

GSP+ Insights Pakistan



Partners in
Progress for
the future



GSP+
Insights
Pakistan

ONE

1 Spotlight on
Trade

Data Source: Eurostat

A

GSP + AND PAKISTAN



Celebrating 8 years of bilateral progress and trade

4 FACTORS OF SUCCESS

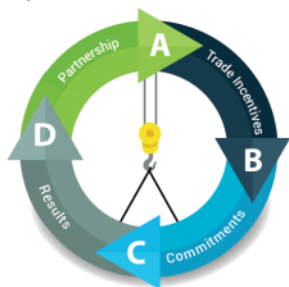
GSP Plus is a constructive engagement for the betterment of our economy and promoting economic agenda.

The scheme has a positive synergy with government's social agenda.

European Union's GSP+ Scheme is a unique scheme of very extensive trade concessions which aims to help a few developing countries selected on the basis of a criterion in adopting principles of sustainable development and good governance in their national policies through effective implementation of 27 UN conventions pertaining to human rights, labour rights, climate change, narcotics control and corruption.

In December, 2013 the EU Parliament enacted the legislation that put in place its GSP Scheme for the period of 2014-2023. Pakistan was included as one of the beneficiaries of GSP+ trade concessions amongst 13 other

countries initially. Prime Minister of Pakistan established a Treaty Implementation Cell in March, 2014 to undertake efforts for aligning national laws with the mandatory UN Conventions and coordinate with all stakeholders at Federal and Provincial levels for improving compliances to these conventions. Attorney General of Pakistan is the Convener of Treaty Implementation Cell.



A mutually beneficial arrangement leading to exports increase for both Pakistan and EU

Total trade between EU and Pakistan increased from Euro 6.9B in 2013 to Euro 12.2B in 2021.

This represents an increase of 78%



6.9

€ BILLION
2013

12.2

€ BILLION
2021



FACT
01

GSP+ EXPORTS

PAKISTAN'S EXPORTS TO EU



28% of Pakistan's total exports are to EU countries.



Under GSP+ Pakistani goods have Duty free access on 66% of EU tariff lines

Rising Trend

A healthy and consistent upward trend from **3.56B** Euros in 2013 to **6.64B** Euros in 2021.



€

6.64
€ BILLION

3.56
€ BILLION
2013

2021



FACT
02

EU'S EXPORTS TO PAKISTAN



EU exports to Pakistan increased from Euro **3.31B** in 2013 to Euro **5.59B** in 2021.

This represents an increase of **69%**

€

5.59
€ BILLION

3.31
€ BILLION
2013

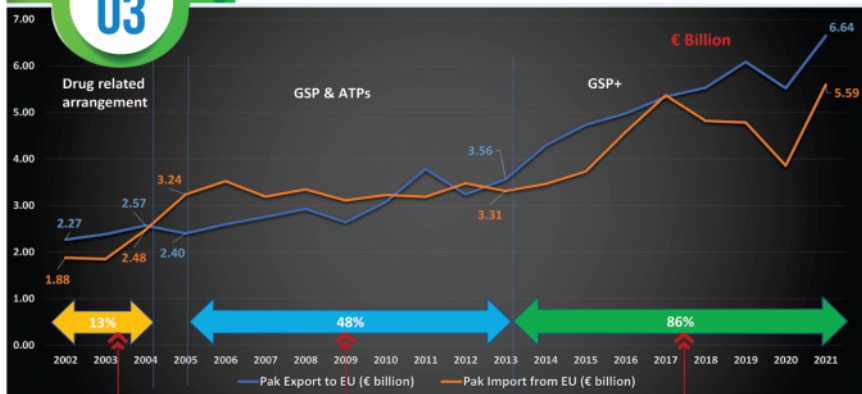
2021

B

PAKISTAN-EU TRADE OVERVIEW



Market Access and Bilateral Trade between Pakistan and EU 2002-2021

**FACT
03**


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Exports Increase
13%

Exports Increase
48%

Exports Increase
86%

Pakistan had duty free access in the EU during the period 2002-2004 for being one of the countries battling against the menace of narcotics. Pakistan's exports to the EU during this period grew by 13 %.

