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Value-added exports up by 27pc, says Razak

KARACHI: Discontinuation of all subsidies on exports has helped Pakistan to increase its value-added exports to 27 percent, said Razak Dawood.

Speaking the inaugural ceremony of 5th Pakistan Edible Oil Conference (PEOC) held at a local hotel here, Abdul Razak Dawood Adviser to Prime Minister for Commerce, Textile, Industry and Production and Investment said that country's economy has dragged out from difficult situation and is now stable.

He said the current account (CA) deficit, which became a challenge for the government, is now under control and added that CA deficit was reported surplus in November 2019.

He said that rupee devaluation and non-payment of refunds were the major concