



# Survey Report on **REVAMPING THE TRADE DISPUTE RESOLUTION MECHANISM IN PAKISTAN**

(Based on feedback by Trade Bodies in Pakistan)



Prepared by  
**Trade Dispute Resolution Organization**  
Ministry of Commerce, Government of Pakistan  
&  
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2015

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## Acknowledgements

I would like to express my special gratitude to the Trade Bodies who have responded with their timely and excellent inputs which enabled TDRO to prepare this report. The work done on collection of data and its analysis by TDRO Team and PRIME International is wonderful and praiseworthy. The information placed in the Report will be very useful for preparation of the draft Trade Dispute Resolution Law for which this consultation process with Trade Bodies has been initiated.

Secondly I would also like to thank all TDRO Officers and Staff for working diligently and with dedication inspite of all odds in getting the feedback. Special thanks to PRIME Institute for analysing the huge data in a report form in such a short time.

Roubina Taufiq Shah  
Director General

# Trade Dispute Resolution Organization

## Government of Pakistan

### Ministry of Commerce

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## Preface

Pakistani businessmen are facing a lot of hurdles in their businesses and one of the leading factors is the trade disputes arising between them and their counterparts. Commercial disputes that end in courts of law are always costly and usually bitter. Cases frequently drag through the courts for many years, and the ultimate winner of the lawsuit finds that he is out of pocket more than the amount of the judgment in his favour. Courts tend to favour their own nationals and thereby further animosity is created between peoples of different countries who grow suspicious of the kind of deal that they will get from foreign nationals. There is no formal body of international commercial law, and the courts of different countries have interpreted the rights and liabilities of buyers and sellers differently.

The mandate of resolution of trade disputes of international nature was with Export Promotion Bureau, now Trade Development Authority of Pakistan (TDAP). However an effective and efficient mechanism for resolution of international trade disputes could not evolve over the years. The need for the establishment of Trade Dispute Resolution Organization was eminent, due to rise in international trade disputes and no specific department or mechanism to resolve them in Pakistan. Government of Pakistan thus established the department of Trade Dispute Resolution Organization (TDRO) under the Strategic Trade Policy Initiative STPF 2012-15, to provide swift resolution of the disputes, help improve the image of Pakistan. An Act has to be drafted & enforced to make the department effective.

With the establishment of TDRO in 2014, a lot of interest has been witnessed in the business community and service providers. An MOU has been signed between TDRO and KCDR (Karachi Centre for Dispute Resolution) for holding consultations with relevant stakeholders, drafting of Trade Dispute Resolution Law, training of exporters and officers etc.

In this context foreign and local Consultants have also been hired through EU TRTA II Program for the strengthening of TDRO and drafting of the law. This exercise will be completed in the next three (03) months and inputs of the Trade bodies will be inserted in the Draft Act. Further the EU under its [Multi-annual Indicative Program \(MIP\)](#) has also approved the proposal of capacity building of TDRO.

In order to proceed ahead with our mandate for drafting a Trade Dispute Resolution Law, exhaustive consultations are being undertaken with the stake holders i.e. Trade bodies, trade offices abroad and international organizations. The Pakistan Missions abroad have already given a very positive feedback for establishment of a dedicated office to resolve disputes between Pakistani businessmen and their foreign counterparts, which has been printed

earlier in a report form.

A survey was initiated by TDRO to get the feed-back of the local business community, being genuine stakeholders for the draft law. It was however, regretful to note that many Trade bodies did not bother to respond to TDRO survey. Such apathy on the part of the private sector is unfortunate since the enactment is for the benefit of the trade bodies and image of Pakistan for which their views were most crucial. The feedback thus obtained, has been analysed and developed by Prime Institute into a report form for use by the concerned organizations.

Roubina Taufiq Shah  
Director General TDRO

# Survey Report on INTERNATIONAL TRADE DISPUTE RESOLUTION MECHANISM

## Introduction

Commercial relationship between Pakistani firms and their foreign counter-part firms is hampered by complex contractual disputes, which has badly affected the environment of trust between business partners, discourages investment in Pakistan and reflect poorly on business climate in Pakistan. They ultimately lead to the loss of image of Pakistani and reduction in trade flows.

Trade Dispute Resolution Organisation has been established as attached department of Ministry of Commerce in 2014 under Strategic Trade Policy Framework 2012-15 to resolve international Trade disputes. The mandate of TDRO is as follows:

1. Take a swift action for early resolution of trade disputes
2. Act as a bridge between bodies responsible for standard and quality
3. Establish a database of 'High Risk' places with high prevalence of disputes & frauds in international markets
4. Improve quality standards
5. Ensure that foreign importers are not cheated by Pakistani exporters
6. Prepare database of exporters with confirmed cases of disputes
7. Provide assistance to Pakistani exporter who are defrauded in international trade, and
8. Educate and train exporters and importers to avoid disputes

