

Assessing Eligibility of Products for Preferential Tariffs

A large number of Pakistani products enjoy zero or reduced import duties in foreign countries when exported from Pakistan under a preferential trading arrangement to which Pakistan is a party or a beneficiary. Such preferential trading arrangements comprise Free Trade Agreements (FTAs), Preferential Trade Agreements (PTAs), Regional or Multilateral Trade Agreements (RTAs/MTAs), and several GSP schemes.

It may be noted that under a given preferential trading arrangement, only those products qualify for preferential tariffs that meet all of the following criteria:

1. The product is covered under the preferential trading arrangement, and
2. The product qualifies as originating in Pakistan in relation to the rules of origin applicable under the given preferential trading arrangement, and
3. Shipment conditions mentioned in the preferential trading arrangement are met.

In order to seek TDAP's assistance for assessment of the eligibility of specific products envisaged to be exported under a given preferential arrangement, the exporter needs to provide the following information to the TDAP in advance through an email or letter:

1. Export destination (name of the country to which goods are to be exported from Pakistan).
2. Name of trading arrangement (FTA, PTA, RTA/MTA, or GSP) under which products are envisaged to be exported (if known).
3. HS code, description, and ex-factory price of the finished product (per unit) being exported.
4. HS code and description of each of the non-originating (imported) material(s) used in the manufacture of the finished product or its processing along with its import value (cost to the exporter) per unit of the finished product, also mentioning countries from which the input materials are to be imported.
5. Details of main operations/ processes/ steps carried in-house (or elsewhere in Pakistan) on the imported materials for obtaining the finished product.

Note:

- i. Besides values, weights are also required for products falling within HS Chapters 2 (meat) and 4 to 24 (agro & food products).
- ii. In case of the export of multiple products, above details (Sr. 1 to 5) are required in respect of each of the product being exported.