

Report on Cluster training workshops for journalists

On

**Trade and Human Development in the context of emerging
situations relating to WTO and trade negotiations**

Submitted to

**Trade Initiatives from Human Development Perspective
(TIHP)/UNDP-the Ministry of Commerce**

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Project Brief

Project: Capacity Building of Journalists on Trade and WTO Issues

Sector: Trade, Development and Human Rights

Implementing Organization: Journalists for Democracy and Human Rights (JDHR)

Duration: Three months

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Project Background

Amid certain common misunderstandings about the World Trade Organization (WTO), there is a growing debate on the benefits of the WTO trading system with more countries joining it. It is generally perceived that the very fundamental purpose of the world trade regime is to raise living standards around the world rather than just to maximize trade per se.

Analysts believe that multilateral lending agencies and WTO seem to simultaneously achieve two goals- promotion of development and maximization of trade. Prof. Dani Rodrik in his paper “Governance of Trade As IF Development Really Mattered (October,

2001) said: “Trade has become the lens through which development is perceived rather than the other way around”. And when we talk of development, we mean the pro-people development which is commonly categorized as “sustainable human development”.

So, there is a need to look at trade from a development perspective by analysing strengths and weaknesses of the existing trading system and assumptions underlying trade liberalisation and its relationship with growth and poverty. There is also a need to build perspective on how the multilateral trading regime and its agreements and practices need to change to better serve the goals of human development and how to strategically seize opportunities of global economic and trade integration to advance national progress in human development and poverty reduction by using trade as instrument.

Based on rules and procedures and negotiating process and criticism thereof, WTO itself documents some common misunderstanding about WTO and some benefits WTO provides to the member countries. While building perspective and capacity to understand WTO trading system, there is a need to discuss the common misunderstandings and certain benefits of WTO, outlined in the official documents.

In this background, the developing countries including Pakistan need to find out ways and means through which they can push human development aspects into future trade negotiations. Since media is an important player in pushing forward development agenda, the Journalists for Democracy and Human Rights (JDHR) organized a two-day capacity building workshop for journalists from across Pakistan in Islamabad during 17-18 February 2007. The workshop aimed at building capacity and perspective of potential journalists on “Trade and Human Development” enabling them to build an interface among policy makers, government negotiators, experts and stakeholders by using media space under their mandate to protect the Right to Know of the people.

Objectives of the Workshop

Specific Objectives

- To build interface and network between media and government's policy people on trade issues bridging gap between the two
- To increase media content through dissemination of policy action research and through feedback from stakeholders that will assist in domestic policy formulation on WTO issues
- To build capacity and perspective of journalists on trade-related issues that have or could have implications for the poor and marginalized

Other Objectives

- To build capacity of economic journalists from across media hubs including Karachi, Hyderabad, Multan, Lahore, Peshawar and Islamabad and from other districts on all technical and public interest issues relating to WTO agreements in the Post Hong Kong situation after collapse of negotiations on DDA.
- To make media persons understand and comprehend impacts of multilateral trading system and agreements on the issues of trade concerns to Pakistan.
- To enhance capacity of media persons to improve the flow of information from academic research to popular public information system.
- To strengthen networking for linkages and cross-fertilization of ideas among economic journalists for sustainability of the training programme.
- Capacity building of economic and development journalists with strengthening issue-based networking among them for sustainability.

Proceedings of the Day One

The two-day cluster training for journalists has been the most successful workshop in the series held by Journalists for Democracy and Human Rights (JDHR) in collaboration with the Ministry of Commerce and Trade Initiative from Human Development Perspective (TIHP)/UNDP. Forty two journalists from Karachi, Hyderabad, Multan, Lahore, Peshawar and Islamabad attended the residential workshop. We have targeted 25 journalists for this workshop but the interest shown by more journalists raised the number of the participants.

Address by key government functionaries including the Prime Minister

Important point to note is that in addition to renowned resource persons, the Prime Minister Mr Shaukat Azia, the Federal Secretary Commerce, Mr Asif Shah, Additional Secretary Commerce, Mr Nasim Qureshi, former Secretary Commerce, Mr Tasneed Noorani and the Chairman, Central Board of Revenue, Mr Abdullah Yousaf addressed the participants of the workshop and gave their input for the benefit of the economic reporters from across the country. This high profiling of the workshop built image of the co organizers.