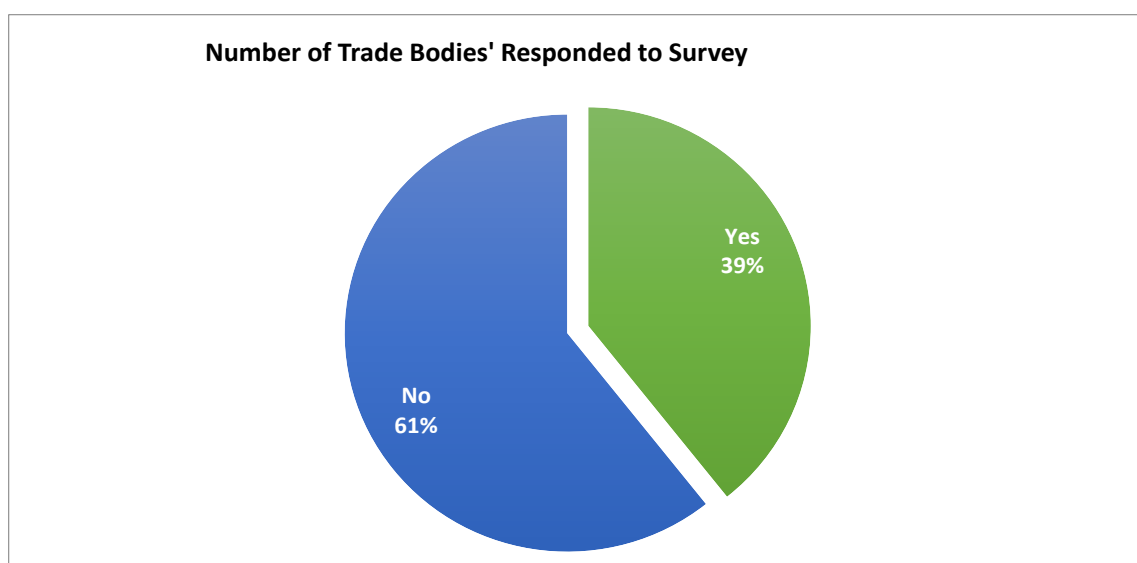
*"It is good to know that TDRO has been established under the MoC as a legal and recognised body to resolve trade disputes swiftly and efficiently. It is longstanding demand of business community to have alternate dispute resolution in trade disputes and this is a positive step forward."*

*Muhammad Yaseen  
Corporate & Trade Advisor  
Pakistan German Business  
Forum*

In 2014, TDRO initiated a consultation process by engaging with trade bodies in Pakistan through a questionnaire to understand the nature of reasons of commercial disputes between Pakistani and foreign businessmen. All 140 Trade Bodies registered with DGTO were requested to provide information such as reasons for trade disputes; the existing organisations dealing with dispute resolutions; level of satisfaction of the trade bodies with the existing mechanisms; the weaknesses of the current dispute resolution mechanism and suggestions to improve trade dispute mechanism in Pakistan. However, it is unfortunate that only 39% of the

trade bodies responded in two months time (55 responses) despite many efforts from TDRO office (See Figure 1). Many large and export oriented trade bodies like All Pakistan Textile Mills Association (APTMA), Pakistan Hosiery Manufacturers Association (PHMA), Pakistan Knitwear & Sweaters Exporters Association (PAKSEA), Pakistan Association of Automotive Parts Accessories (PAPAAM), Pakistan Readymade Garments Manufacturers & Exporters Association (PRGMEA), All Pakistan Upholstery and Bedwear Association ( APBUMA), Towel Manufacturers' Association of Pakistan, Pakistan Bedwear Exporters Association, Pakistan Textile Exporters Association and few others did not respond and failed to provide their inputs for revamping of mechanism of trade dispute in Pakistan.

**Figure 1: Number of Trade Bodies' Responded to Survey (In %)**



The Following report is based on the analysis of responses received from 55 trade bodies ( **List at Annex A**) of out of a total of 140 trade bodies registered in Pakistan. These responses were received in hard copy form & via email. (**Questixonnaire at Annex B**)

This report has been prepared by PRIME Institute, under a MoU between the TDRO and PRIME Institute, as PRIME Institute is implementing its project “Making Pakistan a Trusted Business Partner” with the support from Atlas Network. It is a joint intellectual property of PRIME Institute and TDRO.

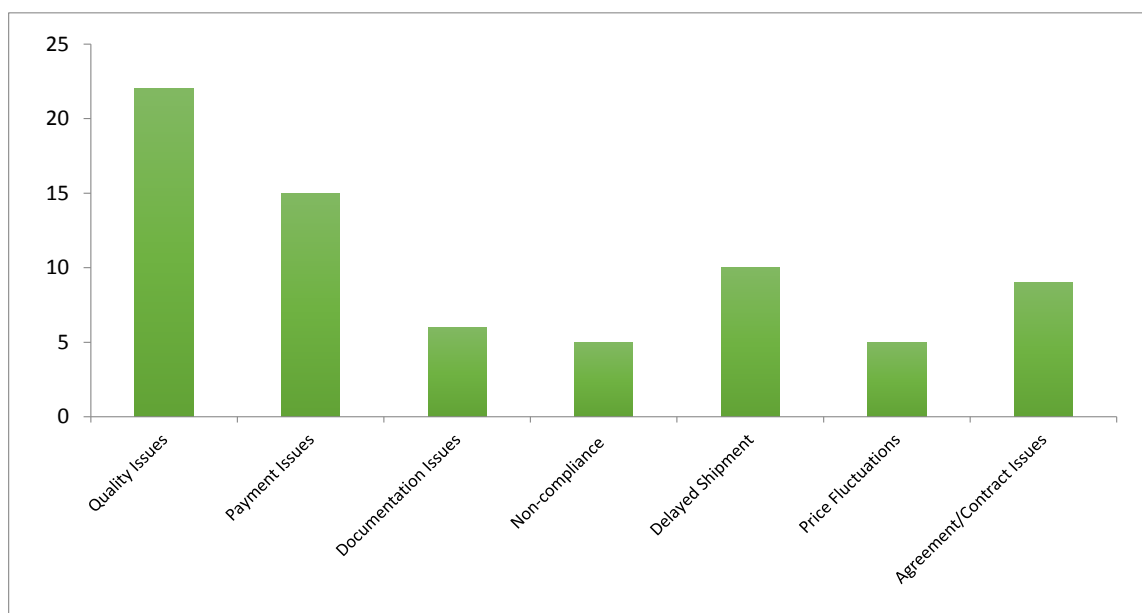
## Analysis

### Reasons for Disputes

According to the trade bodies response, the nature of the disputes mostly fall under the quality issues, which includes faulty products, non-conformity to international standards, short life of product and damaged products. The responses indicated that most of the time products got damaged due to mishandling in the process of inspection. In the words of Pakistan Canvas and Tents Manufacturers & Exporters Association, *“the consignments get damaged in the process of inspection by ANF due to mishandling. As a result of this, the buyers either refuses to accept damaged consignment or deduct payments”*.

