

Based on information collected up to June 2005

1. TARIFF MEASURES

Structure of the tariff schedule

Pakistan applies an eight-digit tariff nomenclature based on the Harmonized System. The tariff schedule has five columns with defined functions.

Tariff publications

Pakistan, Customs Tariff Schedule in 2 volumes, 2003-2004, 19th Edition, as of 5th of September 2003, obtainable from

Government of Pakistan

Central Board of Revenue, published by Printing and Publication Department, C.P.F, Islamabad.

11 Statutory Customs Duties

Customs duties are levied at the C.I.F. Value of goods in conjunction with the Customs Valuation Code of the WTO.

High customs taxes are set on imported pharmaceutical raw materials and products, and motor vehicles.



12 MFN Duties

MFN duty levies range from 25%, 20%, 10% and 5%.



16 Temporary reduced duties

Essential foodstuffs, raw materials, capital goods and machinery are granted duty-free entry equally for auto coners, certain industrial machinery and equipment, computer parts and accessories, and imported refrigerated trucks and vans. The following goods are also subject to duty free-entry: printed advertising matters as posters, pamphlets, trade catalogues, advertising catalogues other than commercial catalogues. Additionally, duty drawbacks apply to temporarily imported but re-exported goods e.g. commercial samples if accompanied by a bank guarantee or indemnity bond equivalent to the value of goods.

Temporary import by construction, oil and gas companies, oil exploration, production and mining firms is allowed by customs against guarantee to ensure re-export of all plant, machinery and equipment including specialized machinery whether new or used except, secondhand or used passenger vehicles, trucks, buses, and static road roller up to 12 tons capacity. Temporary import measures also apply to exhibition materials for fairs, secondhand tools and professional equipment imported by scientists,

excavation equipment and materials imported by archeological missions, scientific and educational equipment imported for such purposes on the recommendation of the concerned Ministry and imports into export processing zones.



17.2 Urgency and safeguard duties

The Pakistani National Tariff Commission has subjected imports of footwear under the following tariff lines starting from 6401.1000 to 6405.9090 to a 25% customs duty on these imports as of 17 June 2005.



19 Preferential duties under trade agreements

Pakistan grants and receives concessions under the Generalized System of Preferences (GSP) mainly from the EU, Japan and USA, and as a member and participant to the Global System of Trade Preferences (GSTP).



19.1 Interregional agreements

Pakistan as a member of the Economic Cooperation Organization (ECO) founded in 1985 together with Turkey and Iran, grants each other a 10% tariff preference on statutory rates for certain imports. In 1993 the following countries Afghanistan, Azerbaijan, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan reinforced the ECO as new members.

On 17 July 2003 Pakistan signed with other ECO member states, a trade agreement known as ECOTA, i.e. Economic Cooperation Organization Trade Agreement, establishing a mechanism to promote and sustain intra-regional trade and economic cooperation through mutually agreed concessions.

Pakistan together with Bangladesh, Bhutan, Indian, Maldives, Nepal, and Sri Lanka are members of the South Asian Association for Regional Cooperation (SAARC) established on 8 December 1985 with the aim to promote an accelerated economic growth, and complement bilateral and multilateral relations among member states. SAARC members created a preferential trade agreement, under which Bangladesh, Nepal and Sri Lanka have been designated as lesser developed countries. In addition, the contracting states set up the SAARC Preferential Trading Arrangement (SAPTA) in 1993, to promote and sustain mutual trade and the economic cooperation among its members, through exchanging concessions in accordance with the terms of this Agreement, by calling for reduced tariffs on certain goods, such as raw materials. In line with tariff concessions, negotiations are conducted on a product-by-product basis. SAPTA also calls for duty concessions on agricultural products, livestock, marine products and scrap metal, on the condition that goods contain at least 40% value-added if produced in a single SAPTA country, 30% in a lesser developed SAPTA country or 50% if more than one SAPTA member provides input. In view of the future of the Agreement, the creation of the South Asian Free Trade Area (SAFTA) is planned.



19.3 Bilateral agreements

Pakistan and Sri Lanka signed a free trade agreement framework on 9 February 2005. The agreement calls for reciprocal and gradual tariff elimination for imported goods with the exception of goods listed in the negative or sensitive list.

Pakistan and the USA signed on 29 June 2003, a trade and Investment Agreement to monitor relations between the two countries, identify opportunities for expanding trade, and work towards the removal of impediments to trade. The two countries signed also a Science and Technology Cooperation Agreement to facilitate bilateral cooperation in science, technology and engineering.

