation to the international factor, it will be relevant to point out that it can have a positive, as well as a negative impact on the development process of developing countries. Some of its aspects, including those that are negative, were discussed last year at the summit conference of the Group of 77, held in Havana, the capital of Cuba. During the deliberations in Havana, some core issues were raised and discussed. It was recognized that a basic cause of underdevelopment of the developing countries was the historical exploitative role of the present-day rich nations, which were their colonial rulers in the past. Even now, their policies relating to world trade and development, such as the evolution of what is described as a new world order and globalization, are contrary to the interests of the developing countries.

To redress the situation, a serious and continuing dialogue with the North has been recommended. Pakistan has suggested the holding of world conference to discuss the growing impact of globalization.

In this regard, the situation within the South of the Third World is also relevant and important. In this context, the diversity among the developing countries is recognized but at the same time the imperative of unity among them to advance their common cause is also stressed.

IT was also in this context that several other proposals were mooted, envisaging closer cooperation among the developing countries such as the establishment of a South Development Bank, a South Monetary Fund and a mechanism to stabilize prices of the products of the developing countries. Increasing cooperation among the developing countries could also lead to reducing their dependence on the developed rich countries and also to satisfactory level of self-reliance. While the Third World countries, as a whole, have a number of problems common to them, there are specific issues and individual requirements of each of them. In this respect, Pakistan has always been cognizant and conscious of what it needs to do to resolve them. While Pakistan has been seeking and receiving cooperation from other countries in this regard it will be relevant to have a clear perception about the nature and extent of such cooperation.

Mention has been made earlier of self-reliance. It is an undisputed virtue and we should to it, but in the present-day world, more than ever, in practical terms, no country big or small can claim to be completely self-sufficient. As such, help and cooperation by people from one country to another become almost inevitable.

Historically, this fact is established by the continuing presence, at all times, of trade among various nations of the world. This process has not only continued with time but has also assumed new dimensions. We are now witnessing the increasing expansion of international trade and a growing trend towards globalization of economy. Whether one likes it or not, this fact cannot be ignored. It highlights the necessity of inter-relation as well as interaction between different nations.

Pakistan could not remain immune from, unaffected by, or indifferent to this situation. As a matter of fact, in the past, in the context of the situation that the country passed through, in addition to trade, we had to depend in a large measure on foreign aid for the development of our industrial and services sectors. This was, in a way, inevitable because of the state of underdevelopment of the country which, in its turn, was the outcome of the long period of colonial rule.

Now the situation has changed. In the process of developing its economic potential, Pakistan now desires and seeks co-operation of investors and entrepreneurs from the industrialized and developed countries and their effective collaboration in the spirit of partnership in progress, on mutually beneficial terms.

However, first and foremost, we have to plan and undertake efforts of our own and, as it has been mentioned earlier, we have to identify the sectors and areas within our economy that promise comparatively larger potential and better prospects for speedy growth. In this regard, while looking forward to the future, we also have to benefit from our experience and achievement in the past as well as the situation as it exists at present.

The one sector that should immediately attract attention is agriculture. Its past is traced back to five millenniums when during the days of the Indus Valley civilization, our lands produced fine varieties of cotton, rice and other crops.

Pakistan has a rich tradition as an agricultural country and even now it has not lost that description because agriculture is its largest sector in terms of its expanse and sweep. Agriculture directly and indirectly supports the bulk of the country's population which forms about 70 percent of the total. This rural population depends largely on agricultural crops, wheat and rice. In respect of wheat production, the country is now in a position to meet all the requirement of consumption within the country. The output of Pakistan's other major food grain, rice, including its famous fine varieties, meets local consumption needs as well as demand for exports.

Agriculture's major cash crop cotton, contributes about 56 percent to the country's total exports. In addition to providing the basic raw material to spinning, textiles and textile made-up industries in the shape of cotton, agriculture also provides raw material to sugar and edible oil industries and a large number of other agro-based industrial units, big as well as small.

The share of agriculture in the country's Gross Domestic Product (GDP) is at present 24 per cent. But this does not represent the full potential of the sector; where the rate of growth has remained slow for several years, for a number of reasons. Obviously, the immense possibility of growth that this vital sector offers has not been fully utilized.

In the past and especially in the two previous decades, some development did come about like the increased mechanization of agricultural operations and introduction of new varieties of crops, which have resulted in improvement. But the scope for a more productive and more prosperous agricultural sector has also to be fully explored.

In fact, as we move forward, what is needed is a change in approach to bring about a reorganization and restructuring of this vital sector, with the adoption of modern methods and techniques, and the use of scientific research that would markedly enhance productivity and ensure better use of the land. In this context, reference to some aspects will be relevant.

For the production of rice, Pakistan has developed better variety rice seeds based on the research conducted in the International Rice Research Institute (IRRI) in the Philippines. Now IRRI rice is grown largely for home consumption. It also figures in exports, along with the famous fine BASMATI rice.

In respect of cotton, however, the situation is somewhat different. The average yield of cotton in Pakistan is about 1000 kg per hectare, which is about half of what has been achieved in some other cotton growing countries such as Mexico, Egypt and USA.

With cotton, there is also another problem. The crop is prone to plant diseases and insect attacks. In the recent past, the crop suffered from blight but now we have a bumper crop. As a result of these factors, the total size of the crop in a year is not exactly determinable in advance and remains subject to guesstimate and speculation. This situation had a bearing on the performance of the cotton-textile industries and the country's exports. In this respect it also needs to be mentioned that insecticides and pesticides are being

increasingly used for the protection of crops but this helps only temporarily, while at the same time there is also an opinion that excessive use of pesticides could, in the long run, adversely affect the condition of the soil and its productivity.

Pakistan's other important agricultural crops are oilseeds and sugarcane. In recent years, the introduction of sunflower and canola is substantially increasing, and relatively reducing the import of palm oil in large bulk and at heavy cost. Planting of imported palm trees has been undertaken and is expected to further augment local availability of raw material to produce more edible oil.

The growing of sugarcane has increased in recent years as the sugar industry has expanded, and the production of sugar is meeting domestic needs and is also augmenting country's exports. But as more land is put under sugarcane crop, it would impinge on the area used for other crops.

Viewing the situation in the agricultural sector in a broad perspective and in consonance with future demands, we can identify three basic elements. The first is the adoption of a scientific approach; the second is the proper utilization of farm lands; and the third is educating the farmers to enable them to fully benefit from modern techniques and methods based on R&D.

The adoption of scientific approach in its larger implication will cover all the aspects of agriculture. But more specifically, it would relate to the application of the results of science to the production of all crops. Here, special attention would be given to increase in crop yield. We have to benefit from the results that have been achieved in the fields of genetics and its application to agricultural growth.

In the sphere of R&D, it has to be said that a number of institutions basically established by the government have done a great deal of work over the years. There is obvious need now for the private sector to play a larger role in this area, particularly in obtaining the co-operation of science related institutions in the developed countries for the acquisition

of the results of modern research. In this regards, entrepreneurs from the developed countries could also provide useful collaboration.

Insofar as the utilization of the farm lands is concerned, a major issue is the ownership of agricultural lands which is uneven and not always economically viable. Some farmers possess small holdings and continue with age-old farming practices. Some big land holders do not fully utilize their lands and do not use modern methods.

Larger tracts of state-owned lands that remained unutilized have been given to landless rural people. While they have acquired proprietary rights, it might not enable them to individually apply modern farming methods to their small holdings. In respect of large holdings, at one time, corporatisation of farming was also thought of, but without any concrete result, as entrepreneurs in the private sector have remained more active in industrial enterprises.

Here mention has to be made of the government policy, opening the agriculture fully to investors and entrepreneurs from abroad, offering them incentives to participate in the development and modernization of agriculture. This also includes the allied sectors of cattle, sheep and poultry farming, which have provided immense scope of development on modern lines, with the use of scientific methods. There is hope that this will usher in a new phase in this sector.

In the present-day world, it is necessary for the farmers to be aware of how agricultural operations are progressing internationally. Improving their knowledge so as to enable them to benefit from modern methods is essential. A determined follow-up of the government's program to expand primary education and raise the level of literacy is the obvious answer. To some extent the information gap is filled by the agriculture-related program broadcast on radio and television. Increased use of the print media and production of literature to help farmers in agricultural operations have to form part of future programmers.

This brings us to the larger issue of literacy in this country, and access to knowledge through the fast advancing information technology. While in the past our literacy rate advanced slowly, now fresh efforts are being made to accelerate the pace of progress in the area of primary education. As it would be obvious, progress in literacy rate and expansion of education will be essential for an increased access to information technology.

The use of computers has shown quite rapid growth in Pakistan. One reason obviously is its increasing use in the business, industry and services sectors. This development has been helped by the fact that there is a better level of education among people living in urban areas, where in progressive families even young, school-going children can use computers.

With the increasing use of computers, we need to develop the availability of more hardware as well as more software. This is an area where we are looking forward to keeping pace with international development. As far as hardware is concerned local assembly of imported parts is being done on small scale, producing what is described as “unbranded” computers. In the days to come, some internationally operating manufacturer could be encouraged to set up a plant to locally produce “branded computers”.

