Assessing the Eligibility of Products for Preferential Tariffs

A large number of Pakistani products enjoy zero or reduced import duties in foreign markets when exported from Pakistan under a preferential trading arrangement to which Pakistan is a party or of which it is 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 by the preferential trading arrangement; and
2. The product qualifies as originating in Pakistan under the rules of origin applicable to the given preferential trading arrangement; and
3. The shipment (consignment) conditions specified in the preferential trading arrangement are met.

To seek TDAP's assistance in assessing the eligibility of specific products intended for export under a given preferential arrangement, the exporter needs to provide the following information to TDAP in advance, by email or letter:

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

Note:

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