

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

BOP/97

30 October 1969

Limited Distribution

Committee on Balance-of-Payments Restrictions

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1969 CONSULTATION UNDER ARTICLE XVIII:12(b) WITH PAKISTAN

Basic Document for the Consultation¹

1. Legal and administrative basis of the restrictions

Since the last consultation, there has been no change in the legal and administrative basis of import and export trade regulations in Pakistan. The statutory basis of the import restrictions in Pakistan is the Imports and Exports (Control) Act of 1950 currently in force until 18 April 1970. Under the Act, the Government is vested with the power "to prohibit, restrict or otherwise control the import and export of goods of any description or regulate generally all practices (including trade practices) and procedures connected with import and export of such goods". The Act is administered by the Ministry of Commerce.

Functioning under the Ministry is the Import Policy Committee composed of representatives of this and several other ministries which are concerned with the private sector imports budget of the country. The function of the Committee is to allocate the foreign exchange available for private sector imports to different broad items of imports and between the commercial and industrial sectors. The Committee also considers major and basic issues relating to each import policy and makes recommendations regarding them for approval by the Government. The industrial sector imports only raw materials for further processing within the country; the commercial sector, which mostly imports finished products, can also import raw materials.

Import and export control policies are executed through an officer under the Ministry of Commerce, viz the Chief Controller of Imports and Exports, who has his headquarters at Rawalpindi; the main licensing offices for the regions are located at Karachi and Lahore in West Pakistan and Dacca in East Pakistan. The office at Dacca coordinates the licensing work of the offices at the ports of Chittagong and Khulna. The Chief Controller, in consultation with, among others, the provincial governments sub-divides the allocation for each item among the three licensing areas. This is followed by meetings of licensing boards which have been constituted one in each of the three licensing areas; in these meetings, the amount available for each area under various items and under commercial and industrial heads is divided among different established importers and industrial consumers of that area.

¹Material supplied by the Government of Pakistan.

The Registration (Importers and Exporters) Order of 1952 provides that all importers and exporters must register themselves with the Chief Controller of Imports and Exports before they are permitted to be engaged in trade. It also authorizes the Chief Controller or the Regional Controllers to exempt any importer or exporter or any class or category of importers or exporters from all or any of the provisions of this Order. Importers carrying on import trade with bonus vouchers issued under the Export Bonus Scheme are exempted from the operation of this Order. The Order gives the Chief Controller of Imports and Exports power to refuse registration or to cancel or suspend registration for certain reasons, e.g. misuse of import licences by indulging in trade practices detrimental to the public interest, under-invoicing or over-invoicing, conviction in a court of law, non-possession of real assets, breach of orders regarding price or distribution of imported goods or quality, standards and prices of exported goods. The Order has further been amended to allow aggrieved traders the right to appeal to the Government against such cancellation or suspension.

2. Methods used in restricting imports

All imports are subject to licence to be obtained in advance, except

- (a) those on free list;
- (b) certain goods imported over the land route from Iran and Afghanistan; and
- (c) certain other types of imports, such as passengers' baggage, samples, advertising material, gifts, etc. (specified in Schedule I of Ministry of Commerce Notification No. SRO.1264(K)/68, dated 24 July 1968. A copy is on file at the GATT secretariat for reference).

On the basis of forecast of foreign exchange earnings of the country, a foreign exchange budget is prepared annually which makes allocations for public and private sector requirements.

Private sector imports are admitted through the following procedures within the allocation made for such imports:

- (a) imports by established commercial importers and industrial consumers;
- (b) imports by newcomers;
- (c) imports under the Export Bonus Scheme;
- (d) imports under Cash-cum-Bonus Scheme;
- (e) individual licensing;
- (f) free imports against the country's own resources of foreign exchange or against foreign aid/loan.

(a) Imports by established commercial importers and industrial consumers.

The greater proportion of private imports for such items as are notified as licensable is effected through licences issued to established commercial importers and industrial consumers.

In the case of commercial importers, each importer is assigned a "category" (reference quota) representing his imports in a previous representative period. At present the "category" of an importer represents his average imports in the five licensing periods from 1 July 1950 to 31 December 1952. On the basis of the ceilings set by the Import Policy Committee and the "category" given to importers, the licensing boards determine the "basis of licensing" for each item expressed as a percentage of the importers' "category". The basis of licensing is published by the licensing boards and licences are issued accordingly to the importers without individual application.

In the case of industrial consumers, licences are issued on the basis of requirements of capital equipment, spares and raw materials assessed by the Provincial Industries Department.

The present licensable list for established commercial importers and/or industrial consumers valid for the current period July-December 1969 consists principally of essential industrial materials and equipment needed for industrial production, as well as certain essential consumer goods (see Annex I).

On the recommendation of the Tariff Commission, the Government decides to levy protective duty or removes an item of which there is adequate local production, from the normal import list. Most of such items are, however, importable under the bonus import schedule.

(b) Imports by newcomers

Under the schemes of "newcomers", introduced from time to time, persons or firms fulfilling prescribed conditions may apply for licences to import specified items. The purpose of such schemes is to enable people who are at present not established importers but are doing trade in the less-developed regions, or in the interior of the country to participate in import trade. As a result of these schemes, the number of registered importers in the country has increased considerably.

(c) Export Bonus Scheme

This Scheme, introduced in January 1959, applies to a number of Pakistani products other than major commodities, viz, jute, cotton, hides and skins, tea, rice and cotton waste etc. Originally, the rate of bonus was 20 per cent of the net foreign exchange earnings for the export of primary commodities, semi-manufactured or semi-finished goods and 40 per cent for fully manufactured goods. Over the years, the number of rate of bonus rose to six viz, 10 per cent, 15 per cent, 20 per cent, 30 per cent, 35 per cent and 40 per cent. The Government decided to end this multiplicity and with effect from 22 November 1967 retained only two rates, 40 per cent for the fully manufactured goods and

30 per cent for all other goods (except raw wool on which bonus rate is 20 per cent). The Scheme enables the industrialists to import their requirements of raw materials, machinery and spare parts freely against surrender of bonus vouchers, and makes it possible for traders to import a wide range of consumer goods in short supply in the country. This Scheme has helped Pakistan in expanding export earnings, increasing imports and enjoying virtually complete freedom from administrative interference and quantitative restrictions. It has played a useful rôle in boosting up exports, production and supply of imported goods. (The current bonus import list as operative on 1 July 1969 is published in the Gazette of Pakistan, Extra, 2 July 1969. A copy is on file at the GATT secretariat for reference.)