In so far as software is concerned, the situation is encouraging. Some 400 software development houses, with medium size operations, are operating in the country, which reflects not only the increasing use of computers but also the presence of trained computer operators and technologists.

It also indicates that Pakistan has already built a sizeable base in the software sector and in this respect a significant development is the decision of the pioneer company in the field, Intel, to set up a base here and make sizeable investment in the industry. Pakistan can thus be said to have made good progress in this most modern sector.

Another area which has made significant progress is the communication sector. Pakistan is making substantial headway in acquiring and developing information technology. Communication in the wide sense of the word, however, includes transport and production of means of transport.

Pakistan has already developed a large telecommunication network, which is state-owned and state-managed. It has now been decided to privatize it. This offers good opportunity to international companies with experience and expertise to come forward for its acquisition, which would also mean a profitable investment.

In Pakistan, a program for the construction of modern national highways of international standards and the extension and development of the existing highways and roads, along with the building of flyovers and bridges in large cities, is already in progress. For the implementation of these projects, the collaboration from South Korea, Turkey and Iran had been obtained. As the program continues investors and entrepreneurs from other countries could also be attracted to participate in infrastructural development.

Similarly, for the production of vehicles, which includes cars of varying sizes and grades, buses, trucks, two-wheelers, etc. reputable companies from Japan, Korea and Central Asia are already in operation while some European countries are expected to come in soon. Together, they are meeting the rising local demand of vehicles and also helping the expansion of local production of their parts and equipments.

While looking forward to the future, Pakistan is actively working for the strengthening and expansion of its established industrial sector, which is already diversified. Some of the industries have performed well in the past and hold good prospects in the future.

Among them the cotton-based textile industry deserves special mention. It is one of the oldest industrial sectors and in addition to manufacturing the basic items, yarn and fabric, it is now producing a large variety of goods including apparel, garments and textile

made-ups. Together, this large group accounts for the largest share in the country's exports, amounting to about 60 percent of the total.

Another agro-based group of industries includes processing and packaging of meat, milk and dairy products and processing and packaging of large variety of food and beverages. In this steadily expanding sector, a number of well known multinational groups have registered their strong and profitable presence.

In the sphere of economic development, as a whole, Pakistan's foremost and fundamental objective is to combat underdevelopment and to steadily attain a better standard and quality of life for the mass of the people. It needs to be recognized that, while country has immense natural resources, and human power, for a variety of reasons, the standard of living of the bulk of population has remained low, as some of their essential needs remain unmet.

This situation is being addressed now and future plans and programs are to be directed to this purpose and this to achieving sustainable growth, building up financial and technological resources, meeting most of the domestic needs by increasing indigenous production and augmenting foreign exchange earnings, especially through the expansion of exports of high quality value added items.

Thus, we envision the new century not only as a harbinger of hope and expectation, but also of organized effort, devotion and achievement. We Pakistanis have a vision of an educated, informed, progressive and prosperous Pakistan, and we are confident that we will make it.

Chapter # 2

Exports of Pakistan

Pakistan's exports are divided into two categories:

- Core categories.
- Development categories

2.1 Core categories:

Textiles and garments:

- textile garments
- raw cotton
- fabrics
- made ups
- towels
- art silk and synthetic textiles

Other core categories:

- rice
- leather products
- sports goods
- carpets and wool
- surgical instruments
- Petroleum products.

2.2 Development categories:

- information technology
- fisheries
- fruits and vegetables
- poultry
- gems & jewellery
- marble and granite
- engineering goods
- chemicals
- pharmaceuticals
- general services

2.3 Cotton & Textile Products:

Cotton Yarn

Pakistan's cotton is regarded as the best among varieties of cottons of similar staples grown elsewhere in the world. Pakistan's textile industry enjoys several advantages over those of many other countries as far as the production of quality fabrics and yarn is concerned and is a world leader in the export of cotton yarn, including coarse, medium and fine varieties. Pakistan's leading buyers are Japan, Republic of Korea and Hong Kong.

Cotton Fabrics

Cotton and Cotton products occupy a pivotal position in the economy of Pakistan. Pakistani weaving industry has been producing sophisticated quality fabrics in line with the latest overseas demand. Made of superior Cotton, the textile fabrics of Pakistan are distinguished for their quality, texture, lustrous colour and rich combination of superior designs and competitive prices.

Pakistan's textile industry enjoys several advantages over many other countries as far as the production of quality fabrics is concerned, which include availability of high-grade locally produced raw cotton and trained manpower.

Hosiery and Knitwear

Cotton knits are now available in the latest variety knits in Pakistan. Hosiery goods exported from Pakistan are known for their fine quality in European and American markets. A series of new finishing processes have been incorporated with improved shades, textures and lustre. Some of the bulk export items, which have gained popularity, are 100% cotton T-Shirts, Sports Shirts, Undergarments, Bathing Suits, Knitted garments and knitted tabulator or flat fabrics. Manufacturers follow international sizes and specification. They also welcome buyer's samples, specifications and designs.

Bed linen

Pakistan manufactures the best quality printed and dyed bed sheets, quilt covers fitted bed sheets, flannelette bed sheets matching pillow covers that are displayed in famous

departmental stores in Europe and United States. The industry produces exquisite designs, suited to the requirements of each country and its people. Exports are moving among others, to such quality-conscious markets as France, Germany, Benelux, United Kingdom, Norway, Sweden and the United States.

Ready Made Garments

Pakistan produces ready made garments of all pattern and styles, of the latest fashion and quality. The industry is adequately equipped to produce latest fashions to suit tastes and needs in any part of the world. The product also include utility items such as service uniforms, overalls, shirts, trousers, sports shirts, jeans night suits, uniforms for schools, workers in industrial concerns, catering establishments etc.

Leading Pakistan designers, garment manufacturers and exporters display their designs and products regularly round the world in international fairs and exhibitions and in trade centres like Paris, London, New York, Tokyo and Berlin. Two fashion fairs are also organized annually in Pakistan namely the Pakistan Textiles and Clothing Fair, held in winter, and the Fashion Apparel Fair scheduled in summer.

Tents & Canvas

Pakistan's specialized production of quality tents with innovative features and new designs have gained worldwide acceptance. To suit any individual requirement, qualified technicians and designers are always available to deal with modification for further development and improvement of the products. Allied products such as tarpaulin covers, shelters, hoods for jeeps, trucks, lorries and bags of all kinds are also available for export.

2.4 Fruits & Vegetables:

Pakistan is primarily an agricultural country and it grows a wide range and large varieties of fruits & vegetables. Export of fruits and vegetables is subject to compulsory grading and certification by the Agriculture and Live Stock Marketing & Grading Department

and the Plant Protection Department respectively. Principal fruits which are being exported include mangoes, citrus (oranges, kinno, lemons, grape fruits) apples, grapes, dates apricots and melons etc.

Apple

Numerous varieties of sweet, fragrant & juicy apples grow in abundance in the North West Frontier Province and hilly slopes of Balochistan.

Kinno

Sunny winters in Pakistan yield a large variety of citrus fruits. The juicy kinno is unique hybrid of two varieties of California Orange. It has a soft skin which is easy to peel and has a lovely fragrance.

Mangoes

Pakistan produces a variety of mangoes that have a distinct flavour and taste. This kind of fruits is grown in Punjab and Sindh Provinces of Pakistan.

Dry Fruits

Dry fruits have been a significant item of Pakistan's export. The most widely used among the dry fruits are dried dates followed by almonds, walnuts and Pistachio. Pine nuts and raisins are the major items of export in terms of quantities carefully selecting, grading, processing and packing them to meet international standards.

2.5 Rice, Fish, Food Stuffs & Spices:

Rice

“The finest rice is from Pakistan whatever the brand name”. Pakistani rice is known for its exotic taste and exquisite aroma the world over. Processed on most modern plants for colour sorting and mist polishing, the rice is exported both in bulk and consumer packing.

Fish

One of the major exports of Pakistan, fresh fish of the Arabian sea is frozen & packed in modern processing plants with special attention to quality control and hygiene. Among the vast varieties exported are prawns, shrimps & lobster, cuttlefish and squids, sole, pomfret, mackerel, snapper, ribbon fish & tuna etc.

Food Stuffs & Spices

An extensive variety of processed foods is prepared in Pakistan, from jams, squashes, juices & pickles to superb quality sweets, biscuits and pasta. A wide range of whole & ground spices is also exported along with packets of ready mixed spices for numerous popular Pakistan dishes. All of these food stuffs and spices are approved by the FDA of the United States of America.

2.6 Handicrafts & Carpets:

Handicrafts

Pakistan is well known all over the world for its exquisite hand embroideries, silver jewellery, lacquer work, brassware, beaten copper and copper in-lay work, ivory, wood and bone carvings. Pakistan’s handicrafts are practical and add utility and ornamental beauty to the living rooms, offices and displays. Wood carving today is largely done on decorative screens and rocking chairs and all types of goods are made to order and also sold off-the-shelf.

Onyx & Marble Products

Nature has endowed Pakistan with large deposits of quality onyx and marble. The colours of onyx quarried in Pakistan provide a feast for the eyes. Ranging from off-white to light green, apple or medium green to the most expensive dark green and various shades of brown, from ochre to dark chocolate with streaks of pink, red and orange. Items made from onyx marble include ashtrays, lamps, lighters, stationary goods, vases, tables, jewellery, clocks and many components for use by manufacturers of finished products, like bathroom accessories, perfume bottles, trophies etc.

