

Dawood questioned by MPs

ISLAMABAD: Prime Minister's Advisor on Commerce, Textile, Industries and Production and Investment, Abdul Razak Dawood on Friday was grilled by parliamentarians due to unprecedented appreciation in the dollar value versus Pak rupee and non-availability of essential goods at Utility Stores Corporation (USC) despite provision of Rs 2 billion subsidy.

This was the crux of the meeting of National Assembly Standing Committee on Industries and Production presided over by Sajid Hussain Turi. Abdul Razak Dawood first faced Rana Ishaq Khan who maintained that the current rupee depreciation was undertaken by the incumbent government which has forced the masses to complain bitterly about increase in price of goods.

"The incumbent government has crushed the general public in just nine months. What will happen in the next two years? You made false claims. You have failed to even control the rupee-dollar parity. How will trade grow?" Rana Ishaq hurled questions at Razak Dawood.

Dawood had no words to respond to these and merely stated "yes, yes", adding that yes the dollar has appreciated. The under pressure Advisor, however, kept a stiff upper lip and avoided commenting on the rupee depreciation. He, however, felt some relief when Sajid Begum of PTI stated that it is the Finance Ministry which deals with the dollar-rupee parity, not the Industries Ministry.

Ch Riaz-ul-Haq who also expressed anger at the rupee being traded at Rs 150 for every dollar, questioned as to how industrialization is possible with a free fall rupee. The Advisor again had no words in response and instead began discussing other issues. He, however, left early to attend a meeting presided over by Prime Minister Imran Khan.

Deputy General Manager, Engineering Development Board (EDB), Asim Ayaz gave a detailed presentation on the organisation's functions and policy measures taken so far and future strategy.

He said, EDB is now being headed by a General Manager on look-after charge, as the former government had decided to wind up the organisation when a summary was sent to appoint him as CEO on a regular basis.

He informed the committee that new Auto Development Policy (ADP) has attracted \$1.3 billion investment in Greenfield and Brownfield. He said 15 new entrants are establishing their plants of which one plant will be operational by August whereas the others will start production in early next year.

Abdul Razak Dawood said that out of 15 new plants, 5-6 will be closed after a few years as all cannot succeed, however, others will continue. He said EDB is not as strong as it should be. He further stated that there are few flaws in ADP but the incumbent government will not touch it as no policy is perfect. He said, presently 2.7 million motorcycles are manufactured in Pakistan with 90 per cent deletion whereas cars manufactures have achieved 45-50 per cent localization. Tractors are 100 per cent manufactured in Pakistan and are now being exported. He further stated that if Pakistan

wants to achieve \$ 100 billion export mark, textiles alone cannot achieve it, adding that Pakistan has to focus on textile, engineering, agri products and chemicals.

Dawood stated that previously, the country's duty structure was flawed as duty on raw material was higher compared to finished goods, which implies that the government was giving the signal to import products. However, the incumbent government has started reversing these flawed policies.

Dawood said he will try to further reduce duty on raw materials or get it eliminated which is, however, difficult as the revenue impact would be Rs 40 billion.

“We have completed our homework. I will sit with the Finance Advisor on this issue. We have to take measures if we want to take the engineering industry ahead. It will hit the revenue but industry will run,” he added.

The committee members expressed serious annoyance at the government for not ensuring supply of goods at Utility Stores Corporation (USC). The recently appointed Managing Director acknowledged that there are gaps in USC outlets as some of the stores are in far flung areas. The committee recommended that a committee should be constituted to check the quality, quantity and availability of goods at USC outlets. He said USC has to pay Rs 7.5 billion which will be paid to vendors within four to five months. In reply to a question, Secretary Industries and Production, Aamir Ashraf Khawaja assured the committee that the government has no intention of privatizing USC.

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