

**Govt unlikely to achieve export target for FY19: Dawood**

ISLAMABAD: The government is unlikely to achieve the export target set for current fiscal year despite massive devaluation of the local currency, Adviser to Prime Minister on Commerce Abdul Razak Dawood said on Thursday.

He said that his earlier projections of \$27-28 billion exports were unrealistic despite government's efforts including the release of massive subsidies to various sectors.

"Now, I think that even my realistic figure of \$25bn is not achievable", he said in an answer to a question at the press briefing.

The country's export proceeds during July-April decreased by 0.12 per cent to 19.169bn despite a 19pc decline in local currency.

Dawood went on to say that exports are expected to decline further in the coming months.

The adviser had earlier criticised the PML-N government for their failure to increase exports.

He added that export performance can be measured from three indicators — growth in dollar terms, rupee terms and quantity.

He said that export proceeds in dollar terms remained static while adding that "I don't consider the growth in terms of rupee in exports proceeds."

He also blamed the global slowdown for the country's abysmal exports claiming that global trade decelerated by 3pc while the price of commodities also fell by over 7pc amid trade war between China and US.

"These factors are responsible for the static growth in exports", the adviser added.

However, he said that he is optimistic for the next fiscal year and hoped that exports will pick up.

He said exports in the value-added sectors have been on a positive trend whereas yarn exports fell during the period under review showing the changing direction of exports.

The government has also been providing subsidies on exports of value-added textile products at a higher rate in addition to providing lower subsidies on low value-added textile products.

The previous government has reversed the textile policy of the PPP government which only allowed benefits to the value-added sectors to generate employment opportunities in the country.

However, the PML-N government did away with PPP's policy and allowed subsidy on low-value added textile products as well.

Furthermore, the incumbent government also continued the policy of PML-N of allowing subsidies to both value-added sectors along with low value-added textile sectors.

Dawood said that providing market access to businessmen and industrialists plays a pivotal role in increasing exports and we have made huge strides towards achieving that goal.

On the issue of pending refunds with the Federal Board of Revenue (FBR), adviser said that he has held several meetings with tax officials.

When asked whether he will support the continuation of zero-rating to five sectors, he remarked that he supports strategies that promote exports but added that the FBR wants to restore full sales tax on the local supply of textile and other four sectors in the domestic market.

He said the issue of zero-rating was also taken up with the International Monetary Fund (IMF) during the negotiations but both government and IMF officials could not take come to an agreement on the matter.

The adviser emphasised the need for increasing tax revenues in the country and added that the incumbent government had taken right decisions to collect due taxes from all individuals including industrialists.

“We can’t prosper until we pay our due taxes”, Dawood advised his peers in the business sector.

“Until our wealthy people pay their taxes, the tax-to-GDP ratio will remain worse”, he added.

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