Hand Knotted Carpets & Rugs

Pakistan makes traditional oriental hand knotted woolen carpets and rugs, which command great respect in international markets, because of their designs, craftsmanship, and colour combination, beauty of texture and as a long term investment. The carpet industry not only produces programmed goods but also keeps ready stocks; Carpets can also be purchased off-the-shelf.

2.7 Leather & Leather Products:

Tanned & Finished Leather

Pakistan's leather garments industry has attained a remarkable level of development and recognition in recent years. It ranks amongst the few leading earners of foreign exchange. More than 30 tanning units produce numerous varieties and grades of goat skins. The government recognized Pakistan Tanners Association organizes a leather show every year, which attracts a large number of foreign customers.

Leather Garments

Pakistan's leather garments industry has achieved a distinctive place in the world of fashion. Manufacturers here make all that one could desire – jackets, short and long coats, trousers and skirts – in sheep, buffalo, goat, cow split leather. High quality leather, fine stitching, exquisite workmanship, sophisticated and trendy designs give an exclusive touch to Pakistan's leather garments which cover a broad spectrum of colours and shades.

Quality control and strict following of delivery schedule has made Pakistan's leather garments industry one of the country's leading industries.

Leather Goods

Pakistan has emerged as a leading exporter of processed and semi-processed leather by virtue of which we have gained a strong foot-hold in the international markets. The wide range of products produced by the industry includes the leather gloves, footwear, boots, travel kits, suitcases, briefcases, leather belts, belting for factories, shaving kits, makeup cases, cigarette and cigar cases, ladies handbags, purses, and a lots of other items of daily use.

2.8 Surgical Instruments, Sports Goods & Pharmaceuticals:

Surgical Instruments

Pakistan produces a wide range of medical, surgical, veterinary and hospital instruments and equipments in cottage industries as well as in modern factories. The industry makes specialized instruments used in the various branches of modern surgery.

Production can be made in accordance with British, German American or any international standards/specifications, as the industry has the experience and capacity to produce instruments of varied specifications, according to buyer's need. The advanced countries of Europe and America are the leading buyers of Pakistan's surgical instruments.

Sports Goods

Pakistan's sports industry is located in and around the famous industrial centre of Sialkot. There is high degree of specialization and Pakistan's sports goods have received worldwide recognition because of superior designs, quality materials and highly skilled workers. Pakistan produces a wide and comprehensive range of all types of sport goods, games accessories and athletic equipment. The range covers leather balls, leather gloves,

sports shoes, rackets, hockey sticks, hockey balls, cricket accessories, polo sticks, polo balls, indoor games, outdoor games, gymnastics/athletic items etc.

Pharmaceuticals

Approved by the FDA of the United States of America, Pakistan's flourishing pharmaceuticals industry is based on research & quality control, producing tablets, capsules, syrups, ointments, injections & drips of a large number of drugs & medicines.

2.9 Gems & Jewellery:

Gems & Minerals

Some of the finest specimens of gems & precious stones are mined in Pakistan. Emeralds & Rubies in particular are amongst the best in the world. Apart from those a large variety of other gems are also found here like Topaz, Peridot, Aquamarine, Tourmaline, Kunzite, Lapis-Lazuli, Garnet, Amethyst, Spinel, Quartz etc.

Jewellery

Pakistan offers a dazzling array of (22 carat) gold, silver & artificial Jewellery. Traditional ornate jewellery in intricate designs studded with precious & semi precious stones and elegant contemporary designs in keeping with international trends is also made in Pakistan.

2.10 Engineering Goods:

Heavy Engineering

Continued improvements in technology and awareness about environmental protection have put Pakistan on the road to becoming a modern industrialized nation. A wide range of high quality engineering goods is produced in Pakistan from sugar and cement plants to boilers and steel structures, from road rollers to rubber tyres and rubber products.

The Karachi shipyard builds boats, ships & launches & produces iron, steel & non-ferrous castings. Extensive ship repairs are also carried out here.

Electrical Engineering

Pakistan manufactures some major electrical items like transformers, insulators, alternators, battery charges & power generating like ceiling, pedestal & exhaust fans and air conditioners, fridges and washing machines are also made here in contemporary designs & colours.

Agricultural Equipment

A wide range of agricultural implements for cultivation, harvesting and ginning are made in Pakistan, including tractors, self propelled machines and other sophisticated equipment of varying complexity.

Transport

Pakistan's expertise in the field of transport is extensive, from making railway carriages & spares to trucks, buses & bicycles along with an extensive spare parts industry. Motor bike & car assembly plants, built in collaboration with foreign firms, increasingly used in indigenous materials & parts made in Pakistan.

2.11 Software & Telecommunication Equipments:

Software Houses in Pakistan

In the engineering scenario of the next century, Pakistan is rapidly trying to match its human resources with the technological requirements of the coming years. With the active participation of the public and private sector, computer software is being given national priority which alongside the various incentives provided has led to the emergence of a number of software houses in Pakistan. These houses are capable of catering to the national and international requirements of software.

Telecommunication Equipment

The Telephone Industry has entered into export trade throughout the world. The range of products has widened and includes telephone instruments: auto, central battery, magneto and steno phones, exchange equipment, private exchanges, automatic branch exchanges and intercom sets, long distance telephone and telegraph equipment, and teleprinter exchanges, teleprinters, T-type 100; and typewriters – portable and standard.

Chapter # 3

Resistance from the buyers

In the international market Pakistani exporters face certain problems that they are not able to create demand for their products. This is mainly due to the fact that the

international buyers are reluctant in buying their products. We take the example of hand loom made soft fabrics, throw rugs, cushions e.t.c

Buyers fear emanates from the scary feelings they have of

- Getting inconsistent goods

- With erratic quality variances.

Following are some more factors responsible for the resistance to goods from Pakistan:

3.1 Cost:

The general perception is that Pakistani goods are higher priced than Indian and Chinese goods made with hand Embroideries. Pricing is a main element of the marketing mix. In export marketing we often have to accept a price for the product that is lower than the price we can get in the home market. This is why people are reluctant to go into exporting. They overlook the fact that exporting can be profitable even if prices sometimes do have to be lower.

On what price to set for the product depends upon:

- Your costs

- The market

- The intended profit margin

Following are the reasons for higher prices of the Pakistani Products:

- Too many middle men.

- Non-availability of basic items such as
 1. beads

 2. buttons

 3. color fast thread

- High Profit margin

- Low productivity.

- Higher percentage of rejection due to poor quality.

3.2 Quality:

Many of the buyers have had a bad experience with Pakistani goods in general to that of fabric or finished goods. Unfortunately, the battle will not be just to carve a market based on the strengths of Pakistani goods.

The major challenge will be to counter the image of inconsistency, the tendency to slide, and the reputation of Pakistani manufacturer about quality in general.

One of the buyers went to the extent of saying “you are consistent in one aspect. Your goods are consistently inconsistent, with poor quality dominating it.”

Quality plays an important role in the export trade of any country. A quality product always has its own name and price. The quality of a product alone can make the product sustainable in the international market for a long period.

3.3 Low Productivity:

The production is extremely low due to numerous factors. With the current production facilities large quantities for even medium sized chain stores are not possible.

3.4 Packaging:

One of the very important factors that create hindrance in the international market for the products is lack of good packaging.

Packaging should be such that it should act as the exporters salesman, it must make consumers feel that this is the product they want, and not the others that are on display.

Packaging has at least five major functions and our majority packaging lacks these.

The functions are:

- Protecting the product against damage and spoilage.
- Easing handling and transport.
- Informing the buyer about the contents
- Stimulating purchase of the product by the final consumer
- Making the product easier to use.

In short package should reflect three things:

- Protection
- Convenience.
- Promotion.

3.5 Some other reasons for buyers Resistance:

Some other reasons for the resistance to Pakistani goods are due to the fact that the general perceptions by the buyers are that Pakistan has:

- Lack of knowledge and training.
- Lack of expertise in interpreting computerized patterns.
- Tendency to ignore grading.

Resistance also comes from a lot of buyers/designers/merchandisers who are hyper sensitive to some of the perceived issues of:

- **Human Rights.**
- **Child labour.**
- **Environmental concerns.**
- **Bad reputation of Pakistani goods.**
- **Pakistan's image as a supporter of terrorists.**
- **Pakistan having the image of a nuclear proliferators.**

Chapter # 4

The role of Export Promotion Bureau

4.1 Export Promotion Bureau:

The Export Promotion Bureau (EPB) was established by the government of Pakistan in 1963 as an attached department of ministry of commerce, with the objective of promotion and facilitation of sustainable growth in the quantum and value of exports of goods and services.

EPB is the main coordinating and advisory body for assisting the government in formulating and administering of trade policy. For this purpose it maintains a close liaison with trade bodies, State Bank of Pakistan (central bank), ministry of finance and various federal ministries, provincial governments and concerned agencies. It also interacts with Pakistan's commercial offices abroad.