Pakistan was a beneficiary of Generalised System of Preferences scheme for the period 2005 to 2013. During this period Pakistani goods had preferential market access which entailed similar concessions that were available to all other

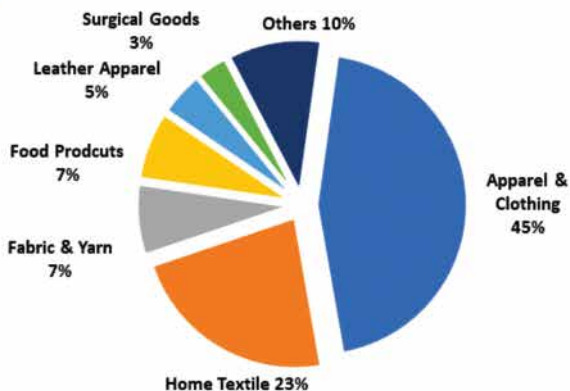
developing countries. During this period Pakistan's exports to the EU grew by 48%. In 2010 when Pakistan suffered a huge set back due to devastating floods, EU announced a special package "Autonomous Trade Preferences"(ATPs) in the shape of duty free concessions on 75 products, which came into effect after a WTO waiver for a period of 14 months. The present GSP+ Scheme which became operational on 1st January, 2014 has provided level playing field to Pakistani exports in EU market vis-a-vis many other economically

similarly situated developing countries. As a result of GSP+, Pakistan's exports to the EU have increased from 3.56 billion Euros in 2013 to 6.64 billion Euros in 2021. This represents an increase of 86%.

Pakistan's imports from the EU member states have also increased from 3.31 billion Euros in 2013 to 5.59 billion Euros in 2021, which represents an increase of 69%.

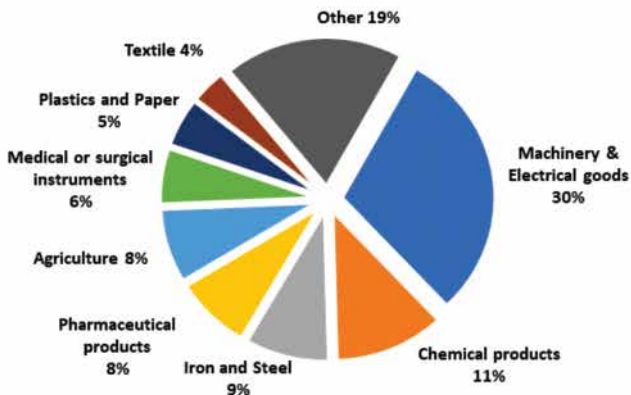
Pakistan's Export Composition to EU in 2021