Top government functionaries spoke to the journalists at the workshop venue during inaugural, technical and closing sessions while the Prime Minister invited the journalists at the PM's House in Islamabad where he spoke to them on varieties of issues including journalists professional training and capacity building needs, government's economic policies and their impacts on the lives of the people.

On a very short notice, the Prime Minister very kindly agreed to meet the visiting journalists. The Prime Minister's gesture was well received by the economic reporters. The Prime Minister appreciated that Journalists for Democracy and Human Rights (JDHR) in collaboration with the Ministry of Commerce and UNDP has organized a workshop to cater to the knowledge needs of the journalists on trade issues. He said capacity building is important on technical issues to report them in true perspective.

The Secretary General of JDHR and a senior TV correspondent Khalid Jamil welcomed the participants and the Federal Secretary Commerce Mr Asif Shah and briefly introduced the workshop. He said during the workshop, the participants would have an opportunity to learn from the experts the latest situation on trade negotiations under WTO regime.

Shafqat Munir said JDHR is a media think tank that imparts training for journalists on various rights based issues and professionalism. It has three centres; Centre for Trade and Development, Centre for Democracy and Human Rights and South Asia Centre for Economic Journalists. All these centres function at different level to network media professionals and build their capacity on technical issues such as trade and human development issues. He said the workshop will be an opportunity for economic reporters to build their understanding around the negotiations process at WTO and Pakistan's trade interests. He thanked the Ministry of Commerce and UNDP for providing support for this strategic initiative. He said it is the sixth such workshop. He thanked the Secretary Commerce for sparing time for the workshop and expressed the desire to work more closely with the Ministry of Commerce to bridge information gap and technical knowledge between media persons and the relevant authorities. He suggested that after successful completion of the series of these workshops, this collaboration could be extended to organize a similar high profile training of economic journalists at South Asia level.

Speaking at the inaugural session as the chief guest, the Federal Secretary Commerce, Mr Asif Shah said the benefit of development should reach to every person or individuals of the society. He said human development is central to all kinds of development be it in terms of trade, or construction of hospitals and roads.

Media can play a key role in awareness of the communities by telling them their development right. He said there could be divergent opinions among various segments of society but it is the beautify itself being divergent. We need to take care of others point of view as well. He said while reporting journalists should give all sides of the story to really benefit the people. Trade and technical information on multilateral trade negotiations is not so easy to understand. That is why there is a need for training on technical issues and such a discourse should be part of economic journalism. He appreciated that a media group 'Journalists for Democracy and Human Rights (JDHR)' has organized a series of training workshops for journalists on trade issues in collaboration with the Ministry and UNDP. He hoped that the training workshop would provide an opportunity to the participants to develop basic understanding on how WTO negotiations process is carried out and how Pakistan has successfully protected its interests at negotiating tables.

Brushing aside the impression that Doha Development Agenda round has been collapsed. He said when the WTO chief Pascal Lamy saw there is no headway no forward movement possible due to strict positions of various negotiating blocs in the WTO, he for the time being suspended the round to give a breathing space to the negotiating teams to go back and rethink their positions. Now after months of in-house deliberations, countries have again started the suspended Doha Round of talks.

The Federal Secretary said now in the resumed process of negotiations, Non Agriculture Market Access (NAMA) and Agriculture are on the agenda. He said it is welcoming to note that Pakistan has taken proactive position to reduce farm subsidies being given by the United States and the European Union to their farmers. Pakistan has advocated for withdrawal of subsidies in agriculture sector. He said at one hand tariff on agriculture produce is high in the European Union and on the other hand, huge subsidies are being paid to farmers which literally impacted the competitive advantage of countries like Pakistan as there is no level playing field due to the farm subsidies and high tariff.

On NAMA, there is no final position yet, but negotiations are continuing. Consensus is being built slowly and gradually. He said no multilateral round had failed rather they were delayed for longer periods but not failed. The governments take positions after consultations with all stakeholders.