One of its major functions is the monitoring of export performance and interaction with international trade agencies. It serves as a conduit of information on market intelligence, business opportunities and provides export management and marketing services to exporters. EPB offers incentives for the ISO-9000/14000 programmes to ensure quality management, and manages jointly with the concerned agencies quality control for the seafood, rice and other food items.

EPB also serves as a registry of importers and exporters, and registers export contracts for items specified in trade policy. It also manages the textile quotas available under bilateral agreements with USA, EU, Turkey and Canada with the assistance of private sector.

To keep itself and the exporters abreast of the trends in the international market, EPB participates in international trade related exhibitions and fairs and also organizes local fairs. Besides this, it organizes seminars, workshops and conferences and sends business/trade delegations abroad. It helps in removing export bottlenecks and resolves trade disputes. For the facilitation of exporters it has a one window operation at the export terminal in Karachi.

Mission Statement

Whilst retaining undivided focus on increase in share of world imports of Pakistan's Core Products categories, achieve earliest and maximum Product and Geographic Diversification.

Adoption of the concept of world class Supply Chain management / facilitation for comprehensive dealing with the production efficiencies and on time delivering capabilities (as opposed to just "manufacturing capacity" or "warehousing" or "coordination with PCSIR").

Active excellence in communication capability both to promote products and services and the overall business image of Pakistan and the understanding / appreciation of the services of the EPB.

Prioritization and focus will govern allocation of available personnel and financial resources for optimizing efficiency.

Achieve maximum market access to enable exporters to maximum returns of their efforts.

Ensure an export-enabling environment in the country and amongst our Missions abroad.

Manpower trained and incentives to levels appropriate to the commercial and business profile of the organization.

Core Values.

High level of efficiency and customer orientation, both pro and reactive, responding promptly to stakeholder needs.

"Focused and prioritized" efforts, as opposed to pursuing commercially desired flexibility.

Ensuring all initiative services are customer desired and developed with genuine and close association of relevant stakeholders. The only exception may be where stakeholders alignment cannot be achieved due to innovation or for experimentation.

Ensure innovate, experimentation and risk taking encourage to achieve (for own needs or for advice to government and effort).

EPB will use current / world class management tools and techniques and Information Technology (IT) or EDP (Electronic Data Processing) for organizational efficiency in all

that it wishes to do or achieve (such as HR management, Finance and Accounting management, Project Management, Procurement Management, Process engineering, TQM (Total Quality Management) and CI (Continuous Improvement) etc.

EPB will as far as is possible undertake Measurement of Success on the principle that “What gets done is what is measured”

EPB will ensure Transparency and Discipline in all its activities and recognize merit as the only basis of adoption of option.

As opposed to fire fighting, every effort will be made to Institutionalized the core activities and services of EPB’s Export Facilitation efforts, Policies, Regulations, Advisory etc, without losing flexibility and responsiveness to sudden challenges and change.

4.2 Organizational Framework

To ensure the effectiveness of its services, EPB has the following divisions:

Geographic Regional management division:

Geographic regional management (GRM) division is responsible for organizing exhibitions, sending & receiving trade delegations, preparation of briefs on various countries & regional geographies in line with the export strategy, liaising with chambers of commerce and exporters associations correspondence & analysis of economic activities reports, follow up progress of the export targets assigned to various missions and give guidance & financial subsidy to exporters association for holding product and related exhibitions.

Planning, Procedures and International Project Division:

The major functions of this division includes arranging meeting of the exports facilitation committee (EFC) with the concerned government departments to resolve export related

problems of the exporters, export facilitation at major ports, issuance of airport protocol passes and visa recommendations to exporters, development of input for formulation of trade policy & its subsequent implementation, WTO matters, international projects and resolution of trade disputes.

Human Resources, Finance Accounts Division:

This division manages human resource, administration and finances of EPB including export marketing development fund. In addition to financial management, the division will carry out management audit, assets management, including the management of Karachi Expo centre (KEC).

Quota and Regulatory management Division:

This division is responsible for managing all regulatory functions textile quota management, including daily visa issuance and annual reconciliation with importing countries, ensures transparency through private audit on daily basis, Registration of product contracts. Quality review committee for rice is also working under this division.

Export Supply Management Division:

Major functions of this division include preparation of product reports, frequent interface with the exporters and sectoral associations, resolving supply chain issues in coordination with the concerned government departments, coordinating delegations, coordinating with GM directorate in organizing local and international exhibitions and trade fairs, providing assistance to other directorates in product related issues, organizing workshops , conferences and seminars on related issues, interacting with the import promotion agencies such as GTZ (Germany), JETRO (Japan) and CBI (Netherlands) in matters relating to products concerned.

IT and Communication Division:

IT division is involved in the automation of EPB, development of EPB website, the quota supervisory council IT network (textile quota management system), providing the policy input to ministry of commerce on IT policy and the E-commerce and coordinating with ministry of science and technology on E-commerce related matters and IT policy and

action plan. IT directorate also coordinates and plan the IT related matters of the headquarters office and the regional offices. Constant updating of exporters database, importers list and maintains a data bank of all tender enquiries disseminated through EPB.

4.3 Services provided by EPB

Marketing:

- Market research
- Fairs and exhibitions-local and international
- Trade delegations for exploring international markets
- Overseas publicity to create brand/country/product awareness
- Participation in trade related events
- Facilitation through commercial counselor abroad
- Expo centre- holding of local exhibitions
- Seminars/conferences/workshops to create awareness about export related issues.

Facilitation:

- Face to face counseling
- Export facilitation committee to resolve export related problems
- Standardization and simplification of procedures
- Establish buyer-seller contacts
- Information dissemination through website/fax on demand

Regulation:

- To assist government in formulation of export policies and setting of export targets.
- To monitor exports and implementation of export strategy
- To recommend establishment of export oriented industries
- Implementation of trade policy

- Textile quota management
- Quality review committee for rice

Enhancement of competitive edge of export sector:

- Skill development council
- Establishment of training institutes for capacity development in sectors like textile , leather, surgical, jewellery e.t.c
- Seminars on exports related issues
- ISO-9000 and 14000 helping industry to adopt the standards
- Awareness about environmental and social issues such as child labour

4.4 Pakistan Export Strategy

Vision

Providing Leadership, Direction, Pro and Re-active Facilitation, to an aggressive national drive for maximization of sustainable growth of Pakistan's Foreign Trade.

Preamble

Based on an evaluation of the world demand of goods and services, the Strategy aims to prioritize those where Pakistan has or can achieve a competitive edge, sourced from within or outside Pakistan and facilitate the achievement of the desired levels of profitable exports via a 'demand led' Strategy, as opposed to the previous 'supply led' efforts. The 7-point Strategy is as follows:

Strategy

Enhance world market shares of the Core Product Categories via

- 1.1 Increased penetration of our best performing Categories in the top 10 respective countries.
- 1.2 Selectively increase the top penetration of the Core Product Categories in the Next top 10 countries.

<i>Core Categories</i>	<i>Other Core Categories</i>
Textile Garments	Rice
Raw Cotton Yarn (All Types)	Leather / Products
Fabrics	Sports Goods
Garments	Carpets and Wool
Made Ups (Excluding Towel)	Surgical Instruments
Towels	Petroleum Products
Art Silk and Synthetic Textiles	

2. Value addition:

Pursue enhancement of manufacturing and marketing capabilities and efficiencies with a view to achieve value addition and increased competitive strength for our Core Product Categories.

3. Export Diversification:

Pursue with national alignment and focused resource application, selected Developmental export opportunities where Pakistan currently enjoys, or can achieve, a strong competitive edge. The identified Categories are:

Developmental Categories:

Fisheries.	Poultry
Fruit, Vegetables & Wheat.	I.T- Software & Services
Marble & Granite.	Gems & Jewelry
Engineering goods.	Chemicals
Healthcare	General Services.

4. Geographic Expansion:

Pursue in the less explored Geography, exports of our Core Products Categories and Services and any other, but significant opportunities. The geographic areas identified are:

Africa.	South America.
Eastern Europe.	Central Asian Republics.
Oceania (Australia/New Zealand).	

5. Women Entrepreneurship:

To energize the Women Entrepreneurship in support of developing and realizing Pakistan's export capabilities and potential, and enhance overall economic value addition.

6. Traditional partner Countries:

Bilateral Trade Enhancement would be achieved with countries where Pakistan traditionally/potentially enjoys close relationships.

7. Leverage International Trade Blocks / Agreements:

Enhance market access based on proactive and innovative management of current or emerging world economic / trading blocks and bilateral trading arrangements.

Enablers

For the successful implementation, the following enablers need to be ensured and or strengthened:

1. Export Culture:

It is essential that national alignment of all stakeholders be ensured to the need for an aggressive national drive, a quantum leap in exports and also the Export Strategy and the availability of an enabling environment. An 'Export Hype' needs to be created to ensure the desired mindset and action by all stakeholders. The acronym HYPE stands for

H Hyper-sensitivity to exports

Y Yes, 'can do' approach

P Profitable

E E-Commerce & Government

It is vital in the context of the above that any regulatory, environmental and social impediments to exports be ruthlessly demolished.

