

### **Rupee ‘free fall’ failed to spur exports**

KARACHI: The wobbly rupee has left the economy, especially the industry on the line, as despite a massive devaluation over those last months, the country’s exports have not seen any improvement whatsoever, an industry official said on Wednesday.

“They (exports) rather fell by 1.75 percent in May, 2019. We have been trapped in a vicious circle,” Anjum Nisar, former president Karachi Chamber of Commerce and Industry (KCCI) said while talking to The News.

The US dollar appreciated by around Rs 6 or 3.29 percent in the interbank market Wednesday to Rs162.16 from Rs156.98 on Tuesday. In the open market, the greenback traded at Rs163 from Rs156.90 a day earlier.

Nisar said the free fall of rupee was not going to stop and the dollar might reach Rs170 in a few days. “Rupee will remain under pressure, dollar might reach Rs170. The government should take emergency steps,” Nisar said adding, “Unemployment and lawlessness will increase with inflation, as new wave of inflation will start from July 1, 2019”.

Economist Muhammad Ayub Mahar told The News that currency depreciation was well expected, as it was artificially managed during last five years to control the inflation, which increased the debt burden.

“In last five years exports have declined. They did not decline before it. Export and import ratio determines the exchange rate,” Mahar said. Ahsan Mehanti, CEO Arif Habib Commodities, said rupee was in a free fall and the economy was slowing down, as people did not expect any increase in the exports.

“The free fall is likely to continue until external accounts are stable and balance of payments is managed,” Mehanti said. Muhammad Sohail, head of Topline Securities, said Pakistan had to pay external debt and quarter was ending.

The country paid around \$1 billion in external debt per month. “After 30th June, we may see some stability, as debt pressure will come down. IMF (International Monetary Fund) will approve the loan and its impact will start from July onwards,” Sohail said.

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