Asif Shah said Pakistan is in a comfortable position in terms of agriculture produce and its export as it is the fourth largest producer of mangos and oranges which are in surplus. Pakistan has a great potential of milk and dairy products. He said we need to add value to our raw production to earn more profits from the consumer markets across the globe. He said we can generate more revenue from the production and export of value added products.

He said during past few years, Pakistan is playing an important role at the WTO meetings. He said we have a team of experts at home and in Geneva which gives strong policy positions which our negotiators take at the WTO meeting; particularly Pakistan's Commerce Minister Mr Hamayun Akhtar represents the country even in green room meetings which are considered to be crucial in the context of the WTO negotiations. We have technical expertise to develop our positions further to take part in the forthcoming negotiations on the Doha round. We also keep the cabinet informed on the developments in this regard.

Question and Answers

During the Question Answer session, the Federal Secretary Commerce Mr Asif Shah informed the participant journalists that we need to more scientifically organize our agriculture sector. We need to develop agriculture related industry such as dairy industry to maximize our trade potential. We need to develop by-products as there could be value addition once we organize the dairy sector being the 5th largest milk producers.

He said Pakistan is the most liberal economy in terms of trade as we have low tariffs and non restrictive trade regime while India is a restrictive and complicated with a number of

non tariffs barriers. Despite the fact that India has given us the most favoured nation status, India's restrictive mechanism remains a barrier in trade between the two countries.

The Secretary Commerce said Pakistan is part of bilateral and regional trade arrangements. We are in South Asia Free Trade Agreement (SAFTA) and we have signed bilateral trade agreements with Sri Lanka and China. We are working on some more bilateral agreements with Malaysia and other countries. We are part of multilateral trade negotiations and are also part of regional and bilateral arrangements. Technically, we are equally good as other countries are in trade talks. He said we take opinion from all stakeholders while formulating our positions at the trade negotiations. India is not better than us in any negotiations. They run on political grounds while we do on technical grounds.

First technical session

The first technical session was chaired by Mr Naseem Qureshi, Additional Secretary Commerce and a former senior negotiator of Pakistan at WTO Geneva mission while Mr Tasneem Noorani, former Secretary Commerce was the key speaker. Mr Irtiqa Zaidi, project director Trade and Transport Facilitation Project also chipped in the panel discussion.

Former secretary commerce Tasneem Noorani said the trade negotiation under WTO have been marred due to the conflict between EU and the United States. They agree on their political strategy but on economic issues they are divided. He said Pakistani industry was having serious problems with quota regime impaired our potential. He called for a need for better infrastructure to develop our services and non-agricultural and agricultural production. He said we should prepare to be competitive in the market.

He said WTO is a world organization, where negotiations are held on continuous basis. It was one continuous club for negotiations. It is a forum or club where discussions between

the developed and developing world continues, but their interests are clashing at all levels. There are major differences among these countries on agriculture and NAMA. There four areas on which negotiations are being held at the WTO. They are agriculture, NAMA, Services and Rules. On NAMA there was some forward movement.

In recent years, all the subsequent rounds have faced deadlock. G-33, G-20 (Brazil and India), Cairns Group are important to influence trade talks on agriculture. There are different power blocks within the WTO. Besides custom duties, pressure was brought on Pakistan in terms of quota. These policies were not adequate and Pakistani industry was having serious problems with the quota. WTO is a matter of importance to Pakistan but other issues also need to be given a serious thought.

Noorani said Market access is generally a bilateral issue. Bangladesh's products get free market access due to its status of the least developed country (LDC), Pakistan didn't qualify on those criteria. Under WTO, MFN is a significant issue. When anyone enters in the WTO they are required to treat all equally, India exploits it at various forums.

Naseem Qureshi, additional secretary commerce ministry;

Speaking as chair of the session, Additional secretary commerce Naseem Qureshi said nations can't survive without trade and the role of the governments is to create balance to provide protection to the domestic industry and trade. He said international trade was conducted by firms but under multilateral agreements the functions of the government was regulated and not the firms.

He said Pakistan reduced customs duty unilaterally. Our maximum applied tariff is 25% reduced from 100% a couple of years ago. He said European Union and the U.S. provide subsidies on farm and its export. Services sector is grown larger than the goods sector. He said Uruguay round agreement was not in the interest of the developing countries. There are various proposals now under consideration.

