

RECORDER REPORT

**\$5 hike in oil price to push up oil import bill by \$1.25bn: PBIF**

KARACHI: Pakistan Businessmen and Intellectuals Forum (PBIF) President Mian Zahid Hussain has expressed concern that an increase of five dollars in world oil price will increase oil import bill by \$1.25 billion as Pakistan's 26 percent imports are oil-based.

He said the crisis in the Middle East can destabilize the whole world if it is allowed to continue. It can also wipe out all the gains achieved by Pakistan on the economic front as an attack on the most important oil facility in the world is being dubbed as '9/11' of the energy world, he added.

Mian Zahid Hussain said that attack on Saudi oil facility has disrupted five percent supply but prices jumped by 19.5 percent and if tensions continue, it can result in a global crisis.

He said that Saudi oil production has been reduced by 5.7 million barrels per day while the kingdom has not announced any date for resumption of operations which adds to the anxiety.

He said that tight monetary policy and other initiatives have reduced the current account deficit by 73 percent, foreign exchange reserves have been stabilized, number of filers has jumped to 2.5 million, energy theft has been reduced, imports are going down while exports are gaining momentum which could be reversed.

The defense budget saw a freeze but non-developmental expenditure has not been capped. Tax collection has been improved, but it will be of little help, he maintained.

Mian Zahid said that bleeding companies should be sold and harassment of the business community should be stopped. Circular debt has touched the mark of Rs1.7 trillion while monthly Rs38 billion is being added to it which is a threat.