Second reason as per the survey is payment issue, (15 responses) that includes non-recovery of advance payment, partial payment or no payment at all. A number of trade disputes arise due to delay in shipment as shown in the Figure 2. Important inputs were received on reasons like legal aspects of sale contract, transaction through non banking channel, non understanding and use of pre-shipment inspection facilities, Non verification of credit worthiness and legal status of opposite party (for example Pakistanis do not know the concept of limited liability companies, bankruptcy laws, Intellectual Property Rights, Quality Standards, Insurance Laws etc.) and lack of knowledge about appropriate forum of referral of such disputes as multiple forum exist and lot of confusion where to go and sometime period of limitation also expires, Non documentation of transaction etc.

**Figure 2: Reasons for Trade Disputes**



Nine responses indicate that they encounter disputes due to issues related to contracts and agreements such as lack of identification of dispute resolution in an agreement, incomplete or



vague agreements, breach of contract and non-conformity to standard contracts For instance, Rice Exporters Association of Pakistan responded to this as; *'non-use of standard contracts covering every aspect of the deal and the remedies in case of disputes like The Grain and Feed Trade Association (GAFTA) contracts.'*

One of the reasons reported by trade bodies is price fluctuation, that is, variation in value due to fluctuation in exchange rate which affects the actual payment value and sometimes results in a dispute.

Moreover, non-compliance to the agreed terms and condition lead to disputes among the parties. In a few cases, the cause of disputes is related to the documentation such as non-verification of the party, incomplete documentation, fraudulent documentation etc. Some of the responses also indicate that lack of knowledge of laws in other countries also result in disputes. For instance, Pakistan Cloth Merchants' Association states that *"main reason they face is that the foreign laws are not clear to Pakistani exporters. As a result, the buyers place all the claims on manufacturers who never agreed to such conditions in the first place"*.

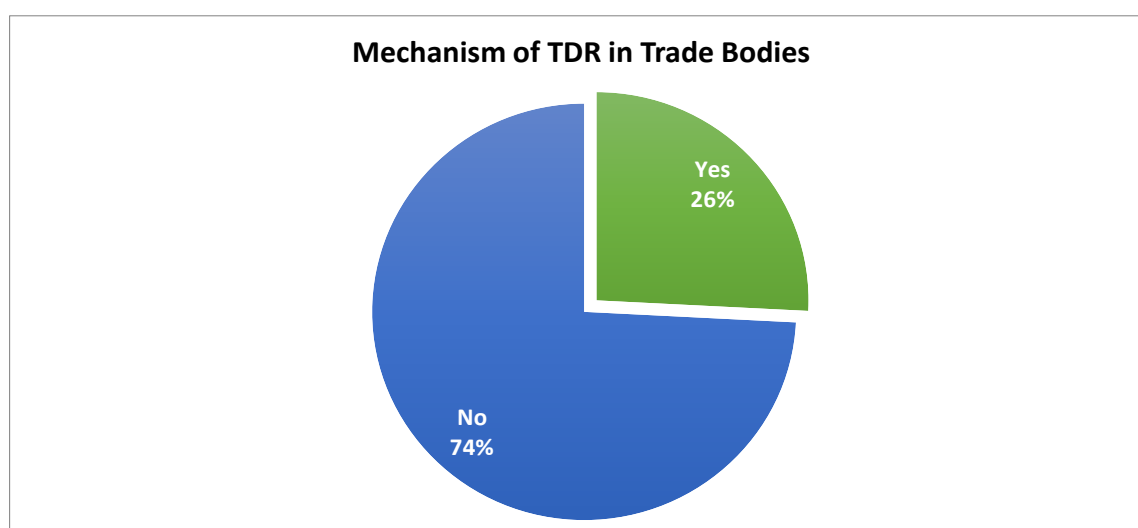
*There is no system in place in the Embassies and High Commission of Pakistan abroad. The Trade Bodies solely depends on the foreign embassies to resolve the disputes. A Trade Resolution Mechanism should be established at the Federal level which should have power under a Trade Dispute Resolution Law.*

*Khyber Pakhtunkhwa  
Chamber of Commerce &  
Industry*

### Current Mechanism for Trade Dispute Resolution (TDR)

Only 26% of the trade bodies claimed that disputes are looked after by Chambers of Commerce. Some large chambers, such as Pakistan-Saudi Arabia Joint Chamber of Commerce & Industry, have a separate trade dispute resolution section and they resolve the dispute themselves. Some chambers have a designated committee or section to undertake trade dispute such as, International Trade Dispute Committee at Faisalabad Chamber of Commerce & Industry, and Mediation Centre at Lahore Chamber of Commerce & Industry.

**Figure 3: Trade Dispute Resolution Mechanism in Trade Body**



Similar is the case with associations. According to the responses received, Pakistan Cutlery and Stainless Utensils, Pakistan Fisheries Exporters Association, Air Cargo Agents Association of Pakistan etc. handle the dispute themselves. According to Surgical instruments manufacturers association of Pakistan, *“No specific organisation is there for this purpose, SIMAP has formulated a committee which is looking after the disputes. Disputes related to our members are mostly solved by SIMAP as members usually respond in resolving such disputes. However, disputes related to foreign buyers are mostly not solved.”* (See Figure 3)