Pakistan-Britain Trade and investment Forum was launched on 8 May 2003 with the expected view to boosting trade and investment relations between the two countries, providing guidance and support to business from Pakistan and the United Kingdom, in entering into bilateral commercial relations, with the Asia House in London as the Secretariat of the Forum.

Pakistan signed in 2003 a preferential trade agreement with China, and undertook similar initiatives with Bangladesh, Indonesia, Iran, Kazakhstan, Kenya, Laos, Thailand and Turkey.



2. PARA-TARIFF MEASURES

22.9 Additional charges n.e.s.

A 1% handling charge is levied on all imports. And an additional 1% is also levied on goods for failure of statement of actual cost of insurance in a memo by an insurance company.



23.1 General sales taxes

A general sales tax at the rate of 15% is levied on both locally and imported items, on the duty paid value of goods including branded food products, electricity, fertilizers, fruits, gas, petroleum products and selected machines.

An exemption of sales tax is set on raw materials for the basic manufacture of pharmaceutical active ingredients and for manufacture of pharmaceutical products, or substances registered as drug under the Drugs Act.



23.2 Excise taxes

An additional excise duty assessed on the duty-paid value is levied on items such as aerated beverages, cement, cigarettes, LPG cylinders, certain oil seeds, paper and paperboard, perfumery and cosmetics, soap, detergent, washing preparations, electric batteries excluding separator plates, paints and varnishes, asphalt, high speed diesel oil, jet fuels, lubricating oil, motor spirits, filament yarn, wire and cable, and certain petroleum products.



3. PRICE CONTROL MEASURES

34 Antidumping measures

Imports of goods into Pakistan valued at prices lesser than in the country of origin and sold in the Pakistani market for a continuous period of six months, are subject to antidumping measures, as laid in a law passed in December 2000.



34.1 Antidumping investigations

As of May 2005, the following antidumping investigation has been undertaken by Pakistan against polyester filament yarn originating in Indonesia, Korea, Rep. of Malaysia and Thailand; in the period of December 2004-January 2005 acrylic tow from Uzbekistan, urea formaldehyde moulding compound from China; in the period of 1 July to 31 December 2004 PVC resin suspension grade from Iran and Korea.Rep.Of



34.2 Antidumping duties

Electrolyte tin plate import from South Africa has been imposed a definitive anti dumping duty of 27.33% as of 26 of November 2002 for 5 years.

Definitive antidumping duties are in force for a period of 5 years against the following products: sorbitol 70% solution as of 19 November 2003, from France and Indonesia; glacial acetic acid as of 18 June 2004 from Chinese Taipei; and acrylic tow as of 10 December from Uzbekistan.

During the report period of 1 January to 30 June 2005, definitive anti dumping duties have been set on PVC resin suspension grade at 31.06% from Iran, and at 40.18% from Korea, Rep. of, these measures are in force as of 24 of February 2005.



4. FINANCE MEASURES

41.1 Advance import deposit

An import deposit of 35% is required for import transactions not dealing with industrial new materials, machinery and spare parts, petroleum, edible oil, wheat, and a few other products.



41.9 Advance payment requirements n.e.s.

Under the State Bank authorities, specific banks and financial institutions are eligible for activities such as dealing in all foreign currencies, supervising surrender requirements, and selling exchanges within limits set by the State Bank.

Effective 1 of April 2003, advance payments of goods of a specialized capital nature, payment of an amount of up to 50 per cent is allowed by the State Bank.



45 Regulations concerning terms of payment for imports

Payment of imported goods is secured through a compulsory letter of credit, unless and exemption is obtained; any other term of payment requires the approval of the State Bank of Pakistan.

Imports of goods under loans or credit requiring contracts might be subject to the opening of a letter of credit within 60 days as of the approval date by the Pakistani government agencies.



5. AUTOMATIC LICENSING MEASURES

57 Surrender requirement

Surrender requirements of a customs bill of entry for imports valued at \$10,000 in order to release the allocated foreign exchange is required for the payment of imports.



6. QUANTITY CONTROL MEASURES

61.1 Licence with no specific ex-ante criteria

All importers of goods must be registered with the Export Promotion Bureau.



61.2 Licence for selected purchasers

The following goods are importable only by relevant Government agencies: machinery for arms and import shall be allowed to ammunition, high explosives, radioactive substances, security printing, currency and mint.