2. Marketing Support:

An extremely vital enabler, majority of our exporters are presently weak in the marketing management abilities and the financial/human resources required for aggressive market share enhancement and product and geographical diversification. Due to need of up front investment of funds, SME exporters are shy to invest. It is essential that professional and financial help be provided by the government in partnership with the exporters, for aggressive international promotions, distribution and gaining access to new customers and markets.

3. Pakistan's Business Image:

It is recognized that all countries have their strengths and weaknesses. Success depends upon efficient capitalization of Strengths and management of Weaknesses to provide an honest and positive business image. It is also recognized that image management has to be professionally achieved for best results.

4. Human Resources and Skill/Technology Support:

In alignment with the strategic product, geographic needs and international trading regulations, the skills, training/technical facilities be enhanced amongst all stakeholders especially the exporters, Pakistan's Missions and that Export Promotion Bureau, financial institutions and SMEDA.

5. Supply Chain Management:

To develop the on-shore capacity to produce the right quality at internationally competitive prices, based on customer needs, the supply chain needs to be closely examined by our entrepreneurs, in close collaboration with the government; bottlenecks need to be removed and infrastructure strengthened. This would include the use of state-of-art technology and manufacturing process development.

6. Quality, Social and Environment Management:

Culture of 'TQM' (Total Quality Management) and 'CI' (Continuous Improvement) needs to be inculcated and embedded in support of Quality, Social and Environmental opportunities. This should aim to achieve world class levels progressively and meet international standards and specifications as a minimum. Appropriate regulatory framework, quality and social management processes such as ISO/SA certifications and a transparent efficient judicial process needs to be in support.

7. Foreign Direct Investment and Finance:

Foreign Direct Investment needs to be strongly encouraged to strengthen our exporters management expertise, technological and infrastructural support, competitive edge and market access.

Transparent access to finance will be vital for the desired significant increase in exports.

Sufficient access at internationally competitive mark ups would need to be ensured, especially for the value adding and Developmental Product Categories.

8. Exchange Rate:

Careful management of the exchange rate would be required to provide the exporters a level playing field with international competition.

9. Small & Medium Enterprise Development:

On a medium term basis, the success of Pakistan's exports must heavily rely on the strength of our Small and Medium size exporters. EPB in alignment with the supply chain management efforts of SMEDA, must help enhance the exporting and marketing capacity of the SMEs inclusive of adequate finance through the relevant financial institution i.e. State Bank, SBFC, RDFC and other DFI's.

10. Export Promotion Bureau:

HR. FINANCE AND ADMINISTRATION DIVISION.

Main Purpose

This Division will manage the Human Resource, administration, Book Keeping and Finance of EPB including the accounts of EMDF. In addition to financial management, the Division will

carry out Internal Control and Management Audit. Assets management including the management of Karachi Expo Centre (KEC) will also be the responsibility of this Division.

COMMUNICATION DIVISION

Main Purpose

Export Promotion Bureau can only be kept together, vibrant aligned, confident and unidirectional by effective communications vertically and horizontally, amongst all its employees and stakeholders as appropriate. The benefits of services provided by EPB (and therefore export enhancement) can only flow to its customers if they know what these are how to benefit from these. Reinforcement of these services and confidence amongst stakeholders/customers can only be achieved if they know of the success stories. Awareness of what Pakistan offer to prospective customers is the first step to export development especially in the developmental categories and geography. Effective presentation of the Pakistan environment provides confidence to importers. Communications Director is therefore, the voice, eyes and ears of EPB.

INFORMATION TECHNOLOGY DIVISION

At the outset it may be clarified that this division is not a resource for developing exports of IT services and/or software; nor indeed for evaluation of proposals relating to development of software exports, or the provision of export facilitation services which may be IT or EDP based such as Fax-on-Demand, or the e-mail receipts etc. Having said that, it may be called upon to contribute for any specialist technology needs in the above or related context in an advisory capacity.

Main Purpose

IT and Electronic Data Processing (EDP) Division will provide tools and techniques which are not an end in themselves, help EPB do what it wishes to do in a more effective accurate, faster way. Indeed to do things that are manually not even possible with sensible human resource deployment. This is also the main purpose of the IT Division in EPB.

QUOTA AND REGULATORY MANAGEMENT

Main Purpose

Textile quota management and Regulatory control of exports are vital and sensitive functions of the EPB. As the only organization with direct contact with exporters and regulatory authorities it must also play an active and proactive role in helping create the most favorable exporting environment.

Chapter # 5

Government steps to enhance the exports

¹5.1 Chairman's EPB six point strategy

Export promotion bureau has the mission to become the potent and effective catalyst for achieving a quantum jump in country's exports which had remained stagnant around 8 billion dollars during the last few years.

Due to the efforts of the chairman Mr Tariq Ikram EPB has changed its role from a reactive to a proactive organization. In an interview given to Panorama Pakistan he delineated the "export Promotion Strategy" which is the **new road map** for boosting exports. The emphasis is on strengthening the **export culture** in the country, through a well –thought out six point strategy that envisions Pakistan's exports to achieve the targets that can put Pakistan's trade balance and foreign exchange resources on a solid base. He emphasized that unlike the past efforts will be focused and unidirectional to eliminate wastage of resources. EPB has planned to play a role as the facilitator for exporters by providing the required leadership in achieving the newly set export targets of crossing US \$ 14 billion by the end of year 2003. In developing the strategy the chairman explained that simplicity is very important for the success, "it had to be realistic so the stake holders could own it. Pakistan's new export strategy is based on the areas where Pakistan has, or can achieve a competitive edge.

The salient features of the six point strategy are:

- 1. Enhance the market share of existing product categories, all those products that have stood the test of time.**

This will be done by trying to increase the market share of the top 10 products each in the textile and non-textile sectors, in the top ten countries where these products are at present being exported. Currently, 70-80% of Pakistan's exports in concentrated in 10

¹ Exclusive interview by Tariq Ikram Chairman EPB

countries. The effort to gain a greater share of their markets will be made along side efforts to enter the next ten countries or the hitherto lesser-explored geographical areas with these tried and tested products.

2. Expand the export base by identifying new and non-traditional product categories.

With a single minded focus and through total commitment and alignment of national resources, major successes are targeted to be achieved, regionally as well as world wide, in six of the commercial opportunities. These categories are:

- Fisheries
- Information technology
- Fruits and vegetables
- Engineering goods
- Auto parts
- Gems and jewelry
- Diamonds, marbles and granites.
- Tourism.

3. Pursue exports in the currently less explored geographical areas.

There are vast markets where the demand for the traditional export items can be exploited. Geographical areas like China, South America, Africa (especially South Africa), Australia, Eastern Europe and CIS countries including Russia, are vast markets whose potential has not been fully tapped until now.

4. Go in for significant value addition in the existing top 10 products.

Functional values of products will have to be combined with the emotive value so as to get a better price for them. Product packaging, development and design have to

meet customer needs. Emerging products identified by research will be advocated to the industry and exporters, as well as the need to move towards better materials. The exporters will also be encouraged to enter the brand -oriented niche segments.

5. Government to Government facilitation.

Advantage will be taken of the good relations that Pakistan enjoys with the regional countries, especially the Islamic block. Countries like Iran, Syria, China, Libya, Egypt, Indonesia, Philippines, Mauritius, Sudan, Sri Lanka, Yemen, North Korea, Algeria, Tunisia and Saudi Arabia are on the list where aggressive export promotion will be made.

6. Strengthening of association with various trade blocks like ECO and SAARC etc.

Regional pacts will be pursued and there will be regular follow-ups at the government level. The above strategy has been devised to meet definite objectives.

According to the chairman product and marketing development fund will be set up. Top exporters and some smaller but entrepreneurial exporters will be selected and put through a kind of an audit which will help them to learn about areas of product improvement, managerial skills and identification of areas of investments.

Export credit and guarantee will be set up for assisting the small and medium sized industry which lacks the strength of collateral as compared to bigger players.

Quality management training and implementation programme will be initiated for the industry to help it learn the seven tools of TQM and its implementation. EPB will also be embarking on a **marketing training programme** to train managers in this vital aspect of the business. According to the chairman a **skills development council** is also being formed for developing methodologies and processes by which the skills of the manufacturers and exporters can be enhanced.

In addition the government is also undertaking an aggressive branding programme for products from Pakistan as this is something the private enterprise cannot do.

The government will also assist exporters in removing problems that their products have faced in the past. A vapour plant for the treatment of fruit has already been acquired. More air freight space has also been ensured by the national carrier for the export of fruit.

The EPB chairman said that, “it has been decided that the missions should now focus much more on economic diplomacy, which is the diplomacy of the world today.” According to the chairman “we know that only items with a competitive edge in the world can be capitalized on especially in view of globalization and lowering of tariff walls. This alone will help in the sustainable development of exports.”

²5.2 TRADE POLICY 2003-04 AT A GLANCE

The trade policy initiatives have been taken considering both the national compulsions and challenges of international trade environment, because Pakistan is also a part of the new multilateral trading system, envisaged in the WTO regime that was started in 1995, and will mature fully from 2005. After the end of the transitional period of ten years, all quantitative restrictions on export and import of textiles and clothing will be eliminated from 1st January 2005. This would have a profound impact on our predominant textile sector, which contributes 67% of our textile exports.

