

 ISLAMABAD: The Preferential Trade Agreement (PTA) between Pakistan and Indonesia will become operational from September 1, creating new opportunities for mutually beneficial exploration of the huge trade potential that exists between the two countries.

The last hurdle in the actualisation of the PTA was affectively removed by the signing of Mutual Recognition Agreement on Plant Quarantine and SPS Measures in Jakarta on Friday. Pakistan Ambassador Sanaullah and Head of Indonesian Agricultural Quarantine Agency (IAQA) Mrs Banun Harpini signed the agreement, according to information made available here.

Indonesia has signed MRA with only USA, Australia, New Zealand, Thailand and Canada. From South Asia, Africa, Europe and Middle East, Pakistan has become the first and the only country which will be able to export its fruit to Indonesia without subjecting it to Indonesian Quarantine Rules and Regulations.

Speaking on the occasion, Indonesian Ambassador to Pakistan, Burhan Muhammad who specially flew to Jakarta to oversee finalisation of the PTA, said: "By signing MRA and awarding Pest Free Area Recognition Certificate for Pakistan kinno, allowing entry through Tanjung Priok Port of Jakarta, Indonesia has removed all impediments in effective implementation of PTA from September 1 (Sunday)."

The move will enhance bilateral trade between the two countries. Although, this year has almost passed, he believed that the bilateral trade may reach \$2 billion mark. Indonesia values its relationship with Pakistan.

"From here, we are ready to start negotiations for free trade agreement (FTA) covering not only goods but opening cooperation in investment, services, energy sector, tourism and Islamic banking too," he added.

Pakistan Ambassador Sanaullah expressed his gratitude to the Indonesian Minister for Trade, Gita Wirjawan for his personal commitment to remove all Non-Tariff Barriers (NTBs), which blocked the operationalisation of PTA already signed in February, 2012. He also thanked the Indonesian Quarantine Agency for arranging speedy field verification of kinno orchids in Pakistan, which led to signing of Mutual Recognition Agreement (MRA).

The ambassador further said that the trade potential between the two countries is huge and is likely to increase further, keeping in view the swelling middle class in both countries.

He also pointed out that for certain Indonesian products like palm oil, Pakistan could serve as an entry point to Central Asian Republics and western China.

Indonesian would not only be catering a market of 180 million people, but consumers from at least six other countries including Afghanistan, Tajikistan, Uzbekistan, Kyrgyz Republics, Kazakhstan and China.

Ambassador Sanaullah further said that Pakistan's need for palm oil, pulp and paper and rubber are strategic and is not likely to decline. Indonesian business should focus on our market from this angle as well. Mutually beneficial trade can multiply after it is made people centric and the business community of the two countries are facilitated to meet each other frequently.

Director General, Banun Sri Harpini of Indonesian Agricultural Quarantine Agency confirmed that Pakistani Kinno and other agricultural products would be allowed to enter the Indonesian market through Tanjung Priok Port, Jakarta. The signing of MRA was part of the commitment made by the two countries during the visit of President Susilo Bambang Yudhoyono to Pakistan in 2005, she said, expecting that because of MRA and PTA, the bilateral trade has the capacity to reach \$5.5bn

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by end of 2014.</p> <p style="text-align: justify;">As per the MRA, Pakistani kinno would be able to land in Jakarta without undergoing SPS standards and inspections. Pakistan would be able to have a longer shelf life for its agricultural products and cheaper costs by avoiding entry through Surabaya.</p> <p style="text-align: justify;">The export of kinno, which ranges between \$ 4 to 5 million, is likely to get a boost with the Country Recognition and MRA. Other agricultural products which can benefit from this agreement include pears, apples, apricots and dry nuts.</p> <p style="text-align: justify;">◆</p> <p style="text-align: justify;">Courtesy:◆◆ Dawn</p>