Have GSP+ and FTAs improved Pakistan’s Trade Competitiveness?

‘The opening up of global economy after the Pandemic has witnessed supply chain disruptions, shortages of raw materials, including energy, and high input costs. As developing countries ran high budget deficits during the Pandemic, global borrowing increased to high levels, leaving several countries resorting to support from the International Monetary Fund (IMF) and other development partners. This has also meant that capacity to import raw material and machinery was dented due to fears of high current account deficits. Weakening of economic fundamentals and high inflation has also given rise to political instability in various countries, including Pakistan.’

While there is evidence that Generalised Scheme of Preferences Plus (GSP+) and select Free Trade Agreements (FTAs) may have improved export competitiveness, weak intra-regional trade, dismal participation of women and start-ups in trade, and negligible investment cooperation continue to dampen overall prospects with regards to sustained trade expansion. It is less clear if trade agreements with other regions and countries are leading to export diversification (or even export sophistication) – an area which this panel aims to discuss. In addition to this, Pakistan was unable to fully utilise all provisions under market access arrangements with a) other countries, with whom it had FTAs (e.g., China and Malaysia); and b) trading blocs such as the European Union (EU), Economic Cooperation Organization (ECO) and the South Asian Association for Regional Cooperation (SAARC).

In view of the above, this plenary aims to address the following questions:

1. Is Pakistan taking advantage of its geography and location to ultimately connect and trade with the region?
2. How has GSP+ and FTAs helped the pursuit of regional integration and trade expansion?
3. Apart from private sector efforts, what are the complimentary policy and regulatory measures which could enhance the benefits from GSP+ and FTAs? Why have these policy measures not been implemented until now?

Panel Organisers
Ms Mahnoor Arshad, Research Associate, Sustainable Development Policy Institute, Islamabad, Pakistan
Email: mahnoor@sdpi.org

Dr Vaqar Ahmed, Joint Executive Director, Sustainable Development Policy Institute, Islamabad, Pakistan
Email: vaqar@sdpi.org