(d) Cash-cum-Bonus List

The Cash-cum-Bonus Import Scheme was introduced for the first time in July-December 1967 with the dual purpose of conservation of foreign exchange and of depriving the importers of the undue profits made by them in not passing on the benefit of cash imports to consumers. This Import Scheme combines elements of the regular licensing arrangement and of the Export Bonus Scheme. The importer receives a licence for 100 per cent of the entitlement after surrendering bonus for 50 per cent. The Cash-cum-Bonus List covers the necessary imports of the private industrial sector. It has grown from a list of eleven items in 1967 to 111 items in 1969. (The current list is published in the Gazette of Pakistan, Extra, 2 July 1969. A copy is on file at the GATT secretariat for reference.)

(e) Imports under individual licensing

In addition to the regular licensing procedure, applications for individual licences to the import of particular products for applicant's own use are considered by the licensing authorities. Actual users like physicians, educational institutions, etc., are given licences on ad hoc basis for their requirements.

(f) Free imports against country's own resources of foreign exchange or against foreign aid/loans

This procedure was introduced with effect from 15 July 1963 when the import of grey cement into East Pakistan was allowed under the Free List. Later on, more items were brought within the purview of this procedure. Four items of iron and steel, viz, pig iron, billets, tin-plate and strips were placed on the Free List with effect from 1 January 1964. The List was expanded to fifty-one items with effect from 1 July 1964 and continued to operate as such up to 30 June 1965. During the period from July to December 1965, the number of items on this List was reduced to thirty-one (mainly because of postponement in July 1965 of the Consortium meeting and declaration of emergency in consequence of the outbreak of hostilities between India and Pakistan on 6 September 1965). In the period January-June 1966, the Free List continued to consist of thirty-one items. In the period July 1966 to June 1967, the number of items on the Free List was increased to sixty-seven. During the period July-December 1967, the Free List

was reduced to ten items. Since January 1968, there are generally fourteen items on the Free List. These items may be imported by qualified importers (in some cases those located in only one region of the country) up to the amount for which they have been authorized to open letters of credit and, against evidence of utilization of such facilities, they may be authorized to open additional credits proportioned to the original amount. In some cases, where required because of the nature of the foreign credits available, imports are limited to a specified source of procurement. (The current Free List is reproduced in Annex II).

3. Treatment of imports from different sources including information on the use of bilateral agreements

Generally, there is no discrimination against any country or currency areas. Licences are valid for global imports, except for sub-authorizations under foreign aid which may be valid from restricted sources and single country licences. Imports covered by single country licences form only a small percentage of total imports. Imports under foreign aid or loan and under single country licences are made according to the terms and conditions of aid/loan or trade agreements reached between the Government of Pakistan and other countries.

Pakistan has good-will trade agreements based on most-favoured-nation treatment with Albania, Austria, Algeria, Belgium-Luxembourg, Bulgaria, Cameroon, Ceylon, China, Czechoslovakia, Federal Republic of Germany, Finland, Greece, Hungary, Indonesia, Iraq, Italy, Jordan, Lebanon, South Korea, Morocco, Nepal, Norway, Philippines, Poland, Portugal, Romania, Somalia, Syria, Tunisia, United Arab Republic, USSR and Yugoslavia. Treaties of Friendship and Commerce have also been concluded with the United States and Japan. There are also transit trade agreements between Pakistan and Nepal and between Pakistan and Afghanistan. With Iran and Turkey, Pakistan has entered into an RCD Trade Agreement, on tripartite basis, which is also of the general good-will type. In addition, there is also an Agreement concerning RCD Union for Multilateral Payments Arrangement concluded by Iran, Pakistan and Turkey, which provides for a system for automatic settlement of accounts relating to trade among the member countries and under which each member country has extended a credit to each of the other member countries.

Besides these general trade agreements, Pakistan has concluded some specific agreements. These are mostly payments arrangements stipulating balanced trade particularly with the countries having centrally-planned economies. Such are currently in force with Bulgaria, Mainland China, Czechoslovakia, Hungary, Nepal, Poland, Romania, USSR and Yugoslavia. These balanced trade deals have helped in geographic diversification of Pakistan's foreign trade, promotion of exports of manufactured goods, disposal of burdensome surplus of slow-moving commodities and balancing of payments.

During the last GATT consultations with Pakistan in 1967, the IMF urged that Pakistan terminate its bilateral payments arrangements with Fund members and keep under review such arrangements with non-members. On this subject, in March 1969, the IMF held independent consultations with Pakistan. In a meeting held at

Islamabad, on 20 March 1969, between the IMF Mission and the Ministry of Commerce, the position of Pakistan's bilateral agreements with the Fund members and non-members was reviewed in some detail. Pakistan stated that, in deference to the IMF wishes, Pakistan did not conclude any new bilateral agreement with Yugoslavia at Government level. The existing bilateral agreement with Ceylon expired on 28 February 1969 and had not been revived.

As from 1968-69, Pakistan planned to keep the level of her bilateral trade within 10-15 per cent of her total trade with the world.

The IMF Mission appeared satisfied with the above position.

4. Commodities or groups of commodities affected by the restrictions

Prior to 1959, all categories of imports were subject to quantitative restriction in Pakistan. The trend since then has been to relax restrictions on imports of certain basic materials and consumer goods and a few agricultural and industrial products.

The normal import schedule for the current period July-December 1969, consists of thirty-three items (Annex I), in addition to fourteen items on the Free List (Annex II). As mentioned above a number of products generally not importable under normal licence are importable against a licence issued under the Export Bonus Scheme and certain items are importable under Cash-cum-Bonus.

The following is a resumé of the changes made since the July-December 1964 shipping period in the list of items on the normal import list as a result of increased availability of various items from adequate local production or on account of the items being not essential consumer items:

July-December 1964: as against 178 items which were subject to licensing in the preceding period, the number of licensable items during July-December 1964 was 131. Fifty-one important items were placed on the Free List.

January-June 1965: the liberal pattern of imports was maintained. Fifty-one items were kept on the Free List. One additional item was included in the Open General Licensing List while six new items which were on Bonus Import List exclusively, were brought on to the Licensable List.