i



Pakistan's Import Composition to EU in 2021

ii

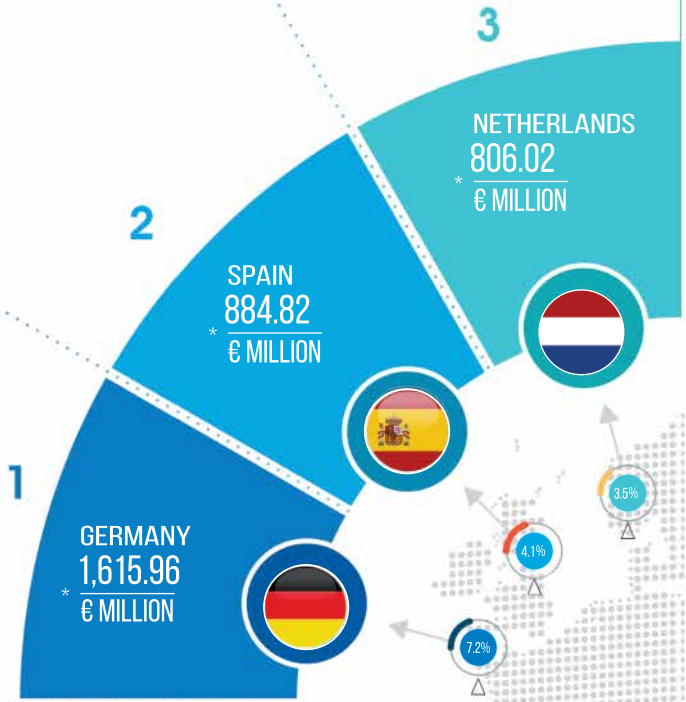




PAKISTAN'S TOP EXPORT DESTINATIONS IN EU

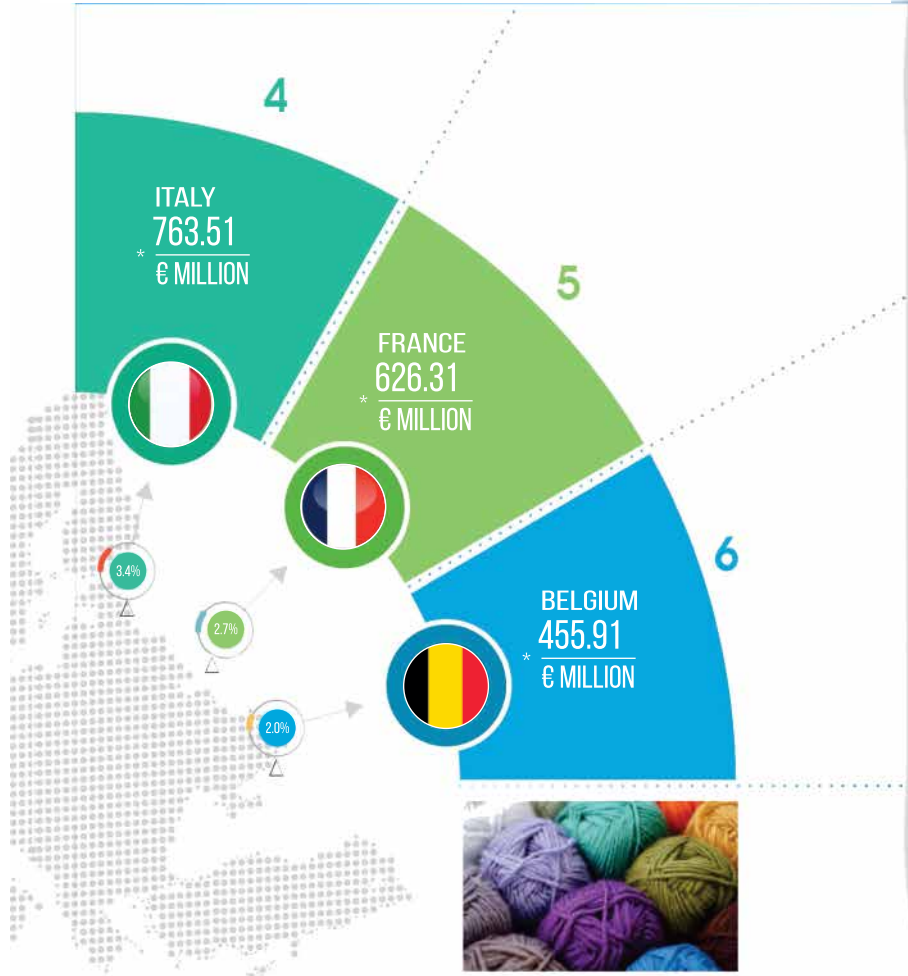


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* Exports Euro million

GSP Plus has played an important role in expansion of bilateral trade. It has been a mutually beneficial venture as exports from both sides have increased since inception of the scheme, as exports of EU member states to Pakistan has seen a growth of **69%**. Hence, the grant of unilateral concessions have not tilted the trade balance to one side predominantly. **Increased bilateral trade means more jobs, better working conditions, promotion of sustainable policies and improvement of macroeconomic indicators for Pakistan.**



△% of Pakistan Exports 2021

D

HOME TEXTILES

(Bed, Kitchen, Toilet wear)

Pakistan's exports to the EU in Home Textiles have grown from 696 million Euros in 2013 to 1.68 Billion Euros in 2021, which represents an increase of 141%



696
€ MILLION
2013

1.68
€ BILLION
2021



696

Home Textiles exports to EU 2013 million euros



Home Textiles Exports to EU 2021 billion euros



1.68



6%

Market Share in EU 2013 (%)

Market Share in EU 2021 (%)

8%



141%

%age increase since 2013

TEXTILE APPARELS AND HOSIERY

E

2.62
€ BILLION

2021

1.05
€ BILLION

2013



Pakistan's exports to the EU in Textile Apparel & Hosiery have grown from 1.05 Billion Euros in 2013 to 2.62 Billion Euros in 2021, which represents an increase of more than 150%



Textile Apparel & Hosiery exports to EU 2013 billion euros

1.05

2.62



Textile Apparel & Hosiery Exports to EU 2021 Billion Euros

Market Share in EU 2013 (%)

1.1%



1.6%

Market Share in EU 2021 (%)

