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�Financial aid from friendly states eased pressure on foreign reserves�

KARACHI: President of Pakistan Businessmen and Intellectuals Forum (PBIF), Mian Zahid Hussain has said that financial assistance from friendly countries like Saudi Arabia, China and UAE has eased the pressure of foreign reserves and reduced economic uncertainty.

He said that the government measures like reduction in tariff of gas and electricity, duties on raw material and promissory bonds against refunds of exporters will help the export sector.

Abolishing ban for non-filers on purchase of cars up to 1300CC will better the LSM sector growth. Reduction in price of urea by Rs 200 per bag will improve agriculture yields and measures for tourism development will also support economic stability.

He said that according to SBP quarterly report of FY 2019, both agriculture and industrial sector underperformed against expectations. Yields of all major crops in Kharif season were lower and land under cultivation has reduced by 7.7 percent due to water constraints in Sindh and increase in urea prices.

He said that LSM contracted by 1.7 percent against growth of 9.9 percent in the same period of last fiscal year. With imposition of ban on property and car purchases by non-filers and cut in PSDP spending by govt. performance of construction and manufacturing sectors has declined on annual basis.

Trade, services and transport sectors may experience underperformance due to worst industrial standings and reduced imports. Current expenses have increased by Rs 100 billion to Rs 542 billion given to loans return and defence expenses.

He said that tax revenue has declined by 11 percent due to reduction of GST on petroleum products and slower economic activities while non tax revenue has increased by 12 percent. Reduction in development expenditure reduced development growth to 11 percent from that of 13 percent.

Provincial current expenditure has increased by 22 percent. Government loan has reached to Rs 25.8 trillion in the end of first quarter of FY 2019 which was Rs 25 billion at the end of FY 2018.

Mian Zahid Hussain said that textile exports could not be increased due to decline in global prices and growth has reduced to 4 percent from two digits, however, food sector exports have been increased by 29 percent due to sugar and wheat.

Non energy imports have reduced by 19 percent due to reduction in PSDP and completion of some of CPEC projects however, its impact has been null due to increase in energy sector imports and trade deficit has increased by 7 percent on annual basis.

Mian Zahid Hussain said that SBP estimated GDP for the FY 2019 at 4 to 4.5 percent despite the target of 6.2, inflation despite target of 6 percent may reach to 7.5 percent, fiscal deficit may reach to 6.5 percent against target of 5 percent and current account deficit may reach to 5.5 percent against 4 percentc target.

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