July 1965-June 1966: the import policy for 1965-66 was announced on yearly basis. In this policy fifty-six items were included in the Free List while Open General Licensing and Licensable Lists virtually remained intact. This policy could not, however, be implemented due to the postponement of the Pakistan Consortium meeting scheduled to be held in early July 1965 and the declaration of emergency in consequence of the outbreak of hostilities between India and Pakistan on 6 September 1965.

October-December 1965: the import policy for 1965-66 was modified during October-December 1965 keeping in view the defence requirements. Thirty-one items were allowed to be imported on the Free List and twenty-one items on Licensable List.

January-June 1966: due to the continuation of the emergency it was not possible to restore the same liberal pattern of imports as was prevalent before July 1965. However, thirty-one items continued on the Free List and 115 items were subject to licensing.

July 1966-June 1967: despite the continuance of the emergency not only the same liberal trend of imports had been resumed as was prevailing before the unusual period of 1965-66, but also imports were further liberalized inasmuch as sixty-seven items could be imported under the Free List as compared to fifty-one items during 1964-65 period. In addition to the Free List, ninety-seven items were importable under the normal import schedule and a number of items were also importable under the Bonus Import Schedules.

July-December 1967: there were ten items on the Free List, eighty-four items on the Licensable List and eleven items on the Cash-cum-Bonus List.

January-June 1968: there were fourteen items on the Free List, twenty-five items on the Licensable List and seventy-five items on the Cash-cum-Bonus List.

July-December 1968: there were thirteen items on the Free List, thirty-one items on the Licensable List and ninety-four items on the Cash-cum-Bonus List.

January-June 1969: there were fourteen items on the Free List, thirty-one items on the Licensable List and ninety-five items on the Cash-cum-Bonus List.

July-December 1969: there are fourteen items on the Free List, thirty-three items on the Licensable List and 111 items on the Cash-cum-Bonus List.

Since 1967, six indigenous industries manufacturing penicillin, water meters, naphthalene balls, steel belt lacing, bicycle chains and dyestuffs have been granted protection in one form or other on the basis of the recommendation of the Tariff Commission.

5. Import under State trading

Government purchases abroad account for some 20-30 per cent of total import expenditure. State trading for ordinary purposes is, however, limited to certain essential foodstuffs (i.e. wheat and rice) and coal and is intended to ensure

proper marketing and adequate supply at reasonable prices inside the country. The following table shows the value of such imports in recent years:

(In PRs million)

| Commodity | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 |
|-------------|------|-------|-------|-------|-------|-------|------|---------|-------|-----------------------|
| Food grains | 601 | 547.1 | 144.2 | 149.4 | 698.9 | 507.4 | 93.2 | 1,079.6 | 593.8 | 61.6 (up to April) |
| Coal | 82 | 118 | 9.8 | 15.9 | 56 | 43.9 | 55.5 | 68.9 | 39.8 | 48.6 |

The Government established in 1967 the Trading Corporation of Pakistan (TCP) to achieve the following purposes:

- (1) to act as counterpart of the State-controlled Trading Organisations of the Socialist countries for importing and exporting selected items of goods under Barter Agreements;
- (2) to handle bulk imports of selected items in order,
 - (i) to secure economies in the expenditure of foreign exchange on purchase price, transportation and handling of our imports,
 - (ii) to do away with malpractices of over-invoicing and under-invoicing suspected to be carried on in the import trade of the country;
- (3) to take for public revenue part of the unearned exorbitant profits by importers which they earn due to the wide gap between the price of imported goods and the market price of these goods prevailing in the country; and
- (4) to act as an Export Trading House for numerous small and medium manufacturers/exporters who cannot export their products abroad on their own due to various factors.

During September 1967 to December 1969, the Trading Corporation of Pakistan has been entrusted to import pig iron, steel billets, steel strips, aluminium ingots, copper rods, zinc, sulphur, raw rubber, betelnuts, artsilk yarn and sugar.

6. Measures taken in the last year in relaxing or otherwise modifying restrictions

The basic objective of the import policy is to make a careful and judicious utilization of country's foreign exchange resources for the import of essential goods needed by the consumer and raw materials and capital goods required by the industries. Consistent with the availability of foreign exchange, continuous efforts have been made over the past years to relax import restrictions gradually.

In January-June 1960, the import of drugs and medicines, which is an essential consumer item, was placed on automatic licensing system, enabling an importer to ask for a repeat licence after he had utilized the first licence. This facility was extended to twenty-eight items in July-December 1960 and to sixty-two items in January-June 1961. The selection of these items was made in such a manner that nearly 80 per cent of the industrial sector in the country was enabled to meet its requirements of raw materials and spare parts to work to near optimum capacity. In March 1961, another major step to liberalize imports was taken and eleven items of essential industrial and consumer interest were placed on Open General Licence, subject to specified monetary limits for issue of licences in each case. Eligibility to apply for licence for these items was subject to the fulfilment of only such conditions as are necessary to ensure proper utilization of the licence.

The liberal pattern of imports both in the industrial and commercial sectors was maintained, in addition to the Open General Licensing and Automatic Licensing procedures, in the subsequent shipping periods. An important liberalizing measure was taken in July 1963 by placing the import of grey cement into East Pakistan on Free Import List. A still more important measure to liberalize import was taken in January-June 1964 when the import of iron and steel billets, tin-plates, pig iron and strips which represented a substantial part of the total import of iron and steel, were placed on the Free Import List from the United States.

During July-December 1964 imports were further liberalized. Fifty-one items were placed on the Free List including those items which were subjected to that treatment earlier. These items could be imported without obtaining any import licence. Thirty-three items were retained on the O.G.L. Scheme and ninety-eight items on the Licensable List. In the next period i.e. January-June 1965, the same liberal pattern of imports was maintained as in July-December 1964. One additional item was included in the O.G.L. Scheme and six new items were added to the Licensable List. The import policy for 1965-66 (i.e. July 1965-June 1966) was announced on a yearly basis as against a six-monthly basis in the past. This measure represented another step forward in the process of liberalization of import restrictions. The number of items on the Free List was increased to fifty-six. One item was added to the O.G.L. List and a number of items were added to the Licensable List. This Policy could not, however, be implemented due to the sudden announcement in early July 1965 of the postponement of the World-Bank sponsored Pakistan Consortium meeting. As the date for the postponed Consortium meeting was drawing near, a state of emergency was declared in the country due to outbreak of hostilities between India and Pakistan on 6 September 1965. The operation of the import policy was immediately suspended. The entire position was reviewed and a new import policy was put into effect for the period October-December 1965. In this policy, import of thirty-one items was permitted on the Free List and of twenty-one items were subject to licences.

