

EDITORIAL

Absence of Commercial Counsellors

According to a report in this newspaper on 26th August, 2019, the government has called back around 40 commercial counsellors without replacing them with the new ones which may hamper country's export prospects as well as exacerbate hardships for business community abroad. These counsellors were asked to report back by 30th August, 2019. Out of the total appointments of 45 positions, 15 positions were already vacant and the remaining 30 have been recalled by the ministry of commerce which is the authority in charge of these officials. Also there was no possibility of replacement of these officers due to stay orders from the court which may make the important stations dysfunctional including those of China, Canada, Sri Lanka, Italy, Kuwait, Malaysia and the UK. The Senate Standing Committee on Commerce also took up the matter recently and was informed by the ministry of commerce that government was reviewing the policy with respect to postings of commercial counsellors and the policy will be revised with the approval of the Prime Minister. Post-assessment of officers would be done to ensure their performance.

On the face of it, the matter of recalling and replacing counsellors at the designated places abroad appears to be serious and is needed to be considered urgently. There is absolutely no doubt that no stone should be left unturned for the enhancement of exports which should be the top priority of the government due to the recent balance of payment crisis which has necessitated the negotiation and conclusion of the latest EFF facility with the Fund amounting to about dollar 6 billion in exchange for implementing a host of conditionalities to reform the economy and forced the top most authorities of the government, including the Prime Minister, to seek assistance from some friendly countries. Thankfully, the crisis and the threat of insolvency have receded due to the consistent efforts of the present government but the objective of achieving a sustainable position in the external sector is still illusive. The C/A deficit which stood at a record level of about dollar 20 billion in FY18 was reduced to around dollar 13 billion in 2018-19 and is expected to fall further in the range of dollar 7-8 billion this year. Foreign exchange reserves of the country held by the SBP have also not risen to a satisfactory level. As the position is still uncomfortable, the urgency of posting commercial counsellors abroad is obvious. According to the news item, Ijaz Khokhar, Chairman, Pakistan Readymade Garments and Manufacturers and Exporters Association (PRGMEA), has said that exporters are facing difficulties abroad due to the vacant positions of counsellors which will badly affect the country's exports.

While there could probably be no argument against the early postings of commercial counsellors in important capitals, the government is restrained by the fact that last month, a two-member bench of Balochistan High Court had stopped the federal government from selecting the trade officers for posting abroad. In the order, the court had stated that "till the next day by hearing, the Ministry of Commerce and Trade, Government of Pakistan is restrained from conducting tests." Hopefully, the court will decide the matter soon but in the meantime, the government needs to consider some of the relevant factors to the entire issue. For instance, it needs to be sufficiently proved whether the commercial counsellors are making any real contribution to facilitate the business community and expand exports. It could be easily argued that factors like a proper exchange rate, exportable surpluses, the quality of exports, demand of Pakistani products in the importing country and ease of doing business are much more important than the contribution, if any, made by the commercial counsellors which are often recruited and posted on recommendations by politicians and powerful elements in bureaucracy without enough merit. Besides, there could hardly be any criteria for judging their performance as exports to a particular destination are generally determined not by their efforts but by a host of other considerations. At best, they can serve as a bridge between the business communities of the importing countries and Pakistan. However, whether they are competent and dedicated enough to successfully play such a role is a question that begs an answer.