

### **Appointment of trade officers abroad**

The present government is very much focused to increase exports and attract foreign investment to improve the balance of payments position of the country. One of the measures to achieve this objective is the appointment of trade officers in Pakistan's major trading countries to undertake this critical job. The Prime Minister on 5th March, 2019 approved a new policy to allocate 20 percent quota or almost 12 posts for overseas Pakistanis for posting as trade officers in Pakistan's missions abroad to be tasked to promote exports and foreign direct investment (FDI) in approximately 40 countries. The decision comes at a time when tenure of almost 32 trade officers posted during the previous government will come to an end by July, 2019 while 16 posts had fallen vacant following the completion of tenure of officers posted earlier. As a result, the total officers to be posted abroad are almost 48 in the current year under the new policy approved by the Prime Minister. The Commerce Ministry was asked to prepare objective and quantifiable performance evaluation standards and key performance indicators for the trade officers. The Ministry was also directed to train these officers before postings, and extend their contracts on a yearly basis after a fair evaluation of the performance. The Commerce Division is reported to have improved the performance evaluation of trade officers abroad through international best practices, particularly through video conferencing and almost seven trade officers were recalled due to their poor performance. Under the new policy, overseas Pakistanis will also go through a written test followed by an interview.

We are happy to know that the present government, the Prime Minister in particular, is very much aware of the challenge of weakening balance of payments of the country and have taken a number of unpopular measures to avoid the unfolding crisis in the external sector that had brought the country almost to the verge of insolvency. A major depreciation of rupee and imposition of higher tariffs on non-essential imports were some of the measures to reverse the deteriorating trend in the foreign sector. These measures have brought some improvement but this is not enough to revert to a sustainable position in the external sector and maintain a reasonable level of foreign exchange reserves. The approval of a new policy by the Prime Minister to post the trade officers abroad is another step to arrest the deteriorating trend in current account (C/A) deficit by ensuring that the best available human material is posted to give a push to exports of the country and attract FDI. It may be recalled that the previous governments had been often accused of selecting these officers on the basis of nepotism or cronyism and ignoring merit. The policy to allocate 20 percent quota for the overseas Pakistanis and the improvement in the evaluation process of the trade officers would also appear to be an effort at raising the quality of trade officers in foreign missions. It may also be mentioned that last time, the policy of trade officers was changed in 2013 and annual cost of these postings was estimated at approximately Rs 2 billion which is not a small amount. It was, however, strange that no government has so far tried to evaluate the real impact of posting the trade officers abroad at such a cost on the expansion of exports from Pakistan to the host countries. If the net impact is not positive, the whole idea of posting trade officers abroad, in our view, becomes meaningless. The decline or stagnation in exports and FDI over the last few years may signify that posting of trade officers may not be very useful in improving these variables.

Coming to the new policy, it seems to have certain weaknesses. For instance, in our view, the appointment of trade officers should have been based purely on merit and no quota should have been fixed for overseas Pakistanis. This is because recruitment on quota does not guarantee that the best available talent in the country and abroad has been given the assignment to promote exports and FDI. The officers need to be well educated, hardworking, efficient, articulate, dedicated and be able to learn the language of the host country in a short period of time and these kinds of people are not easily available either within the country or abroad. Moreover, whatever the criteria of performance evaluation, this is generally determined, in our case, on the right recommendations and the personal relationship with the boss. And finally, one year contract of the trade officers for their evaluation performance seems to be too short to judge their usefulness to the country.