In the period January-June 1966, due to the continuance of the emergency, it was not possible to restore liberalization of imports to the same level as was prevalent before July 1965. However, thirty-one items continued on the Free List and 115 items were subject to licensing. In the industrial sector, all industries were placed into three categories A, B and C for the purpose of import licensing. Important and essential industries were in List A (total seventy five) and were entitled to repeat licensing facilities. Category B consisted of seventy-two industries which were comparatively less essential and were licensed on a specific basis. Category C consisted of 150 industries representing the rest of the industries in the country. They were allowed to import their requirements exclusively on bonus but could obtain such of their requirements as were on the Free List without surrender of bonus vouchers. In addition to normal licensing almost all industries in the country were eligible to receive special licences against export performance.

The import policy for July 1966-June 1967 was announced on a yearly basis. Sixty-seven items were included in the Free List and ninety-seven items were on the normal import schedule. In addition, a number of items were included in the Bonus Import Schedule. The classification of industries into categories A, B and C for purposes of licensing continued. 148 industries were in category A, 110 in category B and forty-four in category C. Facility for the issue of special licences against export performance for an amount not exceeding 50 per cent of the f.o.b. value of exports continued to remain available to almost all the industries in the country. These licences could be utilized for the import of raw materials, balancing and modernization machinery and packing materials.

In the period July-December 1967, ten items were included in the Free List and eighty-four items were on the normal import schedule. Eleven items were placed on the Cash-cum-Bonus List. In addition, a number of items were included in the Bonus Import Schedule.

In the import policy for January-June 1968, fourteen items were included in the Free List and twenty-five items were on the normal import schedule. The Cash-cum-Bonus List was expanded to seventy-five items and the number of items on the Bonus Import Schedule was further increased. The classification of industries into categories A, B and C for the purpose of licensing was done away with. Imports were allowed in terms of items in order to enable all industries to have equal access to their raw material requirements without any discrimination.

In the period July-December 1968, thirteen items were placed on the Free List and thirty-one items on the normal import schedule. The Cash-cum-Bonus List was further expanded to ninety-four items and the number of items on the Bonus Import Schedule was raised to 260 items.

During the period January-June 1969, fourteen items were on the Free List and the normal import schedule continued to consist of thirty-one items. The Cash-cum-Bonus List was expanded to ninety-five items and there were 260 items on the Bonus Import Schedule.

In the import policy for July-December 1969, there are fourteen items on the Free List and thirty-three items on the Licensable List. The Cash-cum-Bonus List has been further expanded to 111 items and the Bonus Import Schedule consists of 262 items. The basic pattern and principles adopted in the import policy of the previous three shipping periods have been followed in this period also. Provision for liberal imports and simple and automatic licensing procedures of the previous periods is being continued. This will result in increased availability of a number of goods at a reasonable price and also help better utilization of industrial capacity.

7. Effects of restrictions on trade and general policy in the use of restrictions for balance-of-payments reasons

Restrictions on imports have generally been placed by the Government of Pakistan as a matter of necessity only.

The Government intends to use them as purely temporary measures to meet the short-term needs of the economy and to give priority to development imports which cannot possibly be done otherwise in the face of scarcity of foreign exchange. With increasing export earnings the Government is gradually liberalizing imports.

The object of the import policy is to restrict expenditure on luxury and non-essential items and those items the local requirements of which can partially be met from domestic production. This policy ensures conservance of the major portion of foreign exchange earnings for more important sectors.

The balance of payments remained under considerable strain during the first half of the Plan period. This was despite the fact that exports moved fairly well and showed an increase of about 8 per cent per annum during this period. The disbursements of foreign assistance were 22 per cent below Plan expectations for this period which imposed serious limitations on the level of imports. The pressure on development imports was more intense since non-development imports increased by 21 per cent above Plan projections, because of the necessity of larger food and defence imports and rising debt service burden. A severe shortage of raw materials during this period resulted in considerable under-utilized capacity.

The balance-of-payments policies were thoroughly reviewed by a Committee headed by the Deputy Chairman of the Planning Commission. On the recommendations of this Committee, various fundamental changes were brought about in the payments system. The pricing of the raw material imports was corrected in order to reduce the pressure of demand on imports. Incentives were strengthened for exports. The export performance during the early part of 1968-69 was better than expected. The foreign exchange reserves which had been seriously depleted during the preceding two years were partly replenished. The foreign exchange reserves would be useful in planning the foreign exchange sector with greater assurance in subsequent years. In the longer-term perspective, however, freely usable foreign exchange reserves are sufficient for no more than one month's requirements for payments.

Details concerning earnings and requirements during the last few years are shown in the following table:

BALANCE OF PAYMENTS FOR 1964-65 to 1969-70

(In PRs million)

| | 1964-65 | 1965-66 | 1966-67 | 1967-68 | 1968-69 Estimates | 1969-70 Projections |
|---------------------------------------|--------------|--------------|--------------|--------------|----------------------|------------------------|
| <u>I. Total payments</u> | 5,247 | 5,081 | 6,560 | 6,084 | 6,480 | 7,100 |
| <u>I. Development</u> | <u>3,160</u> | <u>2,612</u> | <u>3,400</u> | <u>3,070</u> | <u>3,370</u> | <u>3,570</u> |
| 1. Capital goods | 2,050 | 1,780 | 2,140 | 1,900 | 2,000 | 2,100 |
| 2. Raw material for capital goods | 740 | 550 | 900 | 820 | 990 | 1,070 |
| 3. Freight charges and insurance | 309 | 205 | 260 | 250 | 280 | 300 |
| 4. Technical assistance | 61 | 77 | 100 | 100 | 100 | 100 |
| <u>II. Non-Development</u> | <u>2,087</u> | <u>2,406</u> | <u>3,160</u> | <u>3,014</u> | <u>3,110</u> | <u>3,530</u> |
| 1. Consumer goods | 572 | 530 | 850 | 551 | 575 | 600 |
| 2. Food: Non-PL 480 | (252) | (224) | (420) | (155) | (180) | |
| Others | (320) | (306) | (430) | (396) | (395) | |
| 3. Raw material for consumer goods | 637 | 470 | 724 | 660 | 720 | 810 |
| 4. Freight charges and insurance | 149 | 140 | 210 | 111 | 120 | 120 |
| 5. Invisibles | 383 | 845 | 860 | 950 | 1,000 | 1,000 |
| 6. Debt servicing | 346 | 411 | 516 | 600 | 671 | 800 |
| 7. Payment of short-term food credits | - | - | - | 143 | 24 | - |
| <u>Financed by:</u> | | | | | | |
| <u>I. Own earnings</u> | <u>3,015</u> | <u>3,339</u> | <u>3,595</u> | <u>3,750</u> | <u>4,100</u> | <u>4,500</u> |
| 1. Exports | 2,404 | 2,687 | 2,920 | 3,020 | 3,300 | 3,700 |
| 2. Invisibles | 611 | 652 | 675 | 730 | 800 | 800 |
| <u>II. Foreign grants and loans</u> | <u>1,936</u> | <u>1,875</u> | <u>2,456</u> | <u>2,290</u> | <u>2,480</u> | <u>2,500</u> |
| 1. Project assistance | 1,055 | 1,214 | 1,234 | 1,485 | 1,500 | 1,600 |
| 2. Non-project assistance | 820 | 584 | 955 | 705 | 880 | 800 |
| 3. Technical assistance | 61 | 77 | 100 | 100 | 100 | 100 |
| 4. Food grants and short-term credits | - | - | 167 | - | - | - |