Transmission apparatus whether or not incorporating reception apparatus excluding fax machines and mobile phones, T.V. transmission antenna system, field pick-units STL equipment, VHF set, TV modulator, video projection systems and video switching system, can be imported only by PTV, concerned public sector agencies and other licensed by the Federal Government Companies.

Armoured security vans whether new or second hand are imported by banks and security companies.

Non-sterilized surgical needles and syringes are importable by industrial units engaged in the further processing of these goods into value added final and finished products.

Active ingredient for formulation/manufacturing of pesticides is importable by industrial users only.

Arms and ammunition not otherwise banned are importable in accordance with the procedure laid down by the Federal Government



61.3 Licence for specified use

Imports of contaminated blood samples for laboratory test are subject to a prior approval of import of the Ministry of Health.



61.7 Prior authorization for sensitive product categories

Prior import authorization from the appropriate government ministry in Pakistan is required for the following goods: animals, plants, pesticides, arms and munitions, explosives, revolvers and pistols, radioactive elements, calcium carbide, steam and vapor generating boilers, petroleum and petroleum products, pharmaceutical raw materials, drugs and medicines, security papers, and maps.



61.71 To protect human health

Pharmaceuticals importers require recommendation from the Ministry of Health for the importation of the following drugs: Phenylacetene (1-phenyl-2), acetic anhydride, Ethylidene Diacetate, N-Acetylanthranilic acid, 3,4-Methylene di-oxphenyl-2-propane, Isosafrole, Ephedrine/Norephedrine, Ergometrine, Ergotamine, and Lysergic Acid.



61.73 To protect plant health

A prior approval of the Ministry of Food, Agriculture and Livestock, is required for the import of cotton seed.



61.74 To protect environment

A license issued by the concerned Environment Protection Agency/Department under PEPA 1997 is required for the importation of arsenic and compound.



61.76 To control drug abuse

Import authorization from the Narcotics Control Division in terms of quantity for imports of acetone and 1-2 propanone. Otherwise, all narcotic drugs and psychotropic substances, except those on banned list are importable only by pharmaceutical units on the recommendation of Ministry of Health.



61.77 To ensure human safety

A prior approval from Pakistan Nuclear Regulatory Authority is necessary to import radioactive material and radiation apparatus. As for importation of asbestos, only tariff line 2524.0000 is authorized.

A prior approval of the Chief Inspector of Boilers is required for import of steam and vapour generating boilers, other than central heating hot water

boilers capable also of producing low pressure steam and super-heated water boilers.



61.78 To ensure national security

Prior approval of the Department of Explosives is required for imports of calcium carbide, whether or not chemically defined. The same measure is set on imports of propellant powders, prepared explosives, other than propellant powders, safety fuses, detonating fuses, percussion or detonating caps, and electric detonators.



61.8 Licence for political reasons

Importation of goods from India is restricted only to a list of goods issued by the Ministry of Commerce.



Prohibitions

63.74 To protect environment

An import ban is set on goods such as waste, parings and scrap of polyethylene and polypropylene plastics, retreated tyres for cars, used pneumatics tyres, CFC gas based refrigerators, deep-freezers and other refrigerating cooling and chilling equipment, clothing of asbestos and pressure horns.



63.75 To protect wildlife

Importation of the following items is prohibited: furskins and manufactures thereof, other than raw furskins and tanned or dressed furskins of sheep, lambs, rabbits, goats, kids thereof, calf and other animal fur not internationally prohibited.



63.76 To control drug abuse

The following goods are prohibited to importation: vetches (whole grain, split or nay other form, coca leaves and cannabis herbs, cannabis resin and cannabis balsams, opium, concentrate of poppy straw, extracts and tinctures of cannabis, other benzene and its derivatives, paraphence-tole carbamide and 5-Nitro-2 proxy-aniline in both tablet and powder of crystalline forms, Allyl-isiothio-cyanate, caffeine citrate and Insulin preparations and syringes in 40.I.U. strength.



63.77 To ensure human safety

Import ban is set on dyes containing benzidine, and hazardous wastes as defined in the Basel Convention.



63.78 To ensure national security

It is prohibited to import fireworks, other pyrotechnic article, tanks and other armoured fighting vehicles, motorized, whether or not fitted with weapons and parts of such vehicles other than armoured security vans, military weapons, machine-guns, sub-marine-guns, automatic rifles of all calibers and other military fire-arms and projectiles other than revolvers and pistols, revolvers and pistols of prohibited bores and of calibers higher than 0,46 inches bore, arms of prohibited bores including semi-automatic rifles of 7.62mm and rifles of 8mm to 9mm bores, and arms of calibers higher than 0.22 bore rifles, other fire arms and similar devices which operate by firing of and explosive charge, spring guns, air guns or gas guns, pistols and truncheons, ammunition and parts of ammunition, except non prohibited bores, gambling equipment, and parts and accessories belonging to this list of products.