Perspective

1. To sustain phenomenal growth in exports achieved during 2003-04.
2. To prepare for changing international trade scenario e.g. textile quota phase out by 2005.
3. Continue policy initiatives taken during the last three years.

² ministry of commerce

4. To capitalize on our traditional comparative strength i.e. textile sector.
5. To develop and strengthen Small and Medium sectors like rice, carpets, leather, cutlery, surgical instruments, sports goods etc.
6. To build on our agricultural supply base.
7. To strengthen marketing efforts.

Strategy Point

Measures

- | | |
|--|---|
| <p>1. To strengthen traditional comparative strengths in textile sector.</p> | <ul style="list-style-type: none"> ■ Technology Upgradation (through Upgradation Fund) ■ Joint Ventures. ■ Garments Cities. |
| <p>2. Capacity building in all sectors especially small and medium sectors like rice, carpets, leather, cutlery, surgical instruments, sports goods etc.</p> | <ul style="list-style-type: none"> ■ Establishment of industrial clusters. ■ Special export zones. ■ Support for relocation of industries with export. ■ Quality Management-continuation of ISO certification support. ■ Reducing production cost-bulk and off-peak utilities rates. |

- Certification and collective marks.
- Hall-marking in jewellery.
- Extension of freight subsidy.
- Support for social, environmental and security compliance-Combined Effluent Treatment, Waste Water Treatment, SA-800 Certification, IPRs, Compliance machinery import.
- Quality Assurance labs.
- WTO awareness.
- Incentivisation to Exporters-Civil Awards, Package rice.
- Consultancy Services

3. Marketing

- Warehousing abroad.
- Support for brand acquisition (through Upgradation fund)
- Country business Image building/Generic Product Advertising
- Retail sales-promoting 'Pakistan Product' EXPO Pakistan
- Support in Promotional Expenses
- Strengthening Trade diplomacy-Regional trade commissioners.

4. To build on agricultural supply base.

- Agricultural Export Processing Zones.

5. Institutional strengthening.

- Inter-ministerial Committee.

- Re-organization of EPB.
 - Setting up EPB office at Gawadar.
 - Skills Development Council.
 - WTO Directorate in EPB.
6. Services Sector
- Services Directorate in EPB.
 - Bid bond/Performance bond support.

SALIENT FEATURES OF TRADE POLICY 2003-2004

1. The government has announced exports target US\$ 12.1 billion, a 9.7% increase over the preceding year exports.
2. Imports are expected to grow to US\$ 12.8 billion, a 4.9% increase over last year imports. Trade deficit will shrink to US\$0.7 billion.
3. An Export Facilitation committee will be established to keep check on progress and implementation on Trade Policy and to resolve the irritants faced by the exporters. The Ministers for finance, Commerce, Industries & Production, Investment and Privatization, the Governor State Bank of Pakistan and Chairman EPB will be the members of this Committee.
4. An Upgradation fund for technological Upgradation will be managed under public-private partnership, GOP funding is estimated to Rs. 3.74 billion.

5. EPB will be recognized, an office of EPB will be set up at Gawadar, Marketing Section of EPB will corporatize.
6. EPB will set up two special directorates, one for creating awareness among stakeholders on WTO trade rules particularly in clothing & Textile sector and other directorate for development of clusters to facilitate potential exports industries like; sports and surgical goods in Sialkot, auto parts in Karachi, Electrical appliances and Knitwear in Karachi and Lahore for the promotion of Small and Medium enterprises.
7. Skills Development Council in EPB will manage the training institute to enhance, skills in various export sectors.
8. A training institute in EPB and research center at Rahimyar Khan will be established for development of contamination free quality cotton.
9. A Directorate will be established in EPB and a research center at Rahimyar Khan will be established for development of contamination free quality cotton.
10. EPB will publish a directory of ISO certified companies in Pakistan; financial assistance to acquire ISO certification will be continued.
11. The “off peak hours rates” and “bulk rates” facility for industrial consumers will be provided by WAPDA/KESC to lower the electricity cost of the industrial consumers.
12. Additional land routes, other than Torkhum & Chaman will be allowed in consultation with Government of NWFP & Balochistan.
13. A Gold Assaying/hallmarking facility will be set-up in Karachi for quality control & certification of jewellery in collaboration with the London Assaying Office.

14. Civil Awards, Prime Minister's Gold medal, and a package of incentives will be presented to exporters to recognize their higher achievements in exports.
15. The exporters may now avail the duty draw back facility on exports of ghee in 16Kg Packs.
16. Concessional rate of income tax at 0.75% will also be applicable to export branded rice upto 50Kg packing as well.
17. With the equity partnership among GOP, multilateral institution, and the stakeholders, SMEs will be promoted in three establishments of "Garment Cities" in Karachi, Lahore and Faisalabad. These SMEs will set a trend in value addition of finished textile products.
18. The Overseas returning Pakistani doctors under Transfer of Residence Scheme are allowed to import used medical equipment dialysis machines, reverse osmosis equipment, and other similar electro medical equipment not older than 5 years.
19. Regional Trade Commissioners will be appointed in the six regions namely, the Americas, European Union, Africa, Far East and Central Asia. They will guide the country representatives in promotion of exports.
20. To simplify and liberalize the import regime, purpose-oriented policies will be implemented.
21. EPB will provide Import Management Services for guiding importers about cost effecting imports.
22. Exemption from Sales Tax registration has been allowed on the goods sent by the overseas resident Pakistanis.

23. Import of used forklift trucks above 5 tons capacity has been allowed, if these are not manufactured locally.
24. Manufacturers are allowed to import secondhand boiler not older than 5 years subject to prior approval of Chief Inspector of Boilers.
25. The monetary ceiling has been abolished against demand draft for actual users to import any item/items.
26. Import of used, agricultural machinery like spray guns and other appliances for dispersing or spraying liquids or powders, spraying lorries/sprinklers etc; has been allowed.
27. Agriculture Export Processing Zones will be established.

5.3 Export Processing Zones

The Export Processing Zones Authority (EPZA) of the Government of Pakistan was established in 1980 with a mandate to plan and create Export Processing Zone (EPZs) with a view to attract investors – both foreign and local, to build a show of the country's workforce and to provide employment opportunities for Pakistanis besides upgrading their managerial and technical skills. The infrastructure for the zones be planned and setup industrial and commercial units be sanctioned and the zones be managed.

The first project of EPZA was the Karachi Export Processing Zone. Planned on 500 acres of land, 200 acres have already been developed and an additional 100 acres are being considered for development. The 2000 acres of land that have already been developed for industrialization consist of good infrastructure, and provide all the necessary utility service. In this Zone, 330 industrial plots, 70 commercial sector plots (for warehousing and trading), and 33 plots for financial sector have been planned. Offshore banking

system and insurance companies also operate in the zone. The Authority has approved 164 industrial units for setting up of various types of industries in the Zone. Out of these, 85 have already started production, 17 units have completed construction, 17 are at an advanced stage of construction and 6 units have purchased land.

Launched in 1980, the KEPZ project was completed in June 1989, through ADP grants, at a total cost of Rs. 362,840 million. Since then, the Authority has been meeting its expenditure through its own income generation sources. These include down payments, annual ground rents, registration fees, 1% development surcharge on FOB value of export, profit investment and other miscellaneous sources like bill of entry forms, certificate of import forms, etc.

The scope for the variety of investments in KEPZ is diverse. Even though garments and other labour-intensive sectors are more popular in the Zone, all types of industries can be set up, for example: light engineering goods, electronic items, computer assembly lines, leather products, watches, precision instruments, hospital equipment, fruits and vegetable processing, etc. Apart from this, investors can also set up international distribution centres for importing, warehousing and re-export of goods.

All investments in the Zone are made in convertible foreign currency. A foreign investor and a non-resident Pakistani can invest up to 100% of the equity.

A joint venture between a foreigner or a foreign company and a non-resident or resident Pakistani is possible in any proportion. However, not more than 40% of equity of a resident Pakistani shall be covered by the State Bank of Pakistan for providing foreign exchange.

The current management of EPZA is also planning to improve on the incentives package offered by the Authority. According to the current Chairman of the EPZA, “in the past, EPZA has been suffering from a lack of proper projection to prospective investors. We are currently involved in the process of developing a sound strategy to tackle this problem. Additionally, we are also working on a new incentives package that will bring

the Zones at par with other similar zones in the region. We hope to get approval for this new package in the very near future.”

The improved package is expected to entail additional incentives and facilities like corporate tax exemptions, revised labour laws, and permission of export by land routes.

Together with improving the facilities in the currently existing Karachi Export Processing Zone, efforts are also underway to complete the development of Sialkot and Risalpur Zones. Other areas identified for developing export processing zones include Multan, Lahore, Faisalabad, Gujranwala, Quetta, Gaddani, Gawadar, Sukkur, Nooriabad and Mirpur.