BALANCE OF PAYMENTS FOR 1964-65 to 1969-70 (cont'd)

(In PRs million)

| | 1964-65 | 1965-66 | 1966-67 | 1967-68 | 1968-69 Estimates | 1969-70 Projections |
|--|---------|---------|---------|---------|----------------------|------------------------|
| III. <u>Foreign private investment</u> | 77 | 87 | 92 | 84 | 100 | 100 |
| IV. <u>Changes in gold and foreign exchange reserves including drawings from the IMF</u> | 284 | -312 | 470 | | | |
| | (76) | (175) | - | -40 | -200 | - |
| V. <u>Short-term movements and errors and omissions</u> | -65 | 29 | -53 | | | |
| Total financing | 5,247 | 5,018 | 6,560 | 6,084 | 6,480 | 7,100 |

Note: The above table does not include PL 480 and Indus Basin Imports.

The average growth rate of export during the first four years of the Third Five-Year Plan comes to more than 9 per cent per annum which is very encouraging because during the previous Plan period the average came to about 7 per cent.

The import figures shown in the above table do not include imports for the Indus Basin and PL 480 since the former is outside the Plan and the latter constitutes self-financing imports.

Imports of capital goods have remained around PRs 2,000 million per year during the period 1964-65 to 1968-69. During 1965-66 these came down to PRs 1,780 million, largely due to the postponement of the Consortium when aid flow was temporarily arrested, hostilities with India which necessitated diversification of resources towards more pressing needs and heavier than usual food imports. Next year (1966-67), the position was retrieved and imports of capital goods increased by about PRs 400 million. Raw materials for capital goods have steadily increased their share from PRs 550 million in 1965-66 to PRs 990 million in 1968-69 of the total import bill during the first four years of the Third Plan i.e. 1965-69, mainly due to the Government policy of liberalizing import of essential raw materials for greater capacity utilization of existing plant than to establish new units. The import of capital goods increased from PRs 1,780 million in 1965-66 to PRs 2,000 million in 1968-69.

During the first four years (1965-69) of the Third Plan, out of the total payments for imports amounting to PRs 24,142 million, PRs 14,784 million were financed by own earnings and the balance was met by external assistance and foreign private investment.

The estimates of earnings from physical exports for 1968-69 and projections for 1969-70 are given below. This does not include Invisibles which are placed at PRs 800 million per year for both the years.

(In PRs million)

| | 1966-67 | 1967-68 | 1968-69 | 1969-70 |
|---|---------|---------|---------|---------|
| (a) <u>Primary commodities</u> | | | | |
| 1. Raw jute | 887.8 | 758.9 | 840.0 | 735.0 |
| 2. Raw cotton | 290.4 | 459.8 | 380.0 | 404.0 |
| 3. Rice | 175.9 | 149.4 | 155.0 | 296.5 |
| 4. Fish | 21.1 | 18.0 | 73.5 | 80.0 |
| 5. Raw wool | 31.5 | 37.0 | 50.0 | 55.0 |
| 6. Gum, glues and guar etc. | 15.7 | 10.5 | 22.0 | 23.0 |
| 7. Unmanufactured tobacco | 3.0 | 13.5 | 16.0 | 20.0 |
| 8. Oilcakes and meal | 23.6 | 14.8 | 15.0 | 15.0 |
| 9. Animal casings | 12.5 | 10.8 | 12.5 | 12.5 |
| 10. Bones, horns and hoofs | 16.3 | 14.7 | 10.0 | 7.0 |
| 11. Molasses | 10.6 | 3.9 | 5.0 | 5.0 |
| 12. Spices | 9.8 | 7.5 | 7.0 | 7.5 |
| 13. Raw hides and skins | 10.0 | 7.2 | 4.5 | 3.5 |
| 14. Minerals and ores | 9.8 | 4.6 | 4.0 | 6.0 |
| 15. Oilseeds | 6.4 | 15.9 | 4.0 | 5.0 |
| 16. Cotton waste | 14.8 | 16.4 | 18.3 | 20.0 |
| 17. Other primary commodities | 36.6 | 38.9 | 17.0 | 18.0 |
| Total | 1,575.8 | 1,581.8 | 1,633.8 | 1,713.0 |
| (b) <u>Manufactured products</u> | | | | |
| 18. Jute manufactures | 625.9 | 619.6 | 670.0 | 807.2 |
| 19. Cloth) | | | | |
| 20. Yarn and thread) | 267.6 | 200.3 | 240.0 | 260.0 |
| 21. Leather (tanned) | 128.0 | 125.8 | 155.0 | 165.0 |
| 22. Art silk | 27.4 | 15.8 | 80.0 | 100.0 |
| 23. Leather goods | 17.0 | 27.7 | 35.0 | 40.0 |
| 24. Carpets and rugs | 39.2 | 35.5 | 34.0 | 36.0 |
| 25. Ready-made garments | 8.1 | 15.6 | 25.0 | 35.0 |
| 26. Motor spirit and furnace oil | 10.2 | 30.9 | 25.0 | 30.0 |
| 27. Sports goods | 20.0 | 23.2 | 20.0 | 27.0 |
| 28. Drugs etc. | 5.9 | 5.8 | 17.5 | 20.0 |
| 29. Surgical instruments | 14.3 | 12.1 | 13.0 | 15.0 |
| 30. Cement | 6.2 | 13.5 | 12.0 | 17.5 |
| 31. Electrical goods | 10.9 | 7.2 | 4.0 | 2.0 |
| 32. Cutlery | 8.4 | 7.7 | 1.6 | 2.0 |
| 33. Other items (manufactured) | 107.6 | 146.6 | 147.6 | 175.0 |
| 34. Fish processed | 47.5 | 38.9 | 6.5 | 7.5 |
| Total | 1,344.2 | 1,542.4 | 1,676.2 | 1,949.2 |