%age increase since 2013

150%



F

TOP EXPORTING EU MEMBER STATES TO PAKISTAN



EXPORTS TO PAKISTAN 2013 EXPORTS TO PAKISTAN 2021 PERCENTAGE INCREASE

€ MILLION



€ MILLION



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GERMANY

832.8

1,330.7



BELGIUM

357.0

866.1



ITALY

430.3

754.1



NETHERLANDS

325.0

672.9



SPAIN

142.9

359.4





EXPORTS TO PAKISTAN
2013

EXPORTS TO PAKISTAN
2021

PERCENTAGE
INCREASE

€ MILLION






€

€ MILLION



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	EXPORTS TO PAKISTAN 2013 € MILLION	EXPORTS TO PAKISTAN 2021 € MILLION	PERCENTAGE INCREASE
 SWEDEN	177.5	234.4	32 %
 AUSTRIA	69.6	160.7	131 %
 POLAND	101.7	126.2	24 %
 FINLAND	35.5	108.7	206 %
 DENMARK	59.9	108.0	80 %



G

EU'S SECTOR WISE EXPORT GAINS TO PAKISTAN

EU's exports to Pakistan, since 2013, have **increased substantially** in many sectors including machinery, Iron and steel, Pharma, Medical and Surgical Instruments and plastics.

Machinery & Electrical Equipment

1,059
€ MILLION
2013

1,578
€ MILLION
2021

49%

PERCENTAGE INCREASE



Iron and Steel

245
€ MILLION
2013

525
€ MILLION
2021

114%

PERCENTAGE INCREASE

Pharmaceuticals

264

€ MILLION

2013

642

€ MILLION

2021



PERCENTAGE
INCREASE



Plastics

93

€ MILLION

2013

166

€ MILLION

2021



PERCENTAGE
INCREASE



Medical & Measuring Instruments

174

€ MILLION

2013

252

€ MILLION

2021



PERCENTAGE
INCREASE



H

COUNTRY WISE BENEFITS OF GSP+



12 EU member states in which Pakistan's exports have increased by more than 100%.

POLAND (332%)

01



HUNGARY (245%)

02



BULGARIA (242%)

03



DENMARK (199)

04



CZECH REPUBLIC (195%)

05



IRELAND (177%)

06



CYPRUS (134%)

07



ROMANIA (128%)

08



PORTUGAL (117%)

09



SPAIN (108%)

10



SLOVENIA (105%)

11

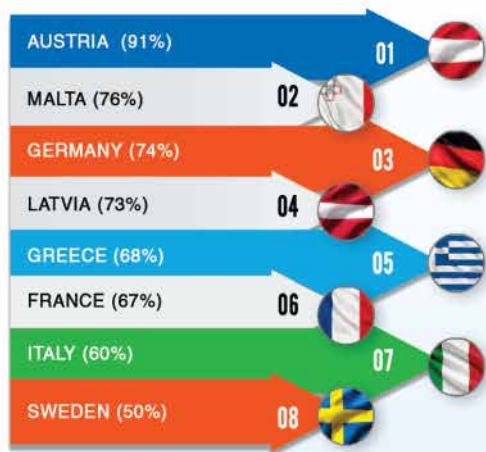


NETHERLANDS (103%)

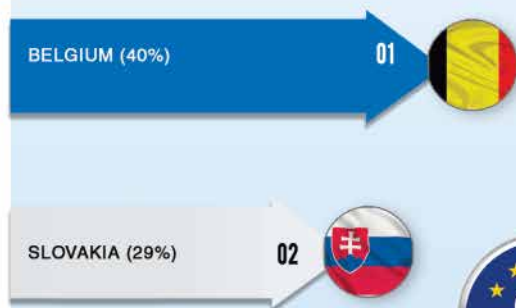
12



8 EU member states in which Pakistan's exports increased by more than 50%.



2 EU member states in which Pakistan's exports increased considerably i.e from 20% to 50%





TWO

2

**GSP+ Promoting
principles of Good
Governance and
Sustainable
Development**

A

TREATY IMPLEMENTATION CELL PAKISTAN



EU's "Special Incentive Arrangement for Sustainable Development and Good Governance" (GSP+) ensures the commitment of the beneficiary countries to ratify and effectively implement the 27 UN Conventions pertaining to 5 key areas.



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The Prime Minister set up a Treaty Implementation Cell (TIC) to oversee & monitor the progress on implementation of UN Conventions on March 4, 2014. The Attorney General of Pakistan was appointed as Convener of TIC by the Prime Minister. Provincial TICs have also been established for better coordination & monitoring of implementation of UN Conventions in the provinces.

The dedicated Secretariat of TIC Treaty Implementation Cell is housed in the Ministry of Commerce and situated in Islamabad in Block A, Pakistan Secretariat.

UPDATE ON THE WORKING OF TIC ON GSP+



TIC has conducted 25 meetings to date.



It also prepared responses on additional information solicited by EU and submitted them in timely manner.

