

# Counter-Measures To Sustain Trade Facilitation During And After Covid-19 Pandemic

**MINISTRY OF COMMERCE**

**30-09-2021**



GOVERNMENT OF PAKISTAN  
MINISTRY OF COMMERCE



EMERGING  
PAKISTAN







# SCHEME OF PRESENTATION

## 1. Overview

## 2. Counter-Measures to Sustain Trade Facilitation during and after Covid-19 Pandemic

- Trade Policy Measures
- Taxation Relief
- Measures taken by State Bank of Pakistan
- Additional Measures



# Overview

- Covid-19 has challenged human life and strained economic activity globally.
- Governments and Central Banks are taking extraordinary measures to address the challenges associated with this situation.
- Pakistan with the help of relevant departments has taken measures to protect the people as well as support the economy.
- Pakistan had unveiled a PKR 1.13 trillion (\$6.76 billion) rescue and stimulus package with a good balance between providing direct assistance to the vulnerable and protecting industry and businesses in 2020.







# Steps Taken For Mitigating COVID-19 Related Issues

# Trade Policy Measures





## Trade Policy Measures

- 61 essential medical items identified by Ministry of National Health Services Regulations & Coordination (MNHSRC) were exempted from all duties and taxes for a period of three months in March, 2020.
- MoC imposed ban on the export of various PPE items on the recommendation of MNHSRC in March, 2020.
- The Government in April, 2020 imposed a ban on export of anti-malarial drugs.
- Later on, in view of stock surplus of PPE items, the Government removed ban on PPE items and anti-malarial drugs. All the items are freely exportable now.



# **Taxation Relief**

## **Sales tax reduction**





# Measures taken by State Bank of Pakistan





- **Monetary Policy:** Policy rate reduced by a cumulative 625 basis points from 13.25 percent to 7 percent in a short span of time i.e. from mid-March to June 2020. This is one of the largest reductions in the policy rate among the emerging economies during the pandemic.
- **Facilitating New Investment:** Temporary Economic Refinance Facility (TERF), a concessionary refinance facility, aimed at promoting investment both new and expansion and/or Balancing, Modernization and Replacement (BMR) was introduced.
- **SBP Rozgar Scheme:** The Scheme aimed to prevent layoff by financing wages and salaries of employees (permanent, contractual, daily wagers as well as outsourced) for six months (April 2020-Sep 2020) for all kind of businesses.
- **Supporting Health Sector to Combat the Virus:** Refinance Facility for Combating COVID-19 (RFCC) is available through banks/DFIs for all hospitals/medical centers not only to combat COVID-19 but also to enhance their overall capacities. Manufacturers of masks/protective dresses/testing kits/hospital beds/ventilators and other items to combat COVID-19 could also get advantage of this special financing opportunity.
- **Loan Extension and Restructuring Package:** Debt Relief Scheme was announced to facilitate the borrowers in restructuring and deferment of their loans. The Debt Relief Scheme aimed to preserve the solvency of the borrowers and enable them to combat the temporary economic disruptions.



# Additional Measures





- Free time allowed by Port Authorities to importers, and waiving off the additional charges for a demurrages detention
- Government facilitated opening of Export Industries with ready orders in all over Pakistan
- All borders, including Kartarpur and Wagah borders, were closed down. However, the restrictions have now been relaxed.
- The government had launched “Ehsaas Emergency Cash Program” to provide immediate cash relief of Rs 12,000 to 12 million families of daily wage earners. Ehsaas Emergency Cash Program has completed its original target and the government has now set a new target of 16.9 million beneficiaries.
- Rs. 50 billion for Utility Stores Corporation to provide essential food items to the vulnerable section of the society at subsidized rates.





EMERGING  
PAKISTAN

**THANK YOU**