

Inception report for improvement of WTO Cell, Govt. of Punjab

18
16

Background

Pakistan has been a member of the World Trade Organization since its inception in 1995. The WTO operates a global system of trade rules, provides a forum for trade negotiations and agreements and settlement of trade disputes between its members. It also monitors national trade policies and provides technical assistance and training for developing countries. By being a member, Pakistan commits to complying with the rules.

In order to assist with this compliance, the WTO cell in Punjab was established in 2009 in the Planning and Development Department. The objective was to assist in meeting Pakistan's commitments under WTO, and to collect and disseminate information to stakeholders. In 2011, the cell was merged with the Department of Industries, Commerce and Investment.

Need for re-envisioning the cell

The cell is largely dysfunctional at the moment, serving a fairly narrow and unsuccessful function of assisting with the registration of Geographical Indicators only. This has come about for three reasons:

1. The cell is under-funded and under-staffed
2. While trade remains a federal subject, there are now several important levers in the provincial remit after the devolution in 2010, with a potential for provinces to play a far more active role than they have done pre-devolution when the cell was created and its role defined. The role, therefore needed to have been reevaluated in 2010
3. The objectives of the cell were earlier defined vaguely, and largely in terms of compliance with the WTO rules and information dissemination. However, the WTO also provides opportunities and resources, particularly for developing countries, to assist in expanding trade. Supporting business in leveraging these was not part of the roles defined for the cell.

For these reasons, it is proposed that the functions and capacity of the WTO cell be enhanced and made properly operation. This could include two important and inter-related functions: 1) research and data, and 2) information.

In terms of research, a properly trained and equipped staff can undertake research on the WTO and multilateral trading systems and their requirements and repercussions. This must be supported by data collection on the affected industries in the province. This data and research can support the role of information dissemination and give input into negotiations. Evidence-based

17

inputs will help inform the government and business communities to adapt and leverage the system in a timely fashion.

The requirement for information is both from federal government and WTO to provincial stakeholders, and also from provincial stakeholders to federal government.

Private sector stakeholders in the sectors that are affected by WTO rules may not be adequately equipped to understand the opportunities and challenges that arise from the WTO trading system. The system is complex and involves navigating through a large amount of information, which prevents businesses from understanding the components that are, or will be, relevant for them. For example, it is not commonly known that the WTO system not only imposes obligations on producing industries and business enterprises but also creates rights in their favour, which they can benefit from strategically. The ability of the private sector to benefit from the system depends on their knowledge and understanding of it.

The WTO cell can take the role of sifting through and organising information that is relevant to each sector, simplifying the opportunities and challenges before communicating them to the relevant stakeholders. They can assist the business community to better understand the commercial implications of WTO rules.

In addition, the WTO cell can act on behalf of the business community, particularly SMEs, to articulate their interests and priorities to federal government for trade negotiations. This will ensure that the business community is supported in meeting requirements and is also able to leverage the opportunities, exceptions and flexibilities of the WTO law by communicating their needs.

THE URBAN UNIT

Urban Sector Planning & Management Services Unit (Pvt.) Ltd.

A Public Sector Company.

Contract Agreement

For

Consultancy Services

“WTO Expert”

**For technical support to the IC&I department under the
“FRAMEWORK AGREEMENT”**

December 1, 2017

Urban Sector Planning & Management Services Unit (Pvt) Ltd.
503, Shaheen Complex, Egerton Road, Lahore
Ph: 042-99205316-22, Fax: 042-99205323
www.urbanunit.gov.pk

3