Mr Qureshi said there are some basic assumptions in trade; nations can't survive without trade. Firms control the trade not the government. They are going to trade. Role of the government is to create balance to provide protection to the domestic industry. Multilateral agreements regulate functions of the government and not the firms. We want to create awareness among the people.

Tracing the history of trade negotiations from General Agreement on Tariff and Trade (GATT) to WTO, he said GATT focused only on goods and not on services. WTO was launched on 1st January 1995 after various rounds of negotiations. It is a member driven organization. A total of 149 member countries have joined WTO by now. Decisions taken by the WTO have to be on consensus basis. Services and dispute settlement and understanding were included in the WTO. Dispute settlement is one of the major achievements in the WTO regime.

Mr Qureshi said agriculture, NAMA, tariff, services and rules are under negotiations at the Doha round. Elimination of Industrial tariff does not seem possible; Pakistan has reduced customs duties unilaterally. Our maximum applied tariff is 25% reduced from 100%, a couple of years ago. Bound tariff is the maximum binding. We can adjust between applied and the bound tariff. We are supposed to discuss on the bound tariff line. Agriculture, EU and the US provide subsidy on farm and export. Net food importing countries are discussing it. Services sector is grown larger than the goods sector.

Mr. Irtiq Zaidi, project director Trade and Transport Facilitation Project, said the government is spending six billion dollars under national trade corridor for improvement of infrastructure and trade logistics to increase trade volume in Pakistan's favour.

Questions and Answers

Replying a question on market access, Mr Tasneem Noorani said opportunities for Pakistan depend on the utilization of the facilitation you get in WTO. You should have capability to take advantage of the market of 149 countries. Ultimate success depends on

your ability to the market access. Even if the government gets access significantly, we can take advantage if we keep ourselves competitive.

Mr Qureshi said after post-quota regime you need a big base, not the smaller firms. China is getting the opportunity. They had to invest not in the machinery but also in human resources. Competition is the greatest challenge of WTO. If you can't make use of it, market access is of no use.

Mr Noorani said initially, our industrialists got access during the quotas and permits. They thought they were leaders in the textiles. But they didn't realize what would happen after post quota regime. Development of human resource and skills come through the education system. Pakistan is far behind India despite all efforts. Power is also an issue besides the trained human resource. Short term solution is to buy expensive power generating system quickly. But then the cost of electricity would be higher. Gas is another issue in terms of power.

To make ourselves competitive, we have to face an adjustment phase during which we could also experience some bankruptcies. With an uncompetitive industrial product base, we can not compete in the international market. Skill of human resources is going to make or break the trade of the country. Skilled human resource can increase volume of trade. India proved that population is not a liability but an asset. He said though the government has announced to raise the education budget to 4% of the GDP, but we have to see how and when it is materialized.

Mr Qureshi added that investment decision has to be taken by the investor not by the government. Skill development board has been formed in the textile ministry. We are providing training facilities in 50 units through textile industry.

Mr Noorani suggested that trade policy should be announced once in three years. Commerce minister gets opportunity every year to present the policy which really does not necessary. There is need to focus on internal commerce, to cater to the consumers

demands in the domestic market. There is lack of internal cooperation among various departments which needs to be addressed properly.

Mr Zaidi said until our product is competitive we can't get the market access. Our logistic costs have been 11.4%. Now it has come down to 6.1. We are trying to further bring it down to 4%. In next 5 years 6 billion dollars would be invested in the trade facilitation.

Post lunch session (Technical Session-II)

Trade-led growth: Investment and Poverty Reduction

Dr Sajjad Akhtar, Center for Research on Poverty Reduction and Income Distribution, Islamabad,

Talking about the effects of trade liberalization, Dr Sajjad said development approach to trade and poverty is that it begins with an analysis of how development occurs rather than how trade occurs. Poverty can't be reduced to the issue of trade liberalization. Sustained poverty reduction occurs through utilization of productive capacities. Trade, development capacities, employment and poverty are related to each other. When trade increases growth, productivity, investment and employment opportunities rise. If there is increase in capital, employment opportunities decrease. Trade liberalization doesn't necessarily decrease employment. What impacts is the employment effect i.e. labour abundant and capital intensive economy, he added.