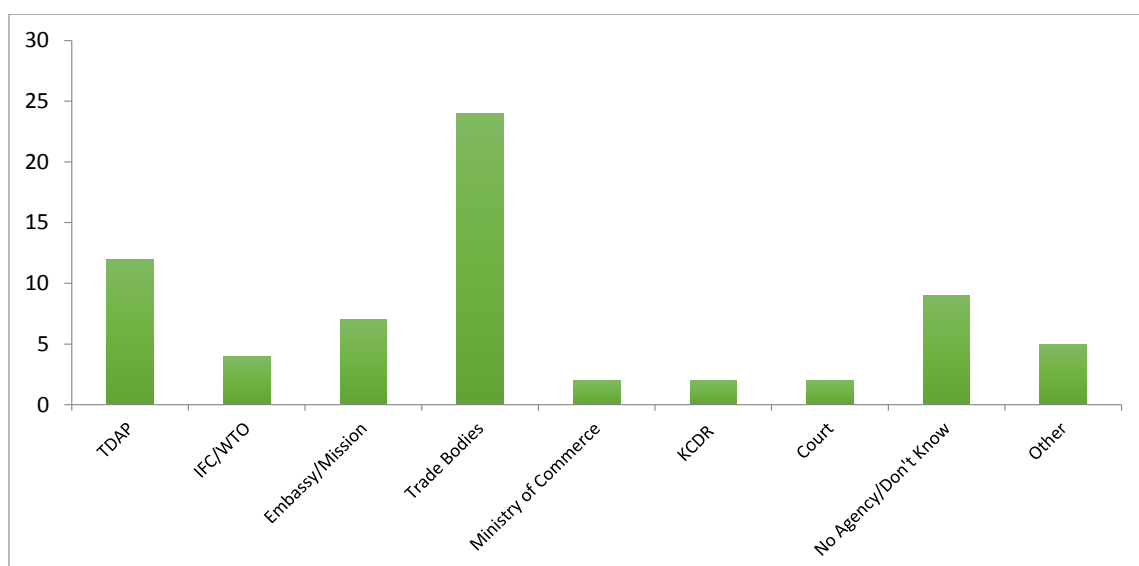
After the Chambers of Commerce, the disputes are mostly referred to Trade Development Authority of Pakistan (TDAP) (12 responses), and Embassies/Missions. In addition to these, few other organisations involved in dispute resolution include Ministry of Commerce, Karachi Centre for Dispute Resolution, Courts, IFC/WTO and others. Pak-German Business Council states *“Currently no organisation looks after these disputes except TDAP and Trade Bodies (Chambers and Associations) and in few cases Trade Dispute Centres established by IFC. Although a provision under section 89-A has also been inserted in CPC but is not very much in practice. The problem lies with the legal status of such forums, credit worthiness, and implementation. There should be a strong system which provides efficient remedy and implement the decision on cost effective basis. TDRO is hopefully the institution which will achieve this”*.

*“There is no ‘one stop shop’ in Pakistan for the said purpose, if there is any then it maybe dormant/ineffective.*

*There has always been a need for devising a mechanism for resolving the Trade Dispute in an amicable manner; however nothing tangible has done in the right direction so far. Previous governments have time and again endorsed the views of the business community for devising a concrete mechanism but the matter remained in doldrums”.*

**Sheikh Hafiz Bilal Amin**  
Chairman  
The Engineering Components  
& Machinery Manufacturers  
Association

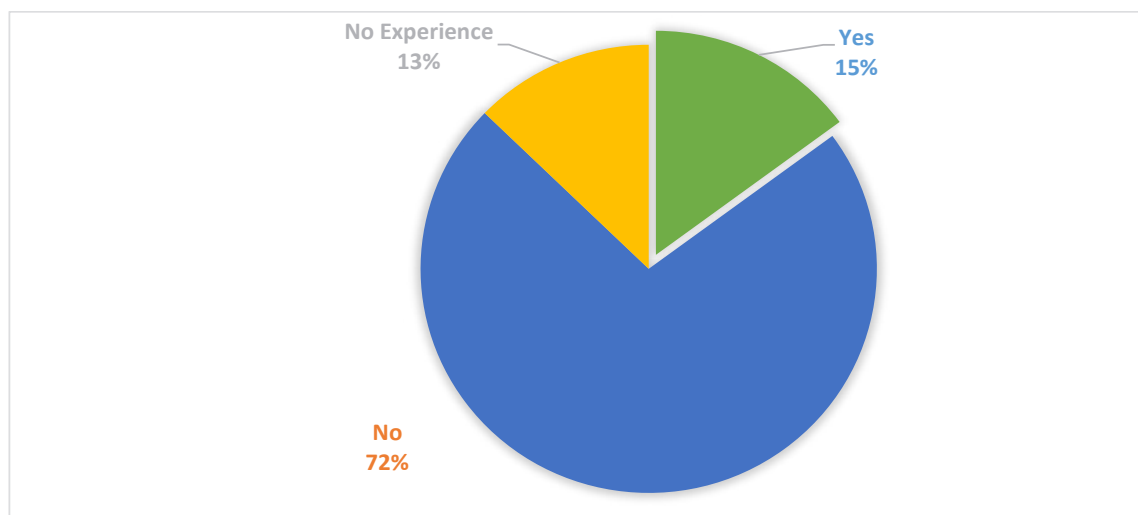
**Figure 4: Existing Authority/Organisation for Trade Dispute Resolution**



Interestingly, a significant number of respondents said that there is no mechanism available for resolution of trade disputes such as Pakistan Fisheries Exporters Association, states that *“there is no Trade Dispute Mechanism; we have to use our own resources to resolve such issues. Sometimes, if the commercial councillors of our respective country are pro-active, then we get some help from them. Few respondents such as All Pakistan Commercial Exporters Association are unaware of any such organisation which deals with dispute resolution.”* (See Figure 4)

According to trade bodies, 72 percent are not satisfied with the existing mechanism of trade dispute resolution in Pakistan (See Figure 5). One of the important reasons mentioned is the lack of any proper mechanism and the absence of rules or authority for dispute resolution in the country. Many also believe that lack of interest and poor response of concerned authorities such as embassies/ trade missions and TDAP are the reasons for ineffective dispute resolution mechanism.

**Figure 5: Satisfaction with the existing mechanism for Trade Dispute Resolution**



Additionally, weak existing system of dispute resolution, lack of knowledge of dispute resolution mechanism and time consuming procedures are few other reasons for non-satisfaction of the trade bodies.

The figure also shows that 15 percent of the respondents said that they are satisfied with the existing mechanism of dispute resolution in Pakistan. For instance, Sialkot Chamber of Commerce and Industry is satisfied with its own Dispute Committee performance in resolving the disputes. Similarly, Sukkur Chamber of Commerce & Industry is also satisfied with the working of Chamber in resolving disputes. One observation is that *“there is little success for Trade Organisations to resolve dispute as these organisations are more affiliations and relationship based and avoid negative sentiments of losing party. The trade organisations lack knowledge, experience and will to resolve disputes and lack proper commitment on various pretexts. There should be organisational structure for resolution of such disputes and non recognised forums may be eliminated to avoid confusion”*.