| | 1966-67 | 1967-68 | 1968-69 | 1969-70 |
|--|---------|---------|---------|---------|
| Total of (a) and (b) | 2,920.0 | 3,124.2 | 3,310.0 | 3,662.2 |
| (c) <u>Ministry of Finance estimates of earnings from Invisibles</u> | 675.0 | 730.0 | 800.0 | 800.0 |
| Total export earnings | 3,595.0 | 3,854.2 | 4,110.0 | 4,462.2 |

Reserves: The gold, dollar and sterling reserves, held and controlled by the State Bank of Pakistan declined from PRs 1,263.3 million at the end of June 1966 to PRs 793.2 million at the end of June 1967. The decline in reserves reflected lower foreign aid availability and enlarged food imports from the country's own resources following two successive harvest failures. A further decline of PRs 34.3 million in reserves occurred during July-December 1967, bringing the figure down further to PRs 758.9 million at the end of December 1967. Since then the reserves have shown steady improvement rising to PRs 864.3 million in June 1968, and further to PRs 1,414.4 million by July 1969. The accretion to reserves during 1968-69, however includes a drawing of PRs 190.5 million from the IMF in December 1968.

Annexes

- I. The Licensable List
- II. Items on Free List.

ANNEX I

The Licensable List

| Sl. No. | Item | Remarks |
|---------|--|--|
| 1 | 2 | 3 |
| 1. | Books all sorts (bound or unbound) including blueprints, proofs, manuscripts, illustrations (specially made for binding in books), maps, charts and geographical globes (excluding horror comics, anti-Islamic literature, obscene literature and subversive literature) | Not less than 90 per cent of the share shall be utilized for import of text, technical, scientific and reference books. Cheap editions of these books should be imported wherever available. |
| 2. | Journals, magazines and periodicals including daily newspapers (excluding horror comics, anti-Islamic literature, obscene literature and subversive literature) | |
| 3. | Cement (grey) | For Public Sector in East Pakistan only. |
| 4. | Gas in cylinders | (i) Subject to availability under Barter. (ii) In West Pakistan import of only "Rare and inert gases" shall be allowed. |
| 5. | (a) Prepared drugs and medicines (allopathic) all sorts, put up for retail sale (as detailed in Annex III) *(b) Raw material (medicinal) for pharmaceutical industry (allopathic) | |
| 6. | Homoeopathic and biochemic medicines all sorts including raw material thereof | Also for actual users. Licences shall also be valid for import of neutral phials and bottles for an amount not exceeding 10 per cent of the value of the licences. |

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| 7. | Medicinal herbs and crude drugs (excluding items detailed in Annex XI) | |
| 8. | Dyeing and tanning substances all sorts (excluding henna, sulphonated oils including sulphonated castor oil, cremol sulphonated oils, Turkey red oil and kid finishing oil and turmeric) | Recognized tanneries shall be allowed to import sulphonated oils for not more than 10 per cent of the total entitlement within the value of the licence. Import of Valona (tanning extracts) shall be effected from Turkey only. |
| *9. | Neutral glass tubes and ampoules and glass bottles the following only: | |
| | ¹ (a) all types of glass ampoules (b) Flat-bottomed vials and tubes for tablet packing (c) All vials of neutral glass (d) Amber bottles (e) Blue glass bottles (f) Neutral glass bottles with accessories (infusion sets) for filling infusion liquids such as Dextrose 5 per cent Blood Expanders, etc (g) Neutral glass droppers (h) Glass cartridges (i) Neutral glass tubings | ¹ Not less than 20 per cent of the imports under cash and loan of this item shall be effected from Turkey. |

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| 10. | Laboratory glassware graduated and ungraduated including neutral glass tubes and rods | Also for actual users. From tied sources. |
| 11. | Electro-medical apparatus and appliances including X-ray and ECG equipment and parts and accessories thereof | Also for actual users in the medical profession and private hospitals. From tied sources. |
| 12. | Coal other than for domestic use | For Public Sector in East Pakistan only. |
| 13. | Scientific instruments, apparatus and appliances and parts and accessories for laboratory use only including clinical thermometers, drawing instruments and survey instruments (as given in Annex XII) | Also for actual users. From tied sources. |
| *14. | Components for manufacture of jute mills machinery and spares (excluding items detailed in Annex XIII) | Under United Kingdom loan. |
| 15. | Tractors and power tillers (standardized makes only as given in Annex XIV) combined harvesters and mechanical farming equipment and parts and accessories thereof (excluding spark plugs of 14 mm. and 18 mm. sizes) | |
| 16. | Brake fluid | |
| 17. | Petroleum fuel, oil, lubricants and greases | |
| 18. | Cottonseed/soyabean oil and sunflower oil (edible) | Subject to availability under PL-480/Barter. |
| 19. | X-ray films and plates | Also for actual users. |
| 20. | Optical instruments, apparatus and accessories thereof excluding binoculars | Also for actual users. From tied sources. |

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| 21. | Vegetable and flower seeds and bulbs excluding onion bulbs | Import of vegetable seeds shall be permissible in bulk packing of not less than 10 lb. |
| *22. | Tea seeds | |
| 23. | Potato seeds, etc | |
| 24. | Non-fat dried milk | Subject to availability under PL-480. |
| 25. | Dates | Import from Iraq only. |
| 26. | Rubber scrap excluding rubber coated canvas and rubber belting scrap | |
| 27. | Rubber contraceptives | |
| 28. | Printer's ink (excluding ink of the C. & F. value of PRs 2.50 per lb. or below but including rotary printing ink) | Rotary printing ink will be importable by recognized units under printing industry only. |
| *29. | Cotton yarn (80 counts or above) | For East Pakistan only. |
| *30. | Tallow (inedible) | Subject to availability under PL-480. |
| *31. | Gelatine capsules | For pharmaceutical (allopathic) industry only. |
| *32. | Plastic containers with accessories (infusion sets) for filling infusion liquids | For pharmaceutical (allopathic) industry only. |
| *33. | Plastic infusion sets | For pharmaceutical (allopathic) industry only. |