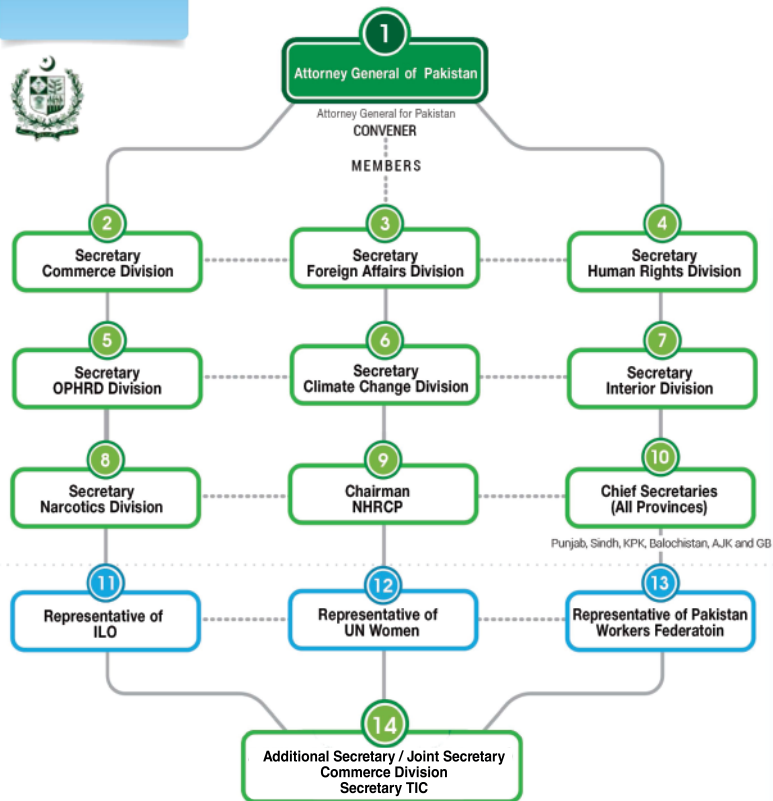


TIC responded to List of Issues forwarded by the EU for the years 2014, 2015, 2016 and 2018. TIC also shared progress with the EU Commission on the ten priority actions and GSP Plus follow up questions.

THE TIC COMPOSITION AND STRUCTURE



Under TIC's mandate, an all inclusive and holistic Board has been constituted under the aegis of the Attorney General of Pakistan. This Board not only includes all the concerned representatives from various ministries but for the first time it has ensured participation of other stakeholders including the International Labour Organization, the United Nations, Human Rights Commission as well as the Pakistan Workers Federation.



Treaty Implementation Cell is an interactive forum that brings together federal and provincial officials working in various departments, international UN Organizations and workers representatives.

The continuous engagement of the Federal Treaty Implementation Cell with respective Ministries, Provincial Governments, Provincial Treaty Implementation Cells and other stakeholders has proved instrumental in fulfilling Pakistan's commitments under GSP Plus scheme.



1

CLIMATE CHANGE



Improving our climate and protecting our flora and fauna is one of the top priorities of Government of Pakistan. Government of Pakistan is fully cognizant of the fact that challenges to our environment cannot be ignored and the natural resources are to be used sustainably. It is felt that there is an urgent need to raise awareness about the climate issues and to motivate everyone to adopt and promote sustainable and environmentally policies in all spheres.



GSP+ PLAYS A KEY ROLE IN PAKISTAN'S TRAJECTORY TO A GREENER FUTURE

LEGISLATIVE AND POLICY ACTIONS

Environmental Protection Bill

Protected Areas Initiative

The implementing rules for the Pakistan Trade Control of Wild Fauna and Flora Act 2012 has been enforced

"Recharge Pakistan" has been launched to enhance Climate Resilience and Water Security

WWF Pakistan and Pakistan Customs collaborate to curb illegal wildlife trade

National Action Plan on Sustainable Consumption and Production in collaboration with EU



PAKISTAN HAS ACHIEVED SDG 13 'CLIMATE ACTION' TARGET 10 YEARS AHEAD OF TIME



PAKISTAN'S COMMITMENT TO ZERO CARBON EMISSIONS

20 textile and apparel companies are leading Pakistan's first ever net-zero coalition to reach zero net carbon emissions by 2050.

WHAT DO SIGNATORIES COMMIT?



SET NET ZERO TARGETS

To adopt carbon elimination and sustainability targets that are underpinned by climate science, with progress reported regularly and transparently.