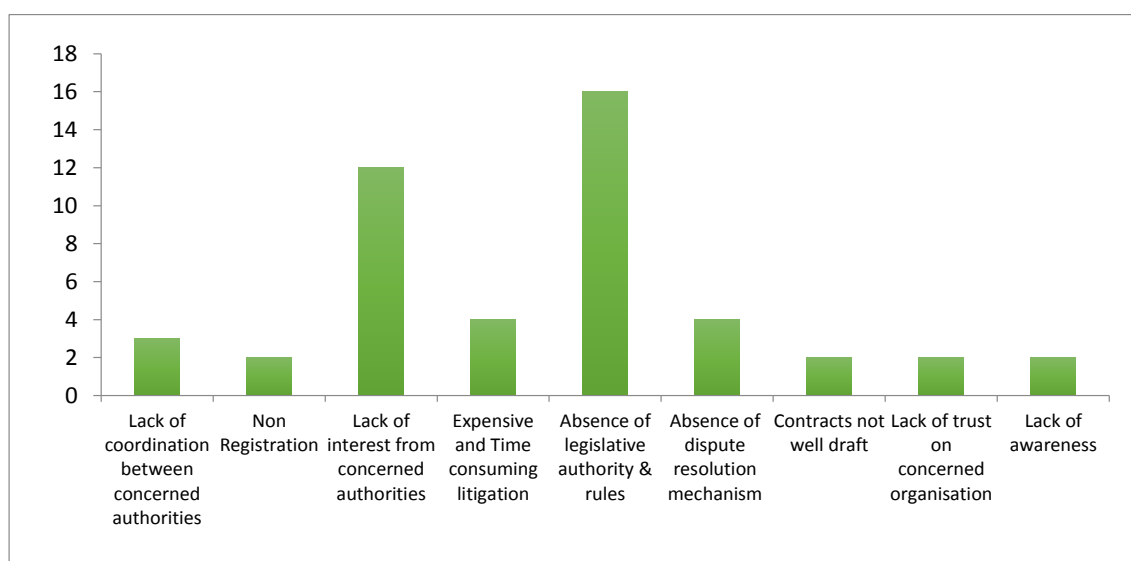
## Weaknesses of Trade Dispute Resolution Mechanism in Pakistan

Most of the trade bodies (16 responses) believe that the problem lies in the absence of a legislative authority, rules and structural framework for dispute resolution as shown in Figure 6. For example, Lahore Chamber of Commerce & Industry informs that lack of Authority and judicial powers is the basic problem due to which the respondent takes undue leverage and shows minimal interest in solving the disputes. Similarly, Pakistan Jute Mills Association responded that as there is no legal body which can make it mandatory for every dispute to be resolved through mediation/conciliation, the TDR mechanism is weak.

*"We fully endorse the 'Trade Dispute Resolution Organisation' in Pakistan. In the current circumstances there is a dire need of TDRO to solve exporters' disputes and frauds in this international market."*

**Muhammad Younis**  
Chairman  
Pakistan Gloves Manufacturers  
& Exporters Association  
(PGMEA)

**Figure 6: Weakness of Existing Trade Dispute Mechanism in Pakistan**



Furthermore, lack of interest and response from the concerned organisation involve in resolution of trade disputes adds to non-satisfaction about mechanism of dispute resolution. In addition, lack of coordination between the parties and relevant authorities who are involved in dispute resolution in Pakistan and abroad and lack of interest of commercial consulate abroad are few other significant issues. Taking for instance the response from Pakistan Afghanistan Joint Chamber of Commerce & Industry; *"Trade dispute mechanism is very weak in Pakistan. Most of the trade disputes are not*

*"We are not satisfied with trade dispute mechanism in Pakistan, in absence of no clear policies and authority assigned to the organization for trade resolution so without any power they just play their role of facilitator only"*

**M.Asim Jamil**  
Secretary General  
Pakistan Chemists & Druggists  
Association

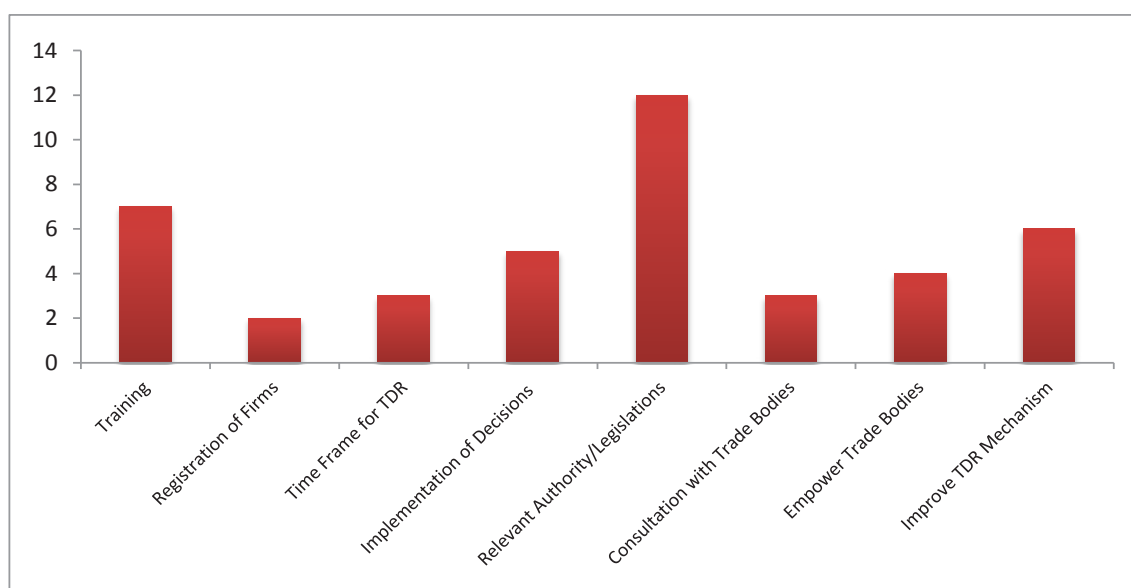
*even reported and majority of the trade disputes remain unsettled due to lack of centralised authority, which can settle disputes impeccably.”*

Some of the respondents also said that disputes are not resolved because the litigation is expensive and time consuming and since there is no proper mechanism for dispute resolution, it leaves the complainant with unsatisfactory results. It is also opined by the trade bodies that some disputes arise due to vague and non-comprehensive contracts (which usually does not have a clause for dispute resolution). Lack of trust on the authorities and lack of awareness regarding dispute resolution mechanisms are few others reasons listed by the respondents.

