

Cargo title

Exporters demand withdrawal of SBP rule

By Parvaiz Ishfaq Rana

KARACHI, April 28: Exporters have appealed to the Chief Justice of Pakistan to take suo motu notice of the State Bank's new rule for allowing changes in title of export consignments from authorised dealer (bank) to the freight forwarder's counterpart abroad.

In its appeal a representative body of knitwear garments, sweaters and textile made-ups drew the attention of the top judge of the country towards recent changes made by the director Exchange Policy department, SBP, through circular No 2.

It has been stated that the change of title of cargo from the authorised dealer to freight forwarder's counterpart abroad is against the State Bank's rule 11 of chapter XXII of Freight Exchange Manual, 2002 (8th edition corrected up to January 31, 2002).

In their appeal exporters quoted the State Bank's foreign exchange manual, which categorically states that in respect of export of goods from Pakistan by land route or by sea, the railway receipts, bills of lading, truck receipts or any other document the title to cargo should be drawn only to the order of an authorised dealer designated for the purpose by the exporter.

Contrary to this, the SBP on April 14, 2010 issued circular No.2, which allows change in title of export consignments from authorised dealer (bank) to freight forwarder's agent abroad.

It has been alleged that

SBP did not take into confidence the exporters and compromised on their interest on allowing change of ownership on bill of lading.

Due to violation of SBP's own rules, the appeal added, that a large number of exporters had been deprived of their export consignments and could not get the export proceeds, which have to be remitted within 180 days as per State Bank's regulation.

On failing to get relief from the concerned quarters, the exporters further stated that many exporters through their respective trade bodies approached Federal Investigation Agency (FIA) against freight forwarders for violating rules of SBP's FE Manual, 2020 as well as SBP circular No.6 of May 15, 2006.

However, on coming under pressure the freight forwarders and shipping companies, instead of following the law of the land, approached the SBP and other authorities to provide them security and cover for their 'illegal' actions at the cost of country's foreign exchange as well as the earnings of exporters.

As a last resort, the exporters appealed to Iftikhar Muhammad Chaudry, Chief Justice of Supreme Court of Pakistan, to order SBP to immediately withdraw F.E. circular No.2 dated April 14, 2010 and also direct it to frame proper rules for licensing of freight forwarders and consolidators under various acts and finance bills, particularly Finance Bill 2005.



Seven export items for EU markets

Country likely to receive GSP plus status: Tarin

RECORDER REPORT

KARACHI: Former Finance Minister, Shaukat Tarin has said that the country is likely to receive the Generalize System of Preference (GSP plus) status, for seven export items in the European Union (EU) markets by next January after Pakistani premier's re-scheduled visit to Brussels in June this year.

PM Gilani's, originally scheduled visit to Brussels could not materialize due to a recent volcanic eruption in Iceland that lead to many forced rescheduling of flights to and from Europe.

However details of the seven export items were not elaborated by Tarin, who was speaking at a reception hosted by Pakistan Apparel Forum on Wednesday.

Moreover, he urged local exporters to divert their concentration from the specialized EU and US markets to a relatively less accessed Brazilian and other Latin American markets.

Talking to reporters, former finance minister warned the government of dete-

riorating energy situation in the country, which according to him, was potentially more dangerous for the national economy than the war against terror. He also ruled out chances of reaching the target of four percent GDP for the next fiscal year if government fails to overcome serious energy crisis.

He urged the government to bring the untaxed sectors into the tax net to disburden the 20 percent manufacturing sector of the country, which shares about 60 percent of the total annual collection.

Defending the agreement with IMF, Tarin said that he as a finance advisor had faced stern criticism within the party for standby loan, which according to him, was the only option left to save the country from default.

He said that if he had not taken such a decision of borrowing money from IMF, the country would have undoubtedly faced severe economic crisis. He said that he had recognized the fact that there would be no financial support from any-

where, adding that the country's trade turnout was not of such magnitude to salvage economy and multinational agencies or World Bank were also unlikely to offer financial assistance.

He said that the friends of Pakistan forum, the US and the World Bank immediately disappointed for not helping in terms money lending. "Only China and Asian Development Bank gave \$500 million each," he added.

Former finance minister expressed displeasure over high inflation rate which is hovering between 12 to 13 percent, saying that it should be between four to five percent. He urged the government to take every possible measure for bringing the skyrocketing inflation to a reasonable level. Tarin also reminded government about his nine-point economic agenda, which he introduced to underpin the country's falling economy. He emphasized on a single tariff for gas and electricity in the country, but urged the government to provide the poor with subsidy on energy con-

sumption and not on its production. He also said that Benazir Income Support Programme for poor had a direct mode for the government to extend subsidies to the lower income class.

He lauded Punjab government for supporting the NFC award, which successfully concluded after 19 years, adding that it was a national agreement.

Lastly Tarin said the textile policy was also a big achievement and hoped it will yield desired results.

Chief guest on the occasion, Federal Textile Minister Rana Muhammad Farooq Khan lauded Tarin for his all out support to the textile ministry by resolving several pending issues.

Rana criticized Pakistan Muslim League (N) for quitting the government alliance in parliament because of country's poor economic condition.

The federal minister maintained that Tarin's vision and efforts brought the country out of monetary problems.

He said that when Tarin took over

there was only \$5 billion in government's bag but at the time of his departure, the amount had swelled to \$ 14.75 billion, showing the economist's untiring efforts to underpin country's economy.

He minced no words in saying that Tarin is the only finance minister who had ever efficiently served Pakistan for its economic reforms and betterment.

Rana said that textile industry was down sliding during government's early days, but Tarin proved to be its saviour by solving the issue of R&D of value-added textile sector.

Growth in the textile sector could save the country from economic problems, besides providing employment. For free market access in EU and US, Tarin had fought at every foreign platform, Rana Saeed said. Finance advisor to CM Sindh, Zubair Motiwala lauded the efforts of Tarin for helping business fraternity in trying times. Chairman Pakistan Apparel Forum, Javed Bilwani also exalted former finance minister for his efforts.

