

RECORDER REPORT

CA deficit to be \$5-6bn by end of fiscal year: Razak

KARACHI: Prime Minister's Adviser on Commerce, Textile, Industries and Production and Investment Abdul Razak Dawood has said that the country's economic indicators are presenting positive picture and the country's current account deficit will be \$5 to \$6 billion by end of this fiscal year.

While, addressing the inaugural ceremony of two new production lines of Dawlance Arcelik here on Friday in Karachi, he said that the federal government is trying to correct duty and tax structure. A lot of work has already been done and still more reforms are required to streamline the tax and duty structure. "We will further improve the duty structure in the next budget for ease of doing business in Pakistan," he added.

Advisor said that in previous years Pakistan has faced deindustrialisation due to high cost of doing business; however now the situation is quite better and new industrial players are arriving in the country. He informed that some three Chinese firms have shown interest to shift their industry into Pakistan. While a 64-member Chinese trade delegation is also reaching Pakistan in October this year to explore the industrial opportunities.

"I will soon be going to Qatar, United States, Korea, Australia, and Japan in search of more potential markets for Pakistan manufactured products to increase the country's exports and earn more foreign exchange for the country," he added.

He said that economic indicators of July are very impressive as imports are on decline and exports are showing upward trend. Our primary aim is to enhance the exports and curb the unnecessary imports. During the first month of this fiscal year, the country's exports increased by 11 percent as against over 25 percent decline in imports and trade deficit fell some two billion dollar, he informed.

"With lower import bill and higher exports, pressure in current account deficit has also diluted and it is being estimated that current account deficit will be 5-6 billion dollar by end of this fiscal year compared to 13.5 billion dollar in the last fiscal year," Razak said.

He said that with lower current account deficit, Pakistan will come out from difficulties and pressure on Pak Rupee will be reduced.

"A fundamental change has been witnessed in the exports of textile sector in July as exports of value added textile products including readymade garments have posted healthy growth and raw material like yarn and grey cloth exports declined," he mentioned and added that it means our exports are in right directions.

He said that imports are down because of lower international oil prices and secondly the government is more relaying on LNG instead of furnace oil.