

Sri Lankan exporters hit by RD, says envoy

KARACHI: Despite potential to increase bilateral trade, Sri Lankan exporters are unwilling to take new initiatives in Pakistan due to government's uncertain trade policies, said the Consul General of Sri Lanka G. L. Gnanatheva on Thursday.

Addressing members of the Karachi Chamber of Commerce and Industry (KCCI), he said "although a good potential to improve trade ties exists, our exporters are reluctant in taking any initiative and we cannot convince them due to uncertain trade policies in Pakistan."

The Sri Lankan envoy made these comments after the federal government imposed regulatory duty (RD) on Sri Lankan products overnight.

Imposition of RD has affected exports to Pakistan, he claimed, adding that both countries will have to make collective efforts to improve trade volume by exploring other avenues and defining a clear roadmap for growth in trade, investment and exports.

He said that Sri Lanka was first country to sign a free trade agreement (FTA) with Pakistan in 2005 which was successful in providing benefits to business communities of both countries. He highlighted that, "it has been observed that most of the benefits under this FTA largely remain unutilised by both sides."

According to a KCCI press release, the Sri Lankan envoy said there is a need to organise either a day-long or half a day forum in which the business communities from the two countries can get an opportunity to identify trading potential and discuss obstacles.

He stressed the need for greater cooperation different sectors through enhanced government-to-government and people-to-people contact. "The business communities of both countries should step up efforts to realise all potential areas of cooperation", he added.

President KCCI Junaid Esmail Makda said the chamber had opposed the imposition of RD on essential items as it was not a wise move but as country's foreign reserves were depleting, the government had no other choice but to impose duties in order to stay afloat.

"Hopefully, the situation will improve as soon as the foreign exchange reserves and the economy stabilise. We will convey Sri Lanka's concerns over the imposition of RD with relevant quarters in Islamabad so that the issue could be resolved in such a manner that it creates a win-win situation for both the countries," he added.

Makda said that businessmen and investors will have to look for opportunities in various sectors such as agriculture, textile, tourism, real estate, energy and information technology.

On a separate occasion, speaking with the Senior Vice President Federation of Pakistan Chambers of Commerce and Industry Dr Mirza Ikhtiar Baig, the Sri Lankan envoy said that tea exporters are willing to increase trade with Pakistan.

He said that Sri Lanka will organise a seminar in February which will be attended by the High Commissioner of Sri Lanka to Pakistan and senior officials of the Sri Lankan Tea Board to identify trade potential.

The Newspaper's Staff Reporter