

Luxury imports

APROPOS the news item 'CAD shrinks 29pc in 11 months'. The reduction in current account deficit is small and cannot end the nation's economic difficulties. It is disappointing that the trade deficit narrowed by a modest 13.6 per cent. Exports remained flat while imports declined by a mere \$3.017 billion from \$51.467 billion in previous year to \$ 48.450 billion this year. The imposition of duties on imports as well as weaker rupee has not helped in compressing imports.

Despite shortage of dollars, the government follows a liberal import policy whereby every type of luxury and unnecessary consumer goods are being dumped into the country. The affluent class consuming such non-essential imports can afford to pay higher price. It is imprudent to leave the consumption of foreign items to the good sense of the people or expect them to refrain from buying imported items when these are available in plenty in the market.

The government has to play its role instead of leaving the matter to market dynamics. It must stop the import of luxury foreign items, say for two years, including those being produced locally, to bring about a drastic reduction in the import bill. This step can correct the unmanageable trade deficit and further narrow down the current account deficit from the present \$12.678 billion to \$3-4 billion. The target is achievable if non-essential imported items are put in the negative list. Would the economic planners pay heed to this?

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