63.8 Prohibition for political reasons (embargo)

Imports of goods from Israel or shipped from third countries but originating in Israel are prohibited.



63.9 Prohibitions n.e.s.

Import prohibition is set on goods for religious, health, environmental, or security reasons. Import ban is also set in order to discourage consumption of luxury items or in accordance with provisions related to international agreements.

Import ban is set with respect to Islam on any goods containing ingredients or parts which may be repugnant to the injunctions of Islam such as translation of the Holy Quran without Arabic text, anti Islamic, obscene or subversive literature, pigs, hogs, boars and swine, their products and by-products, alcoholic beverages and spirits, including brewing and distilling dregs and waste, wine lees and argol, brewery machinery, and machinery for alcoholic beverages. Furthermore, prohibition is set on cinematograph work partly exposed or developing, depicting Pakistani or Indian way of living either silent or dubbed.



7. MONOPOLISTIC MEASURES

Although there is no state-trading enterprise system officially, there exist many state-run corporations entrusted with tasks similar to state-owned activities and they trade in the following sectors: petroleum and oils, pharmaceutical (allopathic) raw material, drugs and medicines (allopathic), waste and scrap of worn out conveyor or transmissions belts or belting of plastic and textile material, worn out tyres and tubes and rubber belting; security paper, maps and hydrographic or similar charts of all kinds including atlases, wall maps, topographical plans and globes, printed; gold and silver in bulk, agricultural tractors in CKD conditions, CKD kits of motor cars, other motor vehicles, trucks, buses and motorcycles, items for production of progressive local manufacturing of vehicles, bullet proof jackets and vehicles, secondhand and ambulances not more than five year old, secondhand/used fighting vehicles not more

than five year old, ground handling equipments in secondhand used condition; aircraft, spacecraft, and parts, and second hand ships for carrying cargo and passengers, oil tankers and liquid cargo carriers and used fishing trawlers.

8. TECHNICAL MEASURES

Technical regulations

Pakistan Standards and Quality Control Authority,
Block 77, Pakistan Secretariat
Karachi 74400

Telephone: (92 - 21) 920 62 61

Fax: (92-21) 920 62 63

The Pakistan Standards and Quality Control Authority (PSQCA) is responsible for preparing and implementing standards, in addition to introducing inspection systems, it collaborates with international organizations e.g. the International Standards Organization on Standards; furthermore, PSQCA disseminates information on standardization and quality control.

PSQCA has established some 21,000 standards of which 15,000 are ISO standards; 4,600 national standards apply to agriculture and food, chemicals, civil and mechanical engineering, electronics, weights and measures, and textile products.

Furthermore, compulsory certification scheme applies to products such as bottled and natural mineral water, carbonated beverages, cooking and other edible oils, Portland cements, construction materials containing asbestos, and oil stoves, among other products.

Distinct coloration must be added to palm stearin to avoid its use in cooking oil/ghee.

Imported food products must have at least 50 per cent of the shelf-life remaining at the time of entry.

81.11 To protect human health

Certificate of cleanliness issued in the country of origin, endorsed by a practicing physician, with the letters "MD" appearing after the signature, is required for importation of used clothing.

Registration requirement of pharmaceutical products with the Ministry of Health is obligatory.

Imports of human blood and its fraction must be accompanied by and AIDS and hepatitis B and C free certificate.

The importation of food colours as specified in Annex B-2 to the Gazette of Pakistan 22 of July 2004, and food colour lakes, prepared from colours of heading No. 3204.9000, is subject to the production of certificate from the Government of the exporting country that goods are in use or registered in that country, and carry fair true labelling.

Imports of dyes must be accompanied by a certificate stating that they are neither based on benzidine, nor contain, any content thereof.

Dioxin freedom certificate is required with the consignments of livestock products imported from Belgium.

A health certificate must accompany imports of meat and poultry products.



81.12 To protect animal health and life

Dioxin freedom certificate is required with the consignments of livestock products imported from Belgium.

A health certificate must accompany imports of meat and poultry products.



81.13 To protect plant health

Imports of plants and plant products must be accompanied by a sanitary certificate; in addition, imported cotton sanitary certificate must state that "the cotton is free of the cotton boll weevil *anthonomus grandis*". Equally, packing material such as straw or hay should be guaranteed by an official in the country of origin, as being free of insects and diseases.

A phytosanitary certificate is required for the importation of all species of plants and parts thereof, sugarcane seeds, banana and suckers vegetable seeds, seed potatoes, flower seeds and other field crop seeds including tubers, rhizomes, roots cuttings, fresh and dry fruits, betel nuts (areca), red chillies in whole, and wheat.

Straw or hay used as packing material of imported goods, must be certified as free of insects and diseases.



81.14 Product characteristics requirements to protect environment

Registration requirement under the Drugs Act, 1976 (XXXI) and the rules made there under, of insecticides, rodenticides, fungicides, herbicides, anti-sprouting products, disinfectants and similar products excluding plant growth regulators, put up in forms or packing for retail sale or as preparation or articles for example sulphur, treated bands, wicks and candles and fly papers.

A certificate stating that the imports of scrap being exported does not include, hazardous waste as defined in the Basel convention, is required for importation of waste, parings and scraps of polymers of styrene, vinyl chloride and other plastics excluding polypropylene.



81.17 To ensure human safety

A safety certificate from the Department of Explosives is required for the import of used or refurbished cylinders for compressed or liquefied gas for use in motor vehicles.



81.3 Labelling requirements

Imported goods must bear an indelible indication on their labels or wrappers the name of country of origin, e.g. "Made in USA" otherwise goods or articles are subject to, confiscation, and, or imposition of fines.

Foodstuffs labels must not bear any obscene writing, inscriptions, visible representations or inscriptions of a religious connotation, they should display date of manufacture and expiration on each retail pack, and accurate quantity, weight, measure, trade descriptions, and component materials.

Imported prepackaged food products must bear the name of the product, name and address of the manufacturer, percentage of dye content if applicable and normal storage stability. Furthermore, food product labels must indicate that they do not contain pork, and that meat and poultry derived from animals slaughtered according to Islamic ritual, and that the product is fit for human consumption.

Packages of powdered milk intended to baby consumption must be labeled in English and Urdu to indicate instruction of preparation, and health and hygiene of bottle feeding use.

Packaging of pharmaceuticals must be labeled to display generic names, substances and products with at least equal prominence that of the brand name. Labels must show registered number of the drug assigned by the Ministry of Health, the list of active ingredients, batch number, manufacture and expiration dates; specific cautionary statements such as: "poison", "for external use only" are required for certain drugs.

The following warning "Smoking is injurious to health" must be displayed on each packet of cigars, cheroots, cigarillos and cigarettes or cigars of tobacco or of tobacco substitutes, in English and Urdu.

Labeling of pesticides such as insecticides, rodenticides, fungicides, herbicides, anti-sprouting products, plant growth regulators, disinfectants, paper, sulphur-treated bands, wicks and candles must provide information as name of the product, its manufacturer or registered importer, its formulation, net contents, dates of manufacture and test, normal storage stability, the following warning statements: "keep out of reach of children", "Danger", "Warning", "Caution", displayed on the front panel of highly toxic pesticides. In addition, the following data must appear on the labels: name and percentage by weight of active ingredients and total percentage by weight of other ingredients, antidotes, all these, together with the correct technical name. As a rule, labels of goods indicating place of origin or name and address of manufacturer must be in Urdu or English with letters of labels as big as the name of the product.

Labeling requirements are also set on textile piece goods, dyes, and chemicals.



81.4 Packaging requirements

Waterproof, zinc or tin-lined packaging are recommended for shipments of goods to Pakistan.



81.5 Testing, inspection and quarantine requirements

Imports of live animals, animal semen and embryos are subject to requirement of Animal Quarantine Department of Ministry of Food, Agriculture and Livestock. And fish and fishery product imports are subject to requirement of Marine and Fishery Department of Ministry of Food, Agriculture and Livestock.

Requirement such as drawing of samples and testing quality by Department of Plant protection and Federal Seed Certification Agency, applies to imports of all species of plants and parts thereof.

Certification requirement by any prescribed PSI companies and from Chief Inspector of Boilers for steam and vapour generating boilers other than central heating hot water boilers capable also of producing low pressure

steam and super-heated water boilers.



81.9 Technical regulations n.e.s.

A compulsory health certificate accompanying imports of meat and poultry products must state that the goods do not contain products or by-products of pig, boar, hog, or swine; in addition it must state that the products originate in animals slaughtered according to Islamic ritual.

