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Current Account Deficit to be zero in two years: APTMA chief

ISLAMABAD: The All Pakistan Textile Mills Association (APTMA) Patron-in-Chief Gohar Ejaz has expressed the hope that the current account deficit (CAD) would be down to zero within two years if monetary policy remains tight and exports are encouraged through new investments.

In a statement issued on Monday, he said the overall imports may end up at $53 billion, exports at $24 billion, thus to reduce the trade deficit to $29 billion at the end of current fiscal year. Meanwhile, remittances worth $22 billion mean that the current account deficit would be at $7 billion at the end of current fiscal year, down from $17 billion last year.

He said exports have been recorded at $17.1 billion and imports at $40.7 billion by March 2019. He said the current account deficit has been a source of concern for the whole industry due to its negative impact on growth of economy as well as industry. He said the provision of enablers for the restoration of competitiveness through timely interventions by the government has started bearing fruits.

He expressed the hope that exports of textile industry are likely to cross $14 billion by the end of current fiscal year. He said long-term textile policy is being finalised by the leading textile exporters, representing the entire value chain, in a task force headed by Dr Salman Shah.

He said leading business groups are upbeat and other investors are ready to undertake new investment initiatives in Greenfield and expansion projects in the textile value chain. It is high time for economic managers to encourage and facilitate investment projects in the textile and clothing sectors to avail opportunities of revised China-Pakistan free trade agreement (FTA), GSP Plus status till 2023 and Imran Khan government's efforts for perception management and further market access.

It may also be noted that the FDI inflow has not been taken into account, which is likely to increase once local investors start taking initiatives. He urged to address the issues like availability of long term financing facility (LTFF) to indirect exports, enhanced cotton production, release of all sorts of refunds to improve liquidity, long term policy on competitive and uninterrupted energy supply and availability of working capital under ERF to entire value chain. He said an export-led growth is the only sustainable solution to overcome trade deficit in the shortest possible time.

Our Correspondent