MEASURE & DISCLOSE

To robustly measure direct and indirect GHG emissions across all operations, in line with internationally recognized measurement methodologies.



DECARBONISE VALUE CHAINS

To undertake actions that lower emissions and enhance environmental sustainability, following a decarbonisation roadmap set out by the coalition.



ADVOCATE FOR CLIMATE ACTION

To advocate for an enabling decarbonisation and by representing Pakistan's private sector at major domestic and international platforms.

OUR SIGNATORIES...



Ten Billion Trees Tsunami has been launched with the objective of preserving atmospheric health, reducing greenhouse gas effects, lowering cases of random floods, droughts and enhancing other biodiversity supportive actions.

1



2

Pakistan has approved the Alternative and Renewable Energy Policy 2019.

The new policy aims to boost the share of Electricity generated from Renewable Sources from around 5% at present to 30 % by 2030.

Pakistan has approved National Electric Vehicle Policy targeting a 30% shift to electric cars by 2030.

3



Clean Green Pakistan Index has been launched. The index ranks cities / tehsils according to indicators on cleanliness and greenery.

4



5

Provincial wildlife legislations amended to accord protection to CITES listed bodies.





6

Pakistan is a signatory of the Paris Agreement on Climate Change and is in the process of reviewing its Nationally Determined Contributions (NDCs).



7

Target to plant ten billion trees by 2023.

Being implemented across Pakistan by the Ministry of Climate Change along with Provincial and Territorial Forest and Wildlife departments, in partnership with United Nations Environment Programme (UNEP).

As part of the efforts to boost olive oil production, 3.6 million olive trees have so far been planted on 30,000 acres of land in 22 districts.

8



Pakistan joined the international community in celebrating the 'World Environment Day 2021' as its global host on 5th June 2021.

9



10

“Large scale restoration initiatives such as The Ten Billion Tree Tsunami Project are central to Pakistan’s efforts to support the UN Decade and to increase ecosystem restoration. We are at a point in history where we need to act and Pakistan is leading on this important effort.”



2

INTERFAITH HARMONY



Kartarpur
Corridor



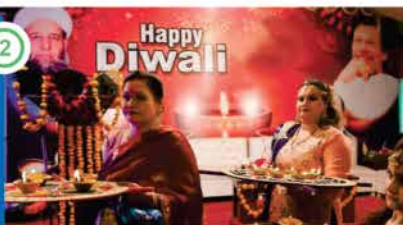


1

National Commission on Minorities has been constituted and Mr. Chela Ram Kewlani appointed as Chairman.

Federal and provincial governments have been regularly arranging celebrations of religious festivals of minorities to promote interfaith culture.

2



3

After the enactment of Hindu Marriage Act 2017, and Sindh Hindu Marriage Act 2016, the Christian Marriage Bill has been drafted after consultations with different Christian denomination groups.

Opening of historical Gurdwara Kartarpur Sahib Corridor and its operationalization for Sikh community from around the world has been a landmark achievement.

4



5

Single National Curriculum has been developed which is free of all elements of intolerance and hate speech.



6 Christmas celebrations



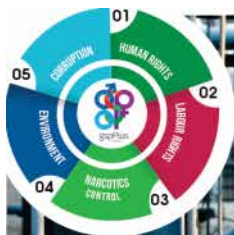
7 Christmas ceremony at President House



8 Hindu Community celebrations



9 Chilam Joshi Festival



3

LABOUR RIGHTS



In a democracy labour is not merely a factor of production, this human resource is an equal partner in progress and prosperity. Government of Pakistan is fully aware that without ensuring the well being of immense human resource of country it cannot hope to put country on its path to economic development. The policies adopted for fostering economic growth have to be inclusive one. Today the world is connected through intermingling economic supply chains and there is a realization that they must not have any form of exploitation or discrimination. International trade laws, international agreements and business contracts between private entrepreneurs are now putting increasing emphasis on developing ethical supply chains.



GSP+ HAS STRENGTHENED PAKISTAN'S COMMITMENT TO FURTHER IMPROVE DECENT WORK STANDARDS AND LABOR RIGHTS

LEGISLATIVE AND POLICY ACTION

①

10% increase in minimum wage by Government of Punjab in 2021

②

20% increase in minimum wage by Government of Khyber Pakhtunkhwa

③

Vulnerable employment has reduced from 60% to 56%. (Labor Force Survey, 2019)

④



BetterWork | PAKISTAN

Pakistan is all set to launch Better Work program in 2022. Government of Pakistan is co-funding ILO Better Work Pakistan through the Export Development Fund (EDF), with support from European Commission. The program will enable Pakistan in achieving decent work standards, especially in the export-oriented Textiles and Apparel sector, supporting the sector in improving labor conditions and enabling greater freedom of association.