ANNEX II

Items on Free List

| Sl. No. | Item | Remarks |
|---------|---|--|
| 1 | 2 | 3 |
| 1. | Iron and steel items the following (excluding steel ingots, iron or steel blooms, billets and slabs and the items detailed in Annex VII) | |
| | (1) Structural: | |
| | Angles, channels, tees, M.S. flats, joists/beams, Zed, trough, other pilings, rounds/rods above 3 inch dia, squares, hexagons and other shapes and sections | Import of "unequal angles" shall be permitted by engineering industry only on specific recommendations of Provincial Directorate of Industries. |
| | *(2) Iron and steel strips and alloy steel strips | |
| | (3) High speed alloy and carbon tool steel sections, stainless and heat resisting steel | Free cutting steel round bars, alloy tools or special steel rods, bars and flats shall be permitted for import only by |
| | (4) Alloy tools or special steel rods, bars and flats | recognized units in the engineering industry. |
| | (5) Iron and steel pipes and tubes and fittings thereof excluding iron and steel pipes and tubes of 6 inch dia. and below, but including seamless tubes of the type not manufactured in the country | Special/pressure pipes and tubes required for boilers and also alloy steel tubes and extruded M.S. tubes shall be permitted for import by the recognized industrial units on the recommendation of Provincial Directorate of Industries. |
| | (6) Iron or steel plates, medium plates, sole plates, termo plates, black plates and silver finished plates | |

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- (7) Steel tin plates and tinned sheets including tin taggers
 - (8) Iron and steel baling hoops
 - (9) Iron or steel sheets, coated and uncoated less than 3 millimeters including galvanized, lead coated, collactite sheet, carbon steel sheets and stainless steel sheets
 - *(10) Iron or steel rails, sleepers, fish plates and other track materials for railways and tramways
 - *(11) Malleable iron rail clips
 - (12) Iron or steel wire plain or barbed excluding M.S. wire black or bright, annealed or hard, coated or galvanized up to 22 SWG and uncoated electrodes, but including the following:
 - (i) M.S. wire (24 SWG and above)
 - (ii) G.I. wire (24 SWG and above)
 - *(iii) Flat wire for manufacture of nuts
 - (iv) Half round wire for cotter pins
 - (v) Wire for production of needles, pins, panel pins, gun clips and staples
 - (vi) Stitching wire (24 SWG and above)
 - (vii) Stainless wire
 - *(viii) Wire for manufacture of wire cloth (24 SWG and above)

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| | (ix) | Oval wire. |
| | *(x) | Bright wire for manufacture of screws |
| | (xi) | Horse nail wire. |
| | *(xii) | High-tensile steel wire |
| | *(xiii) | Welding wire for electrodes |
| | *(xiv) | Wire for manufacture of links/chains |
| | *(xv) | Wire for electric conductors |
| | *(xvi) | Railway signal wire |
| | *(xvii) | Tyre bead wire/wire beads |
| | *(xviii) | Wire for manufacture of spokes |
| | *(xix) | Brush wire |
| | *(xx) | Wire for card clothing |
| | *(xxi) | Umbrella wire |
| | *(xxii) | Half-round wire for manufacture of hair grips and clips |
| | *(xxiii) | Special wire for manufacture of rivets and bolts |
| | *(xxiv) | Special wire for manufacture of shoe tacks |
| | *(xxv) | Nail wire |
| | *(xxvi) | Heald and reed wire for the manufacture of spares for textile industry. |

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| | <ul style="list-style-type: none"> *(13) Iron or steel wire rods, coated or uncoated (excluding electrodes) up to 1/4 inch diameter (14) Shell steel (15) Pig iron. *(16) Iron and steel castings, forgings, stampings, steel chains and forged steel balls *(17) Unmachined wrought iron and iron castings in all forms *(18) Steel wire for hydro-electric installation *(19) Iron or steel tyres, axles, wheels and buffers for locomotives, wagons and carriages whether for railways or tramways springs whether laminated or coiled | <p>For recognized industrial consumers in the engineering industry only.</p> |
| 2. | <p>Metals non-ferrous and ferro alloys the following (excluding items detailed in Annex VIII)</p> <ul style="list-style-type: none"> (1) Copper manufactures including rod, section strips, tape, foil, pipe, sheet including highly polished sheet specially prepared for making process blocks, lithographic sheet, tubes, rods and pipes cut to shape and size, but excluding copper wire all sorts (2) German silver including nickel silver (3) Aluminium circles, sheets and other manufactures, NOS | |

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- (4) Unwrought ingots, blocks and bars of aluminium
- (5) Lead wrought including pipes, tubes, foil, wire and sheet including sheet for tea chests, excluding refined lead
- (6) Zinc or spelter manufactures, NOS excluding refined zinc
- (7) Zinc or spelter, unwrought including zinc dross, dust ashes and zinc in the form of ingots, cake, tile, slab, plate and granulations, zinc wrought including wire, rod, sections, sheet including highly polished sheet specially prepared for making process blocks, lithographic sheet and perforated sheet cut to size
- (8) Copper unwrought in the form of ingot or slab other than ingotted scrap
- (9) Lead ingots, pig excluding refined lead
- (10) Antimonial lead in the ingot and wrought form including pipe, tube and sheet excluding refined lead
- (11) White metal (anti-friction metal) and printing metals
- (12) Antimony, antimony ingot, regulus and star metal
- (13) Tungsten metal powder and other tungsten products
- (14) Monel metal
- (15) Metals all sorts, NOS in the form of ingots, sections, powders and liquids excluding cobalt, titanium sponge and mercury

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(16) Manufactures of all sorts of metals, other than iron and steel NOS excluding magnesium

3. Tools and workshop equipment detailed below including fork-lifts trucks and small-size cranes and hoists (excluding items detailed in Annex IX)
- (1) Lathes all types
 - (2) Capstan and turret lathes, automatic all types
 - (3) Drilling machines all types not otherwise specified
 - (4) Shaping machines, all types
 - (5) Planing machines, all types
 - (6) Slotting machines, all types
 - (7) Milling machines all types and other similar machines
 - (8) Grinding machines, honing machines, polishing machines, lapping machines, all types not otherwise specified and component parts of these machines
 - (9) Boring machines all types
 - (10) Broaching machines all types
 - (11) Vertical boring and turning mills
 - (12) Metal cutting power saws, all types filing and sawing machines, abrasive and cutting off machines.
 - (13) Gear cutting and grinding machines all types, gear testing machines and equipment.