Dr Sajjad said price effect may also impact employment. If Chinese products are brought in prices will come down but production will be affected. Lower inflation leads to macroeconomic stability and boosts growth. Trade liberalization also brings down revenue. If the government switches to non-trade revenue source, the burden on poor will depend on the type of instrument used e.g. sales tax will burden the poor. If the loss is not recouped and the government resorts to deficit financing, it will undermine macroeconomic stability and employment. Cuts in public spending on welfare due to lost

of revenues after trade liberalization are among the key costs of greater trade openness. Industries that can compete will expand while those which can't will disappear in case of liberalization. The poor are relatively less equipped to deal with the resulting shifts in sectoral employment. The consumers, however, benefit from the resultant lower prices, he said.

Dr Sajjad said Pakistan's trade performance in 2001 and 2005 shows that exports were increased by 5.4 percent while imports by 14.4 percent. There has hardly been any trade diversification. In this period, manufacturing has increased from 15.9 to 18.3. However, inequality has increased. Productivity has increased agriculture, mining, and services while it has decreased electricity, construction and trade. Growth in agriculture has been 3 percent while in manufacturing it has been 6.4 percent.

Dr Safdar Suhail, an expert on poverty and growth related issues, said fear of poverty increases miseries of life. The debate on culture of poverty with all its negative values and cynicism might be linked with inequalities in the country. Economic growth does trickle down. But journalists should see things bottom up. Income poverty is the most commonly discussed. Minimum wages is also an important issue. Social protection is another terribly important variable. The number of secure workers is not there in any province. The content of social protection is very limited. The number of socially protected workers is ridiculously low in Pakistan, he added.

Dr Safdar said contractual labour is the order of the day. Labourers are not registered. They have no social protection. This can be addressed by the government intervention and introduction of a social protection system. Access to opportunity to health and education is another issue in this debate. Governance is still another issue. What happens in recruitment? What role does nepotism play in employment? The protection of labour, their rights, their wages and access to justice are crucial issues in this debate.

He was of the view that if a laborer feels that justice is not done, then a person feels miserable. It's no more fashionable to talk about land reforms. We need to talk on this issue. From the above, the policy of the government is that poverty will be reduced

through more international trade. It's a huge challenge. Nike signed an agreement with Saga in Sialkot. The agreement expired after 10 years and the employees are in the lurch now. Why do companies enforce its standards about labour and the government doesn't play its role in this regard. Journalists need to write more about this issue. He said competitiveness is a key to development but it should not be based on trickle down effect only, it should also be based on sectors. Our import substitution strategy is faring very badly. Services are not the only sector. We are a large country with a large agriculture base. If the journalists become an agent of change, that will be important, Dr Safdar added.

Benefits and disadvantages of WTO

Talking about the benefits and disadvantages of WTO, Aftab Alam Khan, ActionAid said there are two important benefits of WTO. One is it is multilateral trade forum. There should be some rules and regulation for trade. Second it provides dispute settlement mechanism. There are two major problems with WTO. One is structural. Like it promotes trade as a panacea for any problem and subjects in WTO are highly technical. We have lack of consistency in policy. We don't have human potential to compete developed world. We don't have financial sources as well to meet the expenses. Many countries don't have resources to send people to Geneva and take part in all meetings on a specific issue.

Mr Aftab said there are countries that group together to hire a representative. It's not much likely that he will protect the interests of say five countries. The US had 500 delegates in the Hongkong ministerial meeting. Djiboti had only one. The schedule of meeting is heavily over-loaded. How can a person attend 20 meetings? Developed countries can afford to send many delegates and take part in debate.

Analysing the capacity issue of the developing countries, Mr Aftab said despite being equal member of WTO, developing countries cannot influence decision making the developed countries do in the negotiation process. He said intellectual property rights

were designed for industrial products. But the developed countries brought seeds and living organism under this agreement. Agriculture is a highly specialized field. Industrial science didn't exist three years back. Organised agriculture existed since 12000 years. Thus, various agreements have their complications. WTO serves rich countries because GATT was designed on the basis of postulates drawn from the U.S. agreements with other countries. In 1950s, the U.S. was exempted from the debate of GATT. Until poverty reduction is envisioned, trade liberalization alone is not enough for poverty reduction, he added.

The issue is not only about WTO, it is the issue of how we are capable of handling WTO negotiations processes by strengthening ourselves internally. We have no long term vision of our economy. We don't set target for ourselves and have a policy. We need to see our agricultural policy in people's perspective. What international bodies say about our policy? He said Media has very positively worked in this regard. A big pressure is created in international media before big events. It's important to sit with local journalists and have a comprehensive analysis of the issue.

Second Day (Sunday)

Morning Session

Agriculture Trade Issues

Dr Wajid Pirzada, chief WTO wing, Ministry of Agriculture

At the very outset of his presentation, Dr Pirzada raised number questions around WTO and negotiations on agriculture. The questions are: Where is the power structure and institution design of WTO? Where is the negotiation leading us to? What is the stake of powers that is not allowing the process forward? The eight sessions of talks in GATTs took place between transatlantic. Later the GATTs talks were suspended but finally the

US and other developed countries reconciled and agriculture came up on negotiation table. These countries keep in view their national and strategic interest in view.

The reason behind developing countries lagging behind in talks is that if you lay stress on cosmetics in ministerial and ignore technical issues in Geneva you loose. Until you develop stakes of the other coalition group, international negotiations cannot succeed. There are two types of forces working in WTO. One is institution design and power structure of WTO. How is this influenced? We need to know the compulsory forces and physical forces. The trade and economic weight of countries and the institutional approach like media, etc, influence the negotiations process. If you try to impose a position from above, you cannot take the trade negotiation move forward.

All stress has been on reduction of industrial tariff. Agriculture was ignored. Subsidy was given by the developed world to agriculture and raised a tariff wall on this sector. The US and Europeans don't want to reduce subsidy on agriculture. Developing countries have tariff on manufacturing sector. The dilemma is that the US farm bill period is expiring in July. In Uruguay, developing countries were given the lollipop that agriculture tariff will be reduced but this didn't take place.

In Pakistan, we have reduced tariff rate. 10 percent of merchandise trade is agriculture. Agriculture trade liberalization will increase international trade by 11 billion, which will increase world GDP. Trade liberalization will benefit those who have export potential, like Brazil, Australia, China and Korea. Pakistan is not the immediate beneficiary of trade liberalization. If you trade in primary commodity and don't go for value addition, you will not have the advantage from the policy space that you can get from WTO negotiation. The basic issue in agriculture is that in Uruguay round there was commitment that developed countries will cut tariff by 44 percent. But countries saved their sensitive products. Thus actual protection from sugar, cotton, soyabeans were not reduced. Non-tariff duties were to be converted into tariff barriers but practically there was no trade liberalization.

Dr Pirzada said many countries shifted subsidy and practically there was no tariff reduction. Thus there was box shifting and things remained the same. Developed countries are focused about reduction in manufactured goods and services and no move forward in agriculture products. We have to secure the bottom up approach. They should ensure that agriculture tariff is reduced. Their agriculture involves 4 to five percent of workforce while we have about 90 percent workforce involved in this sector. Therefore we have to move forward very carefully. There is only four to five billion export subsidy and 2 to 200-250 billion agriculture tariff. Thus reducing agriculture sector subsidy is more important for trade liberalization.

Session on ‘Trade for Human Development: Poverty Reduction, food security’

Dr Abid Qaiyum Suleri, Assistant Executive Director, SDPI in his presentation said we have government claims about macro development. They say Pakistan is one of the most rapidly developing countries. But the effect on the grass root level say something else. People say poverty is increasing. You need to find fine balance between those who oppose trade and those who don't. Trade is the most effective reflection of development today.

The government mission in Geneva proves that linking trade with poverty reduction is never the official priority. The official version was that the WTO negotiations were successful because we have leadership role in important areas of NAMA. The trade policy 2006-2007 was merely export policy that focused on export growth strategy. Trade policy during last three or four years says that exports will be diversified, market access increased, export competitiveness enhanced and export of services developed.

The share of trade in GDP is increasing. The main destinations of our exports are EU, US, UAE, Hong Kong, China and Afghanistan. This suggests that this is politically driven. More than 50 percent export is affected with souring of relationship with these countries over issues like war on terror. The share of agriculture is decreasing while the

share of manufacturing is on decline. This means that the number of labor force involved in this sector has declined.

Dr Suleri said import rate is increasing. The trade budget is huge. Can we say our policy is delivering? Fuel, energy, construction material for earthquake region and consumer good like mobiles is adding to this trade deficit. No mobile phone company has been asked to manufacture in Pakistan. The top 10 percent people have the country's 70 percent wealth. The bottom 20 percent is below one percent. With the promotion of manufacturing sector agriculture export is decreasing which suggests its impact on employment that is declining.

The share of agriculture in ADP in 1992-93 was 2.89, which has gone down to 0.59 percent in 2002-03. Public sector investment in agriculture has declined along with the private sector's investment. We have one of the worst human development indexes in South Asia. Only sub-Sahara Africa is behind us in human development, he added. According to a report 50 million people in 80 districts of the country have food insecurity. According to government report in 2002 Tharparkar, Dera Bugti, N Waziristan, Musakhel, Kharan, Shangal, Kohistan, S Waziristan, Diamer, Hangu, Bolan, Upper Dir and Khyber Agency are the most food insecure areas in the country. The definition of poverty line in Pakistan is set as 0.4 dollar per day and even according to this definition 34.46 percent people lived beyond poverty line in 2001. The government claims it has come down by 10 percent now. He said media can play a role to see things in right perspective. How can the media highlight these issue will influence things and mobilize people to correct government action, added Dr Suleri.

Muhammad Saeed, Editor 'The World Trade Review' speaking about the trade policy said, the purpose of trade policy was to stop every kind of export so that you can protect your environment, local industry, etc. During the first ten years of the country, the government allowed import of basic commodities. President Ayub and Zulfiqar Bhutto saw liberalization to a limited degree. Our import policy today is extremely liberal. Other countries seek incentives for liberalization while we liberalized trade under the IMF and

World Bank pressure without any incentives. Three years ago, when WTO reviewed Pakistan's trade policy, no country objected to the policy because it was already WTO compliant. All sectors have been opened and liberalised.

You have to struggle all your life to make your trade policy successful but our policy remains on paper only. Do we have the capacity on our ports that a product is unfit for consumption? Substandard machinery and food is being imported but we can't stop it while we can do so under WTO. The government opened all these sectors to claim that foreign investment is coming without putting in place mechanism to protect its interests, he added.

Concluding Session

The Chairman Central Board of Revenue (CBR) Abdullah Yousaf was the chief guest at the concluding ceremony where he distributed certificates among the participants. He also spoke on this occasion. In his speech, he said Pakistan's most liberal economic policies aim at increasing growth and foreign exchange to achieve the goals of human development and poverty reduction. He called upon private sector to change their mind set of easy going and should ensure their competitiveness to get benefits from country's trade and economic policies.

He said Pakistan has drastically reduced its tariff and costs of doing business to facilitate movements of goods. He said we have reduced time duration for customs clearance. Now business sector does not need to wait for month for customs clearance. In most of the cases, importers only need four hours for clearance of their goods while exporters need only an hour. He said we need to increase export led growth, more quality production and our focus should be more on the world markets.

Mr Abdullah said we have already aligned our tariff to WTO compliant and have met other requirement. We are fairly competitive in the region. If we want to achieve desired goals of economic stability, we need to ensure consistency in policies. Our target for tax collection is Rs 835 billion while during last seven months Rs 475 billion of tax has been

collected which is quite ahead of the target. What we are trying is to increase the ratio of direct taxes. For the current year, direct tax is 42 percent while indirect tax has come down to 58. Custom duty is going to be the dying tax, Abdullah added.

He said our tariff has come down from 200 percent to 25 percent. The trend is toward movement of goods without any barrier. The focus is on making ourselves competent. This is not the age of inward looking policies. High tariff made our industry ineffective. You can't just rely on local market but have to keep in view international market. Here comes export-led growth. You need a free movement of goods. Why we can't stand on our two feet? The first point is that over the years we haven't focused on labour productivity. We kept saying that our labour is cheap. The second issue is we have taken a fragmented kind of approach. Our industry is by large of small units. International industry is of scale. Their proportion cost is lesser than us and we have to think over this issue. The third point is the cost of logistics. This is an area that has been ignored in the past.

The north-south corridor, including roads, transportation, need to be taken into consideration so that they can be improved. According to a study our logistic cost is about 25 percent higher than international norm. We have to try and see how it can be reduced. The efficiency of customs comes into focus here. We are substituting manual customs operation to electronic operation. The average today for clearance of goods in case of import is four hours and one hour in case of exports. That means that those goods will be swiftly moved, added Mr Abdullah Yousaf.

We will have to have the help of latest machinery and technology. We have some spare technology in some sphere but in others we don't have it. The private sector has its own role. Both private and public sector have to change their mindset. Today you will have to compete on merit. The government has followed WTO trade regime. We have also altered our financial regime to promote investment. Investors consider stability, fiscal regime, taxation regime, non-tax regime before investment. We are fairly competitive in the region.

Replying to questions, Mr Abdullah said because of the changes in custom, the element of contact between tax payer and collector has been removed. This has helped removing the element of corruption. There is a change that needs to be carried on. In income tax there is a major change. Now, you have to file statement. We have an undocumented economy. Until we have full documentation, we can't think of eliminating it.

We have to try and plug the areas where there are loopholes. There are gaps in retailing, wholesaling and transportation.

Journalists for Democracy and Human Rights
Trade Initiatives from Human Development Perspective (TIHP)

Tentative Agenda for two day cluster training workshop for Journalists

Venue: Margalla Motel, 17-18 February 2007

DAY-I (Saturday)

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| 10:00-10:30 | Registration of Participants |
| 10:30-10:45 | Tea |
| 10:45-11:30 | Inaugural Session <ul style="list-style-type: none">-Welcome remarks (Khalid Jamil)- Introduction to training workshop (Shafqat Munir)- Address by chief guest
(Mr. Asif Shah Secretary Commerce) |
| 11:30-01:00 | Technical Session-I <ul style="list-style-type: none">-Multilateral trading system and Negotiations process at WTO (Mr. Naseem Qureshi)- Pakistan's position at WTO trade negotiations (Mr. Tasneem Noorani) |
| 01:00-02:00 | LUNCH |
| 02:00-03:00 | Technical Session-II |

Trade led growth; Investment and Poverty Reduction
(Dr Sajjad Akhtar and Dr. Safdar Sohail)

03:00-04:15 - Some Common misunderstanding about WTO and
Some benefits of WTO-An analytical view and civil
Society perspective
(Mr. Aftab Alam Khan)

04:15-04:30 Tea and informal discussion/reflection on the issues

DAY-II (Sunday)

10:00-10:30 Tea and discussion/informal overview of Day-I

10:30-12: 00

Technical Session-III

-Agriculture as trade issue

(Dr Wajid Pirzada)

- Food Security and Human Security

(Dr Abid Qayyum Suleri)

12:00-01:00

Technical Session-V

- Pakistan Trade Policy

(Mr. Muhammad Saeed)

01:00-02:00

LUNCH

02:00-03:30

Group Exercise (Reporting/News Room)

(Asad J Rizvi)

- Media Coverage of Trade and Economic Issues
- And How to Improve It?
- Story ideas on emerging trade issues
- Networking of economic journalists
(To be led by Journalists)

03:30-04:00

Closing session

- Reflections by participants
- Address by Chief Guest (Mr. Abdullah Yousaf)
- Vote of Thanks (Bilal Thaheem)

04:00-04:30

- Tea

JDHR Centre for Trade and Development

JDHR Centre for Trade and Development at the Journalists for Democracy and Human Rights (JDHR) is a public interest media think-tank and research organization that conducts research and sensitises media, journalists and people on democratic norms and human rights, globalization, trade liberalization, WTO agreements and their impacts on the people with human rights perspective, sustainable human development, governance, poverty and livelihoods and media developments.

It builds capacity of media professionals on how to cover trade, economics and technical aspects of WTO issues and agreements and human rights issues in media.