Enrolment of around 92000 children in Punjab in schools who were previously working in Brick Kilns.

5



Provincial Governments, under the requisite laws, regularly carry out inspections and take appropriate legal actions on the incidences of child labour.

6

Number of labour inspectors has increased from 334 in 2015 to 775 in 2019. This is 100% increase in the last 5 years.

7



Ministry of OP&HRD* has developed National Framework to address child Labour and Bonded Labour.

8



Punjab, KPK and Sindh have passed legislation on bonded labour. Balochistan is drafting legislation on similar lines.

9

All provinces have initiated child labor survey with technical assistance from UNICEF. In Punjab & GB survey has been completed.

10



11

Islamabad Police is working to take street kids off roads, with the help of Child Protection Institute.

12 COLLECTIVE BARGAINING AND FREEDOM OF ASSOCIATION

All four provinces have adopted Industrial Relations Act (IRA).

Sindh and Baluchistan amended their Industrial Relations Act (IRA) in 2015 and allowed agriculture & fisheries workers to form unions.

Federal Industrial Relations Act was passed in 2012, re-establishing National Industrial Relations Commission (NIRC).

STEPS AGAINST EXPLOITATION AND DISCRIMINATION 13

All provinces have nominated gender focal persons within the labour departments.

Higher Education Commission (HEC) is working to mainstream gender in business and media curricula of 9 universities.

Minimum wage notifications specify that male and female workers must be paid equal minimum wage for work of equal value.



4

HUMAN RIGHTS



The Government of Pakistan is keen, dedicated and eager to uphold human rights and in order achieve this milestone reform it was necessary that an independent, nonpartisan and functional body was created. In line with its commitment to expedite, aid and begin the process, the Government successfully established an independent National Human Rights Commission in 2015. Many of its recommendations have been accepted and enforced as an act of law.

Ms. Rabiya Javeri Agha appointed as the Chairperson of **National Commission on Human Rights (NCHR)**. Other members include Mr. Zafarullah Khan (member from ICT), Mr. Nadeem Ashraf (member from Punjab), Mrs. Anis Haroon (member from Sindh), Mr. Tariq Javed (member from KPK), Ms. Farkhanda Aurangzeb (member from Balochistan), and Mr. Manzoor Masih as minority member.



SIGNIFICANT EFFORTS IN IMPROVING GENDER EQUALITY AND WOMEN EMPOWERMENT

LEGISLATIVE AND POLICY ACTIONS

Enforcement of Women's Property Rights Act

Enforcement of Transgender Persons Act

State-of-the-art Violence Against Women Centres

Anti-Rape Ordinance

Domestic Violence Protection Bill

Protection of Journalists Bill, 2021

REGIONAL LAWS

Punjab Protection of Women against Violence Act

Baluchistan Protection against Harassment of Women at Workplace

Baluchistan Commission on the Status of Women Bill

NATION WIDE INCLUSION INITIATIVES

Ehsas Kafaalat programme: Financial inclusion of 7 million women: one woman one bank account policy



The Apparel sector, supported by **GSP+**, employs more than **33%** women workers with many women holding key managerial positions -much higher than other sectors in the country

LANDMARK ACHIEVEMENTS
MINISTRY OF HUMAN RIGHTS 2018-2021

Modification of National Action Plan to include immediate enactment of laws related to:

Journalist Protection Bill	Rights of Persons with Disability	Prevention of Torture and Custodial Death	Christian Marriage	Domestic Violence
Rights of Senior Citizen	Prohibition of Corporal Punishment	Criminalization of Enforced Disappearances	Zainab Alert Law	Policy on Empowering persons with Disability

1

Law Reform Package approved in principle by the Cabinet.

Transgender Protection Center inaugurated on 13th October 2021. will provide legal aid, health and rehabilitation services, psychological counselling.

2



3

Ehsaas Emergency Cash Programme launched to protect daily wage workers impacted by Covid-19 crisis. 20 Ehsaas Programmes operational; "One Window Ehsaas" being upscaled nationwide.

ZAINAB ALERT
 Response & Recovery Application for missing children

Launched on Pakistan Citizen's Portal
 2.9 Million active users

Download the App from
 App Store | Google Play

4

Zainab Alert, Response and Recovery Act 2019 promulgated; Established one window operation to address and recover child kidnap.