### Improving Trade Dispute Resolution Mechanism

According to the responses from trade bodies, following are the steps that can be taken to improve the current mechanism of trade dispute resolution in Pakistan. The first and foremost way to bring improvement is by establishing a relevant authority, laying down the rules and providing a structural framework (See Figure 7). According to Karachi Chamber of Commerce & Industry, *“law should be carefully drafted after taking all the concerned trade and legal bodies on board with the objective of providing maximum safeguard to the Pakistani Businessmen and traders”*.

**Figure 7: Ways to Improve Existing Trade Dispute Resolution Mechanism**



The American Business Council of Pakistan also provided a similar response that revamping of the mechanism of TDRO (as a single window for all the trade dispute settlement) may bring in the change required to this end. However, it should be done in consultation and with suggestions from local trade bodies and be advertised for information of all stakeholders to make it an effective organisation.

In addition, providing proper training and creating awareness regarding the dispute resolution mechanism can also help in improving the existing system. *‘Training workshops on latest frauds & bad practices may be arranged frequently to create awareness’*, suggests Pakistan Jute Mills Association.



The system can also become effective by improving existing trade dispute mechanism such as implementation of certain terms and condition regarding registration of firms, introducing dispute resolution mechanism clauses in contracts, bounding dispute resolution with timeframe and others. It is also emphasised by trade bodies that providing legal cover to the Chambers and Associations will also allow improvements in the existing mechanism. Moreover, ensuring that the decisions are implemented and enforced will also allow swift resolution of disputes in the country. As said by Pakistan Canvas and Tents Manufacturers & Exporters Association states that Arbitration Committee should be empowered and their recommendations/decisions should be time bound.

*"The Association supports the proposal of establishment of Trade Dispute Resolution Organisation, under Ministry of Commerce and hope that it will act as a bridge between Pakistani exporters and foreign importers."*

**Tahir Mehmood**  
Secretary General  
Pakistan Footwear  
Manufacturers Association

According to Sargodha Chamber of Commerce & Industry, TDR can be improved ensuring that there is a contract between exporters and importers and providing approved contract templates.

## Experience with Relevant Organisations for Trade Dispute Resolution

When asked about the experience of a respective organisation in resolving trade disputes, many respondents did not provide any response or they do not have any experience in resolving such disputes. Those who have some experience indicated satisfaction about their role of their respective Chamber or Association in resolving disputes among their members locally.

Some trade bodies inform that there is a provision for export and import disputes under Imports the Exports (Control) Act 1950 under which a complaint is forwarded to Trade Development Authority of Pakistan and after investigation of complaint by TDAP "Trade Dispute Directorate" it is filed in the Commercial Courts established in Karachi and Lahore. Although business community is not fully aware of these channels nor these courts could solve many disputes due to reasons best known. The formation of Commercial Courts and filling of vacancies and availability of quorum etc may also be an issue.

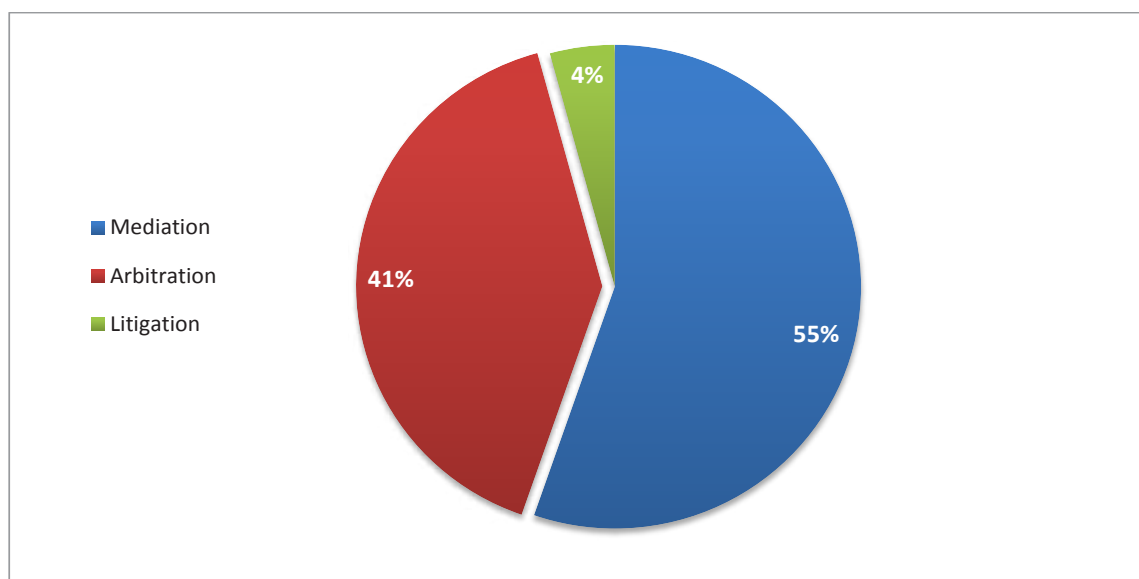
*Amend the Civil Procedure Code to make it mandatory for parties with commercial disputes (of certain value) to try and settle the matter out of court via alternative mechanism failing which they approach the judiciary – this would be similar to the Woolf Law Reforms in the UK*

**Overseas Investors Chamber  
of Commerce & Industry**

It can be seen from the responses that disputes between Pakistani and foreign firms, which require relevant authority to serve as a dispute resolution organisation, have varied level of satisfaction. Some of the trade bodies are not satisfied due to non-cooperative behaviour of the authorities. Other indicated that the decisions are still pending. Take for instance the response by Faisalabad Chamber of Commerce & Industry is of the view that the way TDAP is handling the cases it does not follow the proper procedure of documentation, they just

refer the cases to the said association without any feedback. Similarly, Karachi Chamber of Commerce & Industry reported that most disputes remain unsettled in the absence of a proper dispute resolution authority.

