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PAKISTAN REVAMPS STATUTE FOR TRADE ORGANIZATIONS

WASHINGTON, DC -- The Government of Pakistan has issued a new law regulating the establishment and operation of chambers of commerce and business associations. This announcement follows a lengthy consultative process between the government and private sector during which the Center for International Private Enterprise's (CIPE) Pakistan office played a crucial role.

The new law will have the greatest impact on women in business, who are now able to form trade organizations without male sponsorship. Women's new role in the business community will add a fresh perspective to economic reform advocacy efforts throughout Pakistan.

Speaking at a press conference in Lahore, Pakistani Minister of Commerce Humayun Akhtar Khan announced that President General Pervez Musharraf had promulgated the Trade Organisations Ordinance 2006 (TOO 2006), which repeals the previous trade organization law enacted in 1961. Previously, the minister had acknowledged the need to reform the 1961 law that enabled organizations, once licensed, to remain in existence regardless of their performance or level of activity.

"The new law will help eliminate fake trade bodies," the minister claimed. "The Trade Organisations Ordinance 1961 did not provide an effective mechanism for purging of such ghost bodies." As the government and business community agreed, the three-decade old law needed improvement to make it more relevant to a modern economy. In addition to its support for women in business, the new law defines territorial jurisdiction and strengthens anti-corruption measures through proactive licensing procedures. All organization licenses granted under the 1961 law are revoked by TOO

2006, and existing trade bodies will be required to apply for licenses under the new law within three months.

Retired Justice Saleem Akhtar headed a committee to recommend changes in line with international best practices. At the behest of the Minister of Commerce, committee consultation included the president of the Federation of Pakistan Chambers of Commerce and Industry, the chairman of the Securities and Exchange Commission of Pakistan, the Additional Secretary Ministry of Commerce, the chairman of the Pakistan International Freight Forwarders Association, a retired member of the Central Board of Revenue, and CIPE Pakistan.

CIPE's Pakistan Country Director, Moin Fudda, noted "The old law hampered the development of a competitive chamber system, while the new law will encourage the growth of a more representative and better equipped set of trade organizations in Pakistan that can advocate more effectively for economic reform."

The Center for International Private Enterprise is a non-profit affiliate of the U.S. Chamber of Commerce and one of the four core institutes of the National Endowment for Democracy. CIPE has supported more than 1,000 local initiatives in over 100 developing countries, involving the private sector in policy advocacy and institutional reform, improving governance and building understanding of market-based democratic systems. CIPE provides management assistance, practical experience and financial support to local organizations to strengthen their capacity to implement democratic and economic reforms. CIPE programs are also supported through the United States Agency for International Development.

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