5

INTERNATIONAL DAY OF THE GIRL CHILD

RIGHTS OF THE GIRL CHILD

- RIGHT TO LIFE
- RIGHT TO EDUCATION
- RIGHT TO PARTICIPATION
- RIGHT TO PROTECTION
- RIGHT TO HEALTH
- RIGHT TO NON-DISCRIMINATION
- RIGHT TO BE HEARD
- RIGHT TO FREEDOM OF EXPRESSION
- RIGHT TO FREEDOM OF ASSOCIATION



6

President Dr. Arif Alvi in a group photo at the celebration of Child Rights and International Human Rights Day in Islamabad on December 12, 2019



7

Pakistan approves
National Action
Plan on Business
and Human
Rights; 1st in
South Asia.



8

Milestone
Progress and
Achievement
Juvenile Justice
System Bill 2017



9

Milestone
Progress and
Achievement
Transgender
Persons Act, 2017



10

Milestone Progress
and Achievement
Criminal Law
Amendment Act
2016 (Criminalising
sexual abuse, child
pornography and raising
age of criminal liability of
Children)

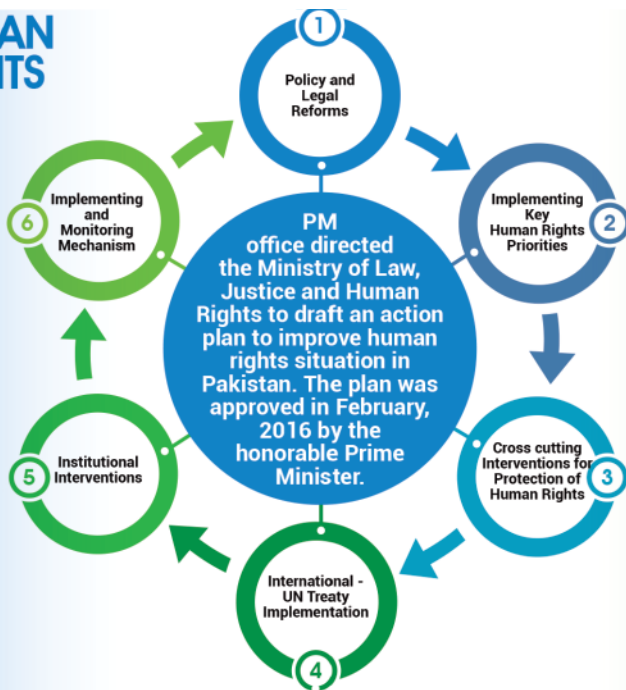


11

Milestone Progress
and Achievement
Protection against
Harassment of
Women at
Workplace
Amendment 2016

12

Milestone
Progress and
Achievement
National
Commission on
Rights of the Child
Bill 2017



Federal Government Human Rights Institutions

There are numerous Federal level human rights institutions that are fulfilling their role and responsibility as the watchdog and custodian of the various initiatives that the Government of Pakistan have undertaken to fast-track human rights championship:

National Commission on the Status of Women (NCSW)	Implementation of National Plan of Action for Children (INPAC)
National Commission for Human Rights (NCHR)	National Child Protection Centre (NCPC)
Human Rights Relief And Revolving Fund	Family Protection and Rehabilitation Center, Islamabad
Diyat, Arsh and Damn Fund	Human Rights Cell, Supreme Court of Pakistan
Helpline (1099) For Free Legal Advice on Human Rights Violations	Pakistan Bait-ul-Mal
National Commission for Child Welfare and Development (NCCWD)	National Commission for Minorities



SAY NO CORRUPTION

5

ANTI-CORRUPTION



Corruption is one of the biggest threats to progress. It weakens delivery systems aimed to provide amenities to the citizens. It creates gulf between people and the government structures built to serve them. The democratic Government of Pakistan is firm on addressing the menace of corruption at all costs. No representative Government in today's world can afford to avoid the challenge of tackling corruption without jeopardizing process of sustainable development.



1

The bureau's anti-corruption strategy proved successful resulting in the recovery of Rs. 538 billion from corrupt elements during the tenure of the present management.

Elections Act 2017 provided the legal framework for conduct of elections in line with international standards. Third consecutive democratic transition was witnessed in 2018, with about 106 million registered voters, and turnout of 52 %.

2



3

Awareness campaign against corruption. Various platforms being used to spread the message "Say No to Corruption"

MOU with China and Malaysia to strengthen cooperation in preventing and combating corruption

4









WORLD
ECONOMIC
FORUM