**Figure 8: Preference for Dispute Resolution Mechanism**



The responses from the trade bodies indicate that there is a need for a legislative body to resolve dispute. And the method which most of the trade bodies preferred for such dispute resolution is mediation (55%), followed by arbitration (41%). Only 4% of the respondents prefer litigation for trade dispute resolution. (See Figure 8)

## Suggestions

### For Trade Dispute Law

- The law should be simple, understandable, should have small filing fee and less time taking to implement and resolve disputes.

Law should be carefully drafted after taking all the concerned trade and legal bodies on board with the objective of providing maximum safeguard to Pakistani businessmen and traders.

- The trade dispute resolution laws should clearly define binding timelines for resolution of trade disputes so that the parties could get timely remedy.
- Ministry of Commerce should also take help from international organisations having experience in dealing with trade related disputes and include those clauses in the draft that not only provide facilitation to parties, but

*The security of the local and foreign investors/businessmen can only be established if a proper operational, one stop solution 'Trade Dispute Resolution Organisation' be established, providing speedy justice and ensuring the interest of the involved parties.*

*Non availability of the TDR mechanism has been very discouraging for many foreign investors due to which the country has suffered big time. The existing laws have become obsolete, hence, losing their essence.*

***The Engineering Components  
& Machinery Manufacturers  
Association***

also bind them to follow the law.

- The law must provide for punitive fines, compensation, liquidated damages and enforcement of decision.
- The law must provide that any complainant who acted in violation of laid down law i.e. transaction without contract, agreement, non-banking channel etc. will not be entertained.
- The law should be given legal cover to the Arbitration Committees of the chambers.
- The law must include provisions for referring disputes for third party mediation and arbitration through duly recognised and registered panel maintained by TDRO.
- The organisational structure of TDRO may be such as to act as regulatory body having powers of court and its offices should be in each province.
- All trade disputes should be compulsorily referred to TDRO before they are entertained by any Court of Law.
- Chambers should act as initial contact points to file proper complaints and each there should be TDRO desk in each Chamber to educate and provide information to each member through brochures, banners, social media, web media and emails.
- The law must provide for appeal to courts.
- The law must provide period of limitation.
- Form a Law Commission to look into amending the Arbitration Act, 1940 to modernise this very old law, and new law on alternative dispute resolution to be enacted.
- Amend the Civil Procedure Code to make it mandatory for parties with commercial dispute to try and settle the matter out of court via alternative mechanism failing which they may approach the judiciary.
- There should be appointed an independent Trade Dispute Ombudsman with relevant qualification and experience in each District and housed in each Chamber to entertain day to day complaints and decide on summary trial basis within 30 days. Complaints may be routed through President of each Chamber and at least one of the complainant or respondent must be member of recognised Trade Body. The decision of the Ombudsman should be implemented through Chambers and in case of non compliance the decision should be enforced through measures such as cancellation of membership, disconnection of utility supply, restriction on export or import etc.
- Please define trade disputes clearly and simply in terms of value, nature and parties.
- The party must be member of Trade Organisation (Chamber or Association)
- Proper and simple procedure for filing applications
- Simple filing procedure
- Small filing fee
- The case must include early neutral evaluation, consultation, mediation, conciliation and arbitration steps as clearly as provided in the WTO DSU procedure with timeframes etc.
- The law must provide for appeal to courts



- The law must provide period of limitation
- The organisation must be independent while acting judicially
- The law must provide for punitive fines, compensation, liquidated damages and enforcement of decision
- The law must provide that any complainant who acted in violation of laid down law i.e. transaction without contract, agreement, non banking channel etc will not be entertained.
- The law must be in consultation with FPCCI, Chambers, Trade Bodies, Punjab Bar Council, TDAP, BOI, PBIT, High Court, Supreme Court and Judges of Commercial Courts.
- The law must include provisions for referring disputes for third party mediation and arbitration through duly recognised and registered panel maintained by TDRO.

### To Improve Existing Mechanism

Training sessions should be held at trade bodies throughout Pakistan to give them awareness on how to deal carefully with foreign buyers and to take cover against fraudulent party.

- TDRO should form a forum/board consisting of all stakeholders and hold monthly meeting to update any new developments, changes, suggestions, dispute/fraud, law enforcement etc.
- The commercial counsellors in Embassies should be encouraged to be more proactive and part of the resolution team.
- Dispute resolution process may comprise of adjudicative such as litigation or arbitration. However, consensual process, like mediation and conciliation is more acceptable.
- In order to make the system effective, government should constitute trade dispute arbitration councils with representative from Trade Bodies and Chambers of Commerce; provide a legal coverage to the decisions of the councils to be complied by the parties under the dispute.
- Commercial Courts established under the Imports and Exports (Control) Act 1950 be strengthened and number may be increased to have one court in each province. Each court may have one judge with proper court room, staff and facilities. Judges may be appointed in consultation with FPCCI and TDAP. Registrar of each court may be taken from TDAP on deputation as full time employee. Time period deciding each case may be fixed and it should not be more than 90 days. The jurisdiction of Commercial Courts may be extended to cover PPC offences such as cheating, forgery, fraud and Intellectual Property Rights. The cases may be represented by TDAP legal advisers/legal consultants in each province and no fee may be charged from the complainant or defendant.
- The trade mission of the Pakistan Embassy should play an active part in getting the dispute resolved abroad.
- Contract specimen must be specified for importers/ exporters
- Training should be made compulsory for mediators.