Incentives offered to investors in EPZs

- 100% ownership rights
- 100% repatriation of capital
- 100% repatriation of profit
- No minimum or maximum limit for investment
- Duty free export of finished products
- Income accruing outside Pakistan is exempt from tax
- Relief from double taxation subject to bilateral agreement
- Exemptions from foreign exchange control and from insurance regulations as applicable in Pakistan
- Freedom from national import restrictions
- Duty free vehicles allowed under certain conditions
- For manufacturing units, domestic market of Pakistan is available on same conditions as for imports from other countries. Trading units are restricted to raw materials in case of export to tariff area
- Units operating in EPZs are allowed to undertake sub-contracting for units of tariff area, subject to payment of duty and taxes on value addition only
- EPZ units are allowed to supply goods to custom manufacturing bonds

Facilities offered to investors in EPZs

- One-window service and simplified procedure
- All infrastructure facilities like water, electricity, gas, telex and telephone
- Skilled and unskilled labour available in abundance
- Subcontracting without limit on variety and quantity is allowed outside the Zone as well as within the Zone
- Garment manufacturing units located in EPZs are eligible to participate in auction of quotas
- GSP concessions given by various countries to import from Pakistan are available to the manufacturers in the Zone
- Peaceful, secure and environment-friendly work area
- Inter-unit transfer of finished goods among exporting units allowed

As can be seen from the facilities that are available right now, and the incentives envisaged for the future, it is apparent that the EPZA is making an all of out effort to generate much needed revenues to boost the country's economy. Various confidence-building measures have been fruitful in attracting investors, and a greater projection of the facilities available will go a long way in seeing the Zones working to their full capacity.

5.4 Incentives

Lucrative and liberal trade policy

TRADE POLICY MEASURES

Export Policy

- With few exceptions, exports of all goods are freely allowed from Pakistan. The exceptions are charcoal, fire-wood, wood & timber, intoxicants, endangered wildlife species, antiquities, fissionable materials, anti personnel landmines, toxic chemicals, counterfeit products & edible oil in bulk.
- Export of some of the goods are subject to certain conditional ties, for example export of Rice is subject to quality control.

Import Facilities for Export Production

- In Manufacturing Bonds, the exporters can import their raw material requirements free of customs duties and sales tax.
- Pakistan has a liberal Import Policy, with only a small number of items on the Negative List. These banned items can also be imported for export production.
- The imported inputs for export production are allowed under various Temporary Importation Schemes.
- Import of machinery and equipment for export industries is exempt from customs duty.

Duty Drawbacks on Exports

- Where duty-paid inputs are used in export production, whether procured from the market or imported directly, the duties paid are refunded to the exporters through

a system of duty drawbacks.

- Duty drawback rates are revised from time to time as necessitated by changes in the drawback parameters, like changes in rupee exchange rates, changes in duty rates and changes in prices of imported inputs and export prices of finished products.

- Drawback rates on all export products have been revised in four groups-
 - (1) Textiles and clothing
 - (2) Leather and leather goods including footwear and sports goods
 - (3) Engineering goods
 - (4) Miscellaneous manufactured goods including plastics rubber goods, toiletry, stationery etc.

Sales Tax Refunds

- Sales tax is collected on all taxable local supplies and imports at 15% of value, duty-paid value in the case of imports. Exports are zero-rated for sales tax through a system of refund of sales tax.

Income Tax

- Income from exports is taxed at .75% of gross FOB value of exports, for most manufactured goods, which is deducted from the realization of export proceeds through banks. On some mineral products viz: salt, barites, granite, bricks and magnesite, the rate income tax is 1.0% of FOB value of exports. On all other export goods, including raw commodities like cotton, rice, rice bran, wheat bran and lamb skins, the rate of income tax is 1.25% of the FOB export value.

- Advance income tax on imports, normally at 6% of duty-paid value, is exempt from imports for export production under Temporary Importation Schemes.
- Withholding tax on supplies and service, normally at 3.5% and 5% respectively, is also exempt in respect of supplies and service for export production.
- Similar simplified income tax regime is proposed for indirect exporters i.e. those who supply local inputs to the direct exporters for export production.

Export Finance

- Export finance is provided to the exporters, in respect of eligible commodities which cover most of the manufactured goods, at a concessionary mark-up rate of 8%, compared with 12-14% charged on commercial lending by the banks.
- The scheme operates in two parts. Under Part-I, an exporter can get export finance against letters of credit or firm contracts for export, equal to the value of the export order. The bank loan can be obtained either on pre-shipment or on post-shipment basis.
- Under Part-II of the scheme, exporters are allowed to get export finance on a revolving basis equal to 50% of their export performance in value terms during the preceding financial year.
- The maximum period of loans is 180 days. Penalties are provided for non-shipment, short-fall in shipment or delay in submission of shipment documents.
- In respect of finance under Part-II of the scheme, the exporters have to fulfill an export obligation equal to 2.0 times of the loan availed. Penal rates are charged for shortfall in meeting the export obligation.

Export Credit Guarantee Scheme (ECGS)

- An Export Credit Guarantee Scheme (ECGS) is in a place to cover the exporters against political and commercial risks. Measures are being taken to induce wider use of this facility. The ECGS insurance policy will also serve as a collateral for bank credit.

OTHER FACILITIES FOR EXPORTS

Besides the facilities of rebates of customs duty and sales tax and the concessionary export finance, a number of miscellaneous facilities are also available for exporters. The same are discussed in the following paragraphs.

Opening of Offices Abroad

- a. The Government of Pakistan have approved the following criteria for granting permission to Pakistan business houses to open their offices abroad:
- b. The applicant must be an exporter fulfilling all the requirement and public/private limited company, a reputed and the application for opening of export house abroad should have been recommended by E.P.B.
- c. The proposal to open office abroad should be economically feasible and the exporter should be financially sound as determined on the basis of their latest audited account.
- d. The applicant should be regularly repatriating export proceeds within the prescribed period. Their record with the State Bank of Pakistan should otherwise also be satisfactory.

- e. The country in which the office is proposed to be set-up should allow remittance of profits and capital.

The procedure for opening of branch offices abroad by the exporters has been streamlined. Applications received on prescribed forms are now scrutinized and decided by a Committee headed by Vice Chairman, Export Promotion Bureau and consisting of a Joint Secretary, Minister of Finance and Director (Exchange Control Department), State Bank of Pakistan.

The parties whose cases are approved by the committee are required to approach the State Bank of Pakistan for completing necessary formalities. The prescribed application form is given in the guide separately. Export Facilitation Committee (EFC) was created in 1997 to resolve the operational problems of exporters. EFC is headed by Vice Chairman EPB and comprises of senior officials from export related departments like CBR, State Bank, PIA, Pakistan Railways, utilities agencies etc and the representatives of various exporters associations it 31 meets every month to discuss and resolve the problems faced by the exporter, EPB approaches the concerned department for resolution of the problem. In cases where the problem relates to an export sector or many sectors, then the problem is brought on the agenda of EFC and resolved. However, policy related problems are referred to the government for policy solution through national budget, trade policy etc.

Composition

- Vice Chairman EPB (Chairman of the Committee)
- Director (Exchange Control) SBP
- Pakistan Railways, Karachi

- Member CRB (Exports)
- DG (Ports & Shipping)
- Collector of Customs (Exports),
Karachi
- GM (Cargo), PIAC
- All Pakistan Textile Mills Association
- Pakistan ready-made Garment
manufacturers and Exporters
Association
- Pakistan Bedwear Exporters
Association
- Knitwear Associations
- Director (Octroi), KMC
- Carpets Exporters Association
- Engineering Goods Association
- REAP
- Fruits & Vegetable Exporters
Association

Functions

- Expedite the resolution of operational problems of exporters
- Resolve the problems relating to:
 - Fixation & payment of duty drawbacks.
 - Open bond operations.
 - Release of samples.
 - Shipment of goods.
 - Import of inputs for use in products to be exported.
 - Export refinancing and other Forex requirements of SBP.
 - Allocation of cargo space & freight rates with PIA & shipping companies.
 - Matters relating to the utilities and other similar service.

Protocol Passes to Leading Exporters for Access to Lounges at National Airports During the Year

Government of Pakistan issues Protocol Passes every year to exporters having export performance of US \$ 12.50 million or more during the preceding year.

Exporters who fulfill the above criteria send their particulars to the Export Promotion Bureau latest by November of each year through respective Trade Association along with verified proof of their export Performance.

5.5 Fairs and Exhibitions

Government regards participation in international fairs and exhibitions as one of the most effective media for projection of our export products with the objective of enabling our exhibitions/exporters to seek new buyers and new markets and to establish and strengthen the contacts in foreign markets. For each year a participation programme is formulated by the Export Promotion Bureau well in advance allowing adequate lead time for making preparation for each fair. Private sector is consulted through prior discussions of proposed programme in the Export Promotion Committee on exhibitions on which the Federation of Pakistan Chambers of Commerce and Industry and Principal Chambers of Commerce and Industry and Trade Associations are represented. Programme comprises about 50 fairs in a year and includes following types of fairs in order of priority within budgetary limits:-

- **Quota Fairs:**

Participation in quota fairs is confined to display of samples and booking of orders. Fair regulations do not permit spot sales. Participation is organized regularly each year with the objective of getting fair quotes or imports quota.

- **Specialized Fairs:**

Over the years EPB has shifted emphasis from general to specialized fairs. These are also purely for order booking for specific products like garments, leather sports goods. EPB's regular participation has been highly productive fetching very

substantial export orders. Participants selected by relevant trade associations are almost invariably approved by EPB. Participation fee is charged to cover part of the costs of individual company stands.