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- (14) Power presses, all types
- (15) Shears, guillotines, punches, benders, straighteners, rollers, and other sheet metal working machines
- (16) Container making machinery all types
- (17) Plastic moulding machinery all types
- (18) Paint making machinery and spray equipment
- (19) Metal forming machines, die-casting machines, extrusion presses, and draw benches
- (20) Foundry machines all types
- (21) Forging machines, power hammers, drop stamps, heading machines, nail making machines, screw head making machines
- (22) Rolling mill, bar turning machines, bar reeling machines
- (23) Wire drawing machines, and equipment
- (24) Thread forming, cutting, rolling and milling machines
- (25) Wood working machines, band saws, circular saws, planers, mordiscers, and other special machines
- (26) Electric welding machines and equipment
- (27) Gas welding machines and equipment

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- (28) Furnaces, electric, coke, coal gas, and oil fired and accessories
- (29) Special machines for use in railway workshops not otherwise specified
- (30) Auto repair and garage machinery
- (31) Testing machines for workshops and engineering laboratories
- (32) Engraving machines all types
- (33) Hoists and cranes for workshop use
- (34) Rubber processing machinery all types
- (35) Self centring chucks, independent chucks and drill chucks
- (36) Magnetic chucks (electric), magnetic chucks (non-electric)
- (37) Machine vices and job holding fixtures
- (38) Machine tools accessories
 - Dividing heads
 - Rotary table
 - Slotting attachments
 - Indexing attachments
 - Sud pumps
 - Other accessories not otherwise specified
- (39) Portable pneumatic tools
- (40) Portable electric tools

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- (41) Small tools used on machine tools
 - Twist drill sleeves
 - Twist drills
 - Thread cutting equipment
 - Milling cutter
 - Machine reamers and taps
 - Tip tools and tools bits
 - Hack saw blades for machines
 - Band saw for machines
 - Die heads and chasers all types
 - Lathe carrier
 - Arbors
 - Collets
 - Boilers Tube tools

- (42) Metal working hand tools
 - Hack saw frames (hand)
 - Hack saw blades for hand files and rasps
 - Wire wheels and brushers
 - Tube expanders
 - Hammers up to 5 lb.
 - Sledge hammers 6 lb. and above
 - Hand grinders
 - Hand and breast drills
 - Screw drivers all sorts
 - Chisels and punches all sorts
 - Adjustable spanners all sorts
 - Spanners all sorts
 - Pliers all sorts
 - Stamps figures and letters
 - Fitters vices all sorts
 - Pipe cutters all sorts
 - Pipe wrenches all sorts
 - Pipe screw dies, all sorts
 - Taps and dies (hand)
 - Reamers (hand)
 - Anvils
 - Ratchets
 - Soldering iron
 - Polishing head
 - Bolt cutter and nut splitters

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- (43) Wood working hand tools
Augers
Hand saws
Circular saws
Chisels all sorts
Planers all sorts
Braces all sorts
Bits all sorts
Carpenters vices all sorts
Cramps all sorts
Adzes
- (44) All other tools not otherwise specified
- (45) Measuring instruments and gauges:
Measuring scales all types
Precision measuring instruments
all types
Screw gauges all types
Callipers, verniers and protectors
all types
Square and angle gauges all types
Speed indicators all types
Surface gauges all types
Spirit levels all types
Temperature recording instruments
and Pyrometers
- (46) Abrasives, emery, sand and glass
papers
Valve grinding pastes and compounds
Grinding wheels all types
Segments, abrasive grinding bolts,
rolls and discs
Carborundum, files, abrasive bricks,
emery powder, emery grain, emery
cloth, emery paper, abrasive grain
and carborundum powder

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- (47) Crucibles, graphite crucibles for tiling furnaces
- Graphite crucibles for pit fired furnaces
- Carborundum crucibles for pit fired furnaces
- Carborundum crucibles for tiling furnaces
- Covered crucibles for glass making

- (48) Belting for machinery all sorts including belt laces, and belt fasteners not otherwise specified

- (49) Industrial exhaust fans and blowers

- (50) Electro-plating polishes, compositions and salts

*4. Asbestos fibres

- 5. (a) Chemicals all sorts (including insecticides, pesticides but excluding mercury, tungsten carbide and items detailed in Annex X)
 - (i) Recognized tanning units in West Pakistan shall be allowed to import basic chromium sulphate including chrome tanning salts for not more than 30 per cent of entitlements for this item within their overall share.
 - (ii) Recognized tanning units in East Pakistan shall be allowed to import sodium sulphide up to 100 per cent and basic chromium sulphate including chrome tanning salts up to 50 per cent of their entitlements for these items within their overall share.

| 1 | 2 | 3 |
|------|---|---|
| | | (iii) Recognized units of pharmaceutical (allopathic) industry will be allowed to import BP quality sulphuric acid and BP quality glycerine up to 5 kgs. each within their share. |
| | | (iv) Not less than 20 per cent of the imports of chemical textile auxiliary products shall be imported from Turkey under Cash-cum-Bonus. |
| | * (b) Coal-tar including crude tar | |
| 6. | Insecticides and pesticides | For Public Sector only. |
| *7. | Raw material (medicinal) for pharmaceutical industry (allopathic) NOS | |
| 8. | Coal-tar dyes including dyes for textile printing | |
| *9. | Gas black and carbon black | |
| 10. | Fractional power low lift pumps | For East Pakistan only. |
| 11. | Marine diesel engines connected with variable speed gear box and reversing clutch system and parts thereof and outboard engines | |
| *12. | Nylon twine | For fishing and fishing net manufacturing industry. |
| *13. | Wood pulp | For paper and board and chemical industries only. |
| *14. | Fertilizers | For Public Sector only. |