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**Press Release**

**Pakistan aims to ink FTAs with ASEAN, GCC, says Secretary Commerce**

Pakistan expects to seal Free Trade Agreement (FTAs) with two promising regional groupings to boost the country's trade performance, Secretary Commerce, Government of Pakistan, Mr. Zafar Mahmood has said. "Pakistan is to sign the agreements with ASEAN and the Gulf Cooperation Council," he said in an interview here following the conclusion of Pakistan Malaysia Business Forum and the meeting of Joint Review Committee on FTA.

He said Pakistan had followed the past track records of trade improvements after signing Free Trade Agreements with countries like Malaysia, China, Sri Lanka and Mauritius. "A study carried out by a Malaysian entity also showed both ASEAN and Pakistan stand a bright profitability chance if the deals go through," he said, adding "free trade agreements with both the groupings will enable Pakistan to directly tap the immense opportunities in ASEAN and GCC member countries and formal negotiations with ASEAN and GCC will begin soon".

Citing Malaysia as an example, Mr. Zafar noted that prior to the FTA signing between the two countries in 2007, trade volume was not significant. "The FTA, which came into force on January 1, 2008, has improved trade significantly and we expect the same improvement to happen after Pakistan inks the FTA with the GCC," said Mahmood, who was also former vice-chairman of Pakistan Export Promotion Bureau.

He said that through the FTA, Pakistan was not the only party to benefit, but also both the groupings. "Through the signing, member countries can utilise Pakistan as the gateway to other countries neighbouring the Islamic state," he said.

To another question, Mr. Zafar Mahmood said Pakistan's exports had grown by 28 per cent and imports had risen by 14 per cent in the last financial year ended June 30, 2011. "We are eyeing to export goods worth more than US \$150 million to Malaysia in the current financial year ending June 30, 2012," he said.

The Secretary said Pakistan still has the huge trade deficit with Malaysia. "Malaysia is a big palm oil producer and Pakistan, one of the major consumers of palm oil ... this makes it harder for Pakistan to export more, as it is not comparable with the large amount of palm oil flowing into Pakistan," he said, calling on the Malaysians to explore Pakistan more in order to discover the variety of services that it has to offer.

He said Pakistan had the huge potential of exporting more rice to Malaysia as the country is emerging as one of the top producers globally. It is also in line with the annual increase in Malaysia's per capita rice consumption. "Since the implementation of the Free Trade Agreement (FTA) in 2008, bilateral trade has increased steadily. Total trade grew by 133 per cent from RM3.42 billion in 2006 to RM7.99 billion, last year." In 2010, Malaysia imported goods from Pakistan worth RM475.9 million compared to RM525.8 million in 2009," he said.

Zafar said Malaysia's exports to Pakistan amounted to RM7.52 billion last year, representing an increase of 31.3 per cent. "Malaysia is Pakistan's 25<sup>th</sup> largest export destination and fifth largest source of imports," he added. For the first six months of this year, total trade between both countries was valued at RM4 billion, a growth of 11.7 per cent from the same period, last year.

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