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NA panel grills MoC over export failure

BUSINESS RECORDER The National Assembly Standing Committee on Commerce on Thursday grilled the Commerce Ministry over its failure to improve the country's exports, questioning its reliance on irrelevant figures and justifications for the decline.

Presided over by Jawed Hanif Khan, the committee was informed that Pakistan's exports declined by more than USD 1 billion during 2025-26, with high energy and import costs making Pakistani products uncompetitive in international markets.

"Pakistan's exports fell from around USD 32 billion in 2024-25 to USD 30.8 billion during 2025-26 due to a variety of reasons," Commerce Secretary Jawad Paul said.

The Commerce Secretary attributed the decline to the regional situation and the conflict in Afghanistan, saying exports of several major commodities had fallen by more than USD 1.5 billion. Rice exports alone declined by USD 1.08 billion, while sugar exports fell by USD 403 million.

The committee was further informed that cotton exports declined by USD 134 million, plastic exports by USD 118 million, onions by USD 77 million and potatoes by USD 74 million.

Commerce Minister Jam Kamal Khan, who was also present, suggested that other relevant government stakeholders, including the Ministry of National Food Security and Research, Ministry of Industries and Production and Federal Board of Revenue (FBR), should be brought together to discuss production and taxation-related issues.

The Commerce Secretary said India had provided around USD 1.5 billion in subsidies to its rice exporters, helping boost exports and making it difficult for Pakistani exporters to compete.

In response to a question, he said Pakistan was not getting its due share in some international markets because its products were not competitive for various reasons.

He said Pakistan had substantial concessions in the US, EU and UK markets, where Pakistani products were eligible for preferential or zero tariffs.

"We are not going there because we are not competitive," he said, responding to a question about why Pakistani exporters were not taking advantage of markets where Pakistani products enjoyed tariff exemptions.

He said Pakistani textile products faced zero tariffs in the United States and Europe, adding that the government was examining products and markets where exports could be increased.

Responding to a question from Shaista Pervaiz Malik, the secretary said subsidies and concessions alone could not make Pakistani products competitive. He also questioned why businessmen would export products when they could earn better returns by selling them in the domestic market.

The secretary said the government was working on six major components for export growth and was also focusing on trade policy and trade promotion measures.

During the briefing, officials pointed out that high energy and import costs had made Pakistani products expensive in international markets. They also noted that while India was exporting cotton, Pakistan was importing it.

Pakistan's cotton production has plummeted to a 40-year low of roughly 5 to 6.85 million bales, compared with a historical peak of more than 14 million bales.

Committee member Engineer Gul Asghar Khan questioned why Pakistan's exports were not increasing and asked the Trade Development Authority of Pakistan (TDAP) what measures it had identified in support of the country's exporters.

He argued that the government could not itself do business and should provide greater opportunities to the private sector. He also pointed out that several government-owned trading organisations in India that had private-sector chief executives.

TDAP Chief Executive Faiz Ahmad Chadhar said that despite tensions in the Middle East, the country's trade supply chain had not come to a complete halt. However, he acknowledged that some disruption had occurred because of the conflict situation in the region.

He said shipping industry had continued its operations despite the Middle East conflict and that the government was taking measures to ensure smooth supply chains.

Jam Kamal Khan said the government was continuing discussions to increase trade and create new commercial opportunities. He said Pakistan was also engaging with China from time to time regarding a review of the existing Free Trade Agreement.

Responding to a question, he said there was currently no formal or informal trade with Afghanistan because the borders were closed. He added that one of Pakistan's key destinations for pharmaceutical exports was also closed, resulting in a decline in the sector's exports.

He said the pharmaceutical industry had made progress in Ethiopia this year, adding that efforts were underway to expand Pakistan's exports and gain access to new markets.

The committee also discussed the export and import of sugar. Committee member Asad Alam Niazi said sugar mills had declared a surplus last year, following which the government allowed sugar to be exported. And, he added, after sugar was exported, domestic sugar prices increased and sugar had to be imported at a higher price.

"Now the same old stock of sugar is being exported because it could not be sold in the domestic market," he said.

He alleged that sugar had initially been imported at around USD 40 above the prevailing international price, but buyers were unwilling to purchase the imported commodity. He said sugar was now being exported at a lower price.

The Commerce Minister explained that demand for any commodity originates from the provinces, after which the Economic Coordination Committee (ECC) and federal cabinet decides. He said the Trading Corporation of Pakistan (TCP) imports or exports commodities when it receives an order.

The issue of donkey exports also came under discussion.

Asad Alam Niazi said around 300 to 400 donkeys were being sent to Gwadar every month and added that there were considerable export opportunities in seafood as well.

"You mentioned donkeys; there are plenty of them in this country," committee chairman Jawed Hanif Khan remarked facetiously.

The Commerce Minister confirmed that donkey meat was being exported from Gwadar, as the export of live donkeys was not allowed.

The committee also discussed the Trade Organisations (Amendment) Bill, 2026, under which a third amendment has been proposed.

After detailed deliberations on amendments to the Trade Organisations law, the committee referred amendments proposed by MQM-P lawmaker Farooq Sattar, under which three chambers — Karachi Chamber of Commerce and Industry (KCCI), Chamber of Small Businesses and Women Chamber — would remain intact, while there would be no change in the existing setup of other district chambers.

Committee member Mirza Ikhtiar Baig supported the amendment, saying the only issue was to ensure that its implementation did not adversely affect other districts across the country.

Gul Asghar Khan said Karachi's business community had been taken into confidence over the proposed amendment.

Another member, Muhammad Nauman, said the bill had only recently been received and the Ministry of Law should be asked for its opinion.

Chairman Jawed Hanif Khan asked the Commerce Ministry to clarify its position.

Commerce Minister Jam Kamal Khan said it was encouraging that all political parties appeared to agree on the issue. However, he said the government had a prescribed procedure for dealing with private members' bills.

"The Ministry of Commerce will examine the matter and consult the Ministry of Law," he said.

Commerce Secretary said that in the case of a private member's bill, the government first examined the proposed legislation. He said the Ministry of Law and Ministry of Parliamentary Affairs would also examine the bill and provide their views to the government.

He added that the government would issue directions after completing its examination and the Commerce Ministry would implement those directions.

The committee chairman said the standing committee had the authority to propose new legislation as well as undertake lawmaking.

He directed that the draft legislation be sent to the Ministries of Commerce and Law for their comments.

The meeting also witnessed criticism of the State Bank of Pakistan's (SBP) plan to raise USD 3 billion through bonds at an interest rate of around 8 percent.

Chairman Jawed Hanif questioned the rationale for borrowing such a large amount at such a high cost.

"What great achievement is this — raising USD 3 billion at 8 percent?" he questioned.

Asad Alam Niazi said funds that could potentially be obtained at around 1.5 to 2 percent were instead being raised at an interest rate of 8 percent, raising concerns over the cost of external borrowing.

The committee also stressed the need to address bottlenecks in the movement of goods from factories to ports.

Commerce Minister Jam Kamal acknowledged that exporters faced considerable problems in transporting products from factories to ports and said that even after goods reached ports, they had to undergo several checks and procedures.

He said the government was strengthening measures at all forums relating to trade policy and trade promotion.

Commerce officials said multimodal transport systems had been developed to facilitate trade and improve the movement of export goods.

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