- **General Trade Fairs:**

In general fairs full range of export products is displayed. Quota fairs are also included in this category. In non-quota general fairs spot sales are allowed. Spot sale is not the main objective but it serves as test sale for assessing the market. Participants who take spot sale stands pay participation fees to cover cost of separate stands.

- **Funded Exhibitions:**

EPB receives international or bilateral financial assistance for some fairs which are invariably taken up. Examples are (i) single commodity exhibitions under ITC/World Bank, Export Promotion Project for Pakistan (ii) EEC subsidy for some fairs already on EPB fairs programme.

- **Single Country Exhibitions:**

In countries where international fairs are not held EPB organizes single country general or specialized exhibitions. These involve very high costs and EPB has to be very selective. Single Country Exhibitions are organized exclusively by EPB.

- In additions to the above, a number of fairs are allocated to the Federation of Pakistan Chamber of Commerce and Industry, Karachi, Lahore, Sarhad, Quetta, Sialkot Chambers of Commerce and Industry and certain Trade Associations such as of Gloves, Readymade garment, Cotton Fashion Apparel and Surgical Instruments are organizing their participation directly. Private participation by individual firms having outstanding export performance or agents in host countries is also allowed on merits of each case by Export Promotion Bureau.

Applications for private participation are addressed to the Director General/Director/Deputy Director on a prescribed Form.

Trade Delegations

An important component of the export promotion effort is the sending abroad of trade delegations comprising exporters and including an EPB officer. These delegations are both product-specific and market-specific. They are carefully organized with respect to their composition and destination with a view to making the maximum possible impact. The delegations receive the full support of Pakistan's trade officers abroad, which are responsible for most of the detailed organization which goes in to the delegation's visits. Delegations for non-traditional items E.P.B pay to the delegates one hundred U.S. \$ per night and bear half air ticket of the journey.

5.6 Establishment of skill development institutes

Support for skills development & infrastructure strengthening :

In order to strengthen the export sector and boost exports of the country, the Export Promotion Bureau (EPB) has extended assistance for establishment of a number of institutions for training and development of human resources for export-oriented industries. Assistance has also been provided for strengthening of infrastructure for the exporting industries. Institutions under the scheme have been established in the private sector on the principle of public-private collaboration to ensure that the institutions are managed on professional lines while remaining responsive to the needs of the trade and industry, specially the export sector. Key features in this regard are as follows:

Assistance provided for 22 institutes, of this 17 are functional while the other 5 projects are under implementation.

Institutes have been established and are being managed by concerned trade/industry associations.

Assistance has also been provided for establishment of 6 other projects:

- Environmental Projects: Combined Effluent Treatment Plants for tannery clusters of Kasur and Korangi and a Cleaner Production Center for tanneries of Sialkot.

- An Eco-Textile Laboratory at Karachi and a Material Testing Laboratory for Surgical Instruments industry at Sialkot.

- A Common Facility Center for the Leather Sector at Kasur.

Funding for the projects has been provided by the EPB through the Export Development Fund

The institutes are providing job-oriented education and training to meet human resource and technological needs of the exporting industries.

Students graduating from these institutes have bright prospects in the job market as their programs/courses are structured while keeping in view industry's needs.

Names of institutes along with their addresses/contacts and detail of programmes/ courses being offered at present are as follows:

KARACHI

Textile Institute of Pakistan

Tel: 4549734 - 4549870 (City Campus)

- 2-Year Associate Degree in Textile Technology
- 4-Year Bachelors Degree in Textile Management, Textile Science and Textile Design Technology

S.M.A. Rizvi Textile Institute

Tel: 5066427 - 5053277

- 2-Year Associate Degree in Textile Weaving Technology
- 2-Year Associate Degree in Textile Wet Processing Technology

Pakistan Bed Wear Design Training Institute

Tel: 4544680-4541149

- 2-Year Diploma in Textile Processing and Designing with CAD/CAM
- 6-Month Short Courses in Textile Designing/Production and Textile Processing

Pakistan Readymade Garment Technical Training Institute

Tel: 4526918-4546446-7

Short Courses in Merchandising, Industrial Sewing, ISO 9000 in Garments, Pattern Cutting & Grading, International Marketing, Production Management, Inventory Control and Materials Management, Quality Control & Quality Assurance, and CAD/CAM Designing

Fashion Apparel Design & Training Institute

Tel: 4549485-4547607

1-Year Diploma & Short Courses in Fashion Design

Pakistan Knitwear Training Institute

Tel: 620236

16-Week Short Courses in Pattern Cutting, Stitching, Circular Knitting and Quality Control

National Institute of Leather Technology

Tel: 5065429-5065430

2-Year Diploma in Leather Technology

1-Year Certificate Courses in Leather Technology

Carpet Training Institute

Tel: 4382739

- Certificate Course in Hand-knotted Carpet Designing

Institute of Textile Technology & Management

Tel: 2572938-2565814

- MBA/BS (Textiles)
- 2-Year Diploma in Textiles, Fashion Graphics
- Also offers Certificate & Short Courses

PHMA Institute of Knitwear Technology

Tel: 4549162-4387909

- 4-10 Weeks duration Short Courses in 10 different areas relating to Knitwear Industry.

LAHORE

Pakistan School of Fashion Design

Tel: 6317033-6317089

- 4-Year Diploma in Fashion Design

Pakistan Knitwear Training Institute

Tel: 5869386-5880823

- 1-Year Diploma in Knitwear Design and Production

Pakistan Readymade Garment Technical Training Institute

Tel: 9230756-7

- 4-10 Weeks duration Short Courses in different areas relating to garment manufacturing and marketing.

MULTAN

Institute of Handloom & Home Textile Technology

Tel: 774709-564926

- 3-Year Diplomas in Textile Weaving, Textile Spinning and Textile Processing Technologies
- 1-Year Certificate Courses in Textile Weaving, Spinning and Processing Technologies

GUJRAT

Fan Development Institute

Tel: 530061-2

- 6-Month Certificate Courses – Fan Technology

SIALKOT

Leather Product Development Institute

Tel: 550590-561139

- 6-Month Courses in Gloves Manufacturing and Leather Garments Manufacturing

PESHAWAR

Gems and Gemological Institute

Tel: 9213196-7

- Certificate Courses in Gemology & Lapidary

WAZIRABAD

Cutlery Institute of Pakistan

Tel: 692452

- 1-Year Certificate Course in Cutlery Manufacturing

Chapter # 6

Conclusions and Recommendations

Thus it is concluded that Pakistan is one of the top 10 countries of the world which is developing at a very fast pace. Government is working really hard in order to enhance the exports of the country and bring a balance in the trade. There are lots of incentives given by the government in order to boost up the exports, plus lots of incentives for the foreign investors to come up and invest in the country.

Although Pakistan is moving towards the betterment of trade under the support of the government, there are some recommendations for the exporters to follow. These will help in creating a better market for their products and thus automatically the exports of the country will enhance.

Recommendations for successful exporting

In order to be successful in exporting one must fully research its markets. No company should ever try to tackle every market at once. Many enthusiastic companies bitten by the export bug fail because they bite off more than they can chew. Overseas design and product requirements must be carefully considered.

Always sell as close to the market as possible. The fewer intermediaries one has the better, because every intermediary needs some percentage for his share in the business, which means less profit for the exporter and higher prices for the customer.

All goods for export must be efficiently produced. They must be produced with due regard to the needs of the export markets. It is no use trying to sell windows, which open outwards in a country where traditionally windows open inwards.

Following are some of the things that has to be taken under due considerations for successful exporting:

- **Expert salesman is needed is exporting.**

- **Deliveries must be on time, and efficient**

- **Goods must be properly serviced**

Customers do not buy only on price. They buy, not only because the product is right, but also because they know that it will, if necessary, be properly serviced both when it arrives at its destination and during its whole working life. Service is the oil of exporting and if a company gives service it can survive all manner of other disasters. Of all the single elements that can be paid to a good export programme, bad service is the most deadly. Service must rank high by international standards, and must stand up to the service provided by any competitions in the world.

- **Communication**

Communication internal and external must be far reaching and speedy. To be profitable a company must know in considerable detail how it costs its products, and what charges to apply at all stages. It must be aware of fluctuations in exchange rates and interest charges.

Remember if the product needs promotion domestically it will need promotion oversea as well.

Export staff must be carefully selected and adequately paid.

- **Testing Products**

Before committing the company to a large scale operation in overseas markets, it is sensible to try things out on a small scale, with the intention of selling on a national scale.

- **Packaging.**

Packaging is one of the most important factors that is considered in the export markets. Packaging of the product should be such that it should have the following features in it:

1. it has to be economical and easy to produce often at high speed
2. it has to be easy to transport under varied conditions without damage
3. It has to be easy to fill with appropriate filling equipment at desired speeds
4. It has to be easy to close
5. It has to be easy to open
6. It has to be easy to re close.
7. it has to be easy to dispose off

The packaging should be such that it should protect and preserve the contents of the products. The size and shape of a package may relate to product storage, transportation and easy handling. Another important function of the package should be to promote a product by communicating its features, uses, benefits and image.

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