*PSJCCI is very much appreciative of Ministry of Commerce initiative to establish Trade Dispute Resolution Organisation (TDRO). Although it is a late step but nevertheless a positive move towards eradication of irritants to a smooth and dependable chain of import & Export.*

**Brig (retd) Muhammad Saleem**  
Secretary General  
Pak-Saudi Joint Chamber  
of Commerce & Industry

- Trade bodies should educate their members about avoiding trade disputes.
- A federal level TDR mechanism should be evolved and the Arbitration Committee of all Chambers should be established so that the process of resolutions could be accelerated.
- TDRO should act as a bridge between Pakistani exporters and foreign importers.
- All contracts may be registered with the trade bodies.
- A committee should be established comprising of members from exporters, importers, legal councils dealing with international disputes, business attaches, representatives from Chambers of Commerce.
- Committees should be established with the countries Pakistan have signed FTA's and PTA's.

## Conclusion

The above exercise carried out by TDRO is not in vein, although views of a major portion of the export orientated trade bodies could not be included in the analyses. The information obtained is a wealth of knowledge and experiences by the concerned quarters, which will help the organization make laws which will be acceptable to the business community and would also be harmonized with the international laws. Some of the trade bodies have requested TDRO to have exhaustive brain storming sessions which will refine the proposals further. Ultimately, the objective to improve the image of Pakistan is achievable if a formal body / organization like Trade Dispute Resolution Organization manages to draft the law and implement it in letter and spirit.

## Annexure I: List of Trade Bodies which Responded

### Trade Associations

1. Air Cargo Agents Association of Pakistan
2. All Pakistan Commercial Exporters Association
3. All Pakistan Marble Industries Association
4. All Pakistan Paper Merchants Association
5. All Pakistan Particleboards Manufacturers Association
6. North Karachi Association of Trade & Industry
7. Pakistan Canvas And Tents Manufacturers & Exporters Association
8. Pakistan Carpet Manufacturers & Exporters Association
9. Pakistan Chemical & Dyes Merchants Association
10. Pakistan Chemists & Druggists Association
11. Pakistan Cloth Merchants' Association
12. Pakistan Cutlery And Stainless Utensils
13. Pakistan Fisheries Exporters Association
14. Pakistan Footwear Manufacturers Association
15. Pakistan Gloves Manufacturers & Gloves Association
16. Pakistan International Freight Forwarders Association
17. Pakistan Jute Mills Association
18. Pakistan Leather Garments Manufacturers & Exporters Association
19. Pakistan Ship's Agents Association
20. Pakistan Small Units Power Looms Association
21. Pakistan Sports Goods Manufacturers and Exporters Association
22. Pakistan Tanners Association
23. Pakistan Tea Association
24. Pakistan Tibbi Pharmaceutical Manufacturers
25. Rice Exporters Association of Pakistan
26. Royal Leather Industries Limited
27. Surgical Instruments Manufacturers Association of Pakistan

28. The Engineering Components & Machinery Manufacturers Association
29. Travel Agents' Association of Pakistan

## Chambers of Commerce

1. Federation of Pakistan Chambers of Commerce & Industry
2. Bahawalpur Chamber of Commerce & Industry
3. Chakwal Chamber of Commerce & Industry
4. Faisalabad Chamber of Commerce & Industry
5. Gujranwala Chamber of Commerce & Industry
6. Haripur Chamber of Commerce & Industry
7. Islamabad Chamber of Commerce & Industry
8. Islamabad Chamber of Small Traders & Small Industries
9. Karachi Chamber of Commerce & Industry
10. Khyber Pakhtunkhwa Chamber of Commerce & Industry
11. Lahore Chamber of Commerce & Industry
12. Larkana Chamber of Commerce & Industry
13. Okara Chamber of Commerce & Industry
14. Overseas Investors Chamber of Commerce & Industry
15. Pak Saudi Joint Chamber of Commerce & Industry
16. Pakistan Afghanistan Joint Chamber of Commerce & Industry
17. Sahiwal Chamber of Commerce & Industry
18. Sargodha Chamber of Commerce & Industry
19. Shikarpur Chamber of Commerce & Industry
20. Sialkot Chamber of Commerce & Industry
21. Sukkur Chamber of Commerce & Industry
22. Vehari Chamber of Commerce & Industry
23. Women Chamber of Commerce & Industry (Multan Division)
24. Women Chamber of Commerce & Industry (Peshawar Division)

## Business Councils

1. Pakistan German Business Forum
2. The American Business Council of Pakistan



**Government of Pakistan  
Ministry of Commerce  
(Trade Dispute Resolution Organization)**  
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**Revamping of Trade Dispute Mechanism in Pakistan**  
**Pro forma for Trade Bodies**

**Section I Particulars of Trade Body**

**Name of Trade Body:** \_\_\_\_\_

**Address:** \_\_\_\_\_

Tel: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

**Section II Current Trade Dispute Mechanism**

**(Please attach extra sheet if required)**

1. What in your view are the main reasons for Trade Disputes between Pakistani businessmen and their foreign counterparts?

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Which organizations look after these disputes?

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Are you satisfied with the current Trade Dispute Mechanism in Pakistan Yes ☐ No ☐

If not, please give reasons

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4. Where, in your view, is the real problem due to which trade disputes are not being resolved swiftly?

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5. How can the weaknesses of current Trade Dispute Resolution Mechanism be removed?

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6. What has been the experience of your trade organization in resolution of trade disputes?

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7. Please give your valuable suggestions for the drafting of Trade Dispute Resolution Law.

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8. What mechanism do you prefer for Trade Dispute Resolution?

- |                |                          |
|----------------|--------------------------|
| 1. Mediation   | <input type="checkbox"/> |
| 2. Arbitration | <input type="checkbox"/> |
| 3. Litigation  | <input type="checkbox"/> |

\_\_\_\_\_  
Signature



## Contact

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