

KCCI fears hurdles in business activities

Karachi Chamber of Commerce Industry (KCCI), Advisor Banking Ateeq Ur Rehman has said that Pakistan needs good revival of business and industrial activities to improve the health of the economy but increase in interest rates would translate into further hurdles in promoting business activities. The raise in the interest rates will make the development of the economic growth more difficult, he expressed while commenting on monetary policy.

Hike in interest rates is not a good sign for present position of our economy, he said. He told that it would enhance credit cost for private sector and make access to finance very difficult. He said the increase in the interest rate would further increase the cost of production that will definitely be transferred to consumers, which would ultimately add to inflationary pressure.

SBP projecting dimmer view of the economy in its quarterly report mentions that the economy continues to bleak and there is no silver lining on the economic horizon at least in the near future. Inflation continues to increase. Exchange rate depreciation takes upward inclination. Also gas, electricity, petroleum prices and higher budgetary borrowings keep on mountaineering.

Increasing energy cost and POL prices has already slowed the pace of industrial and commercial activities as well as the economy while the high discount rates has also brought an upshot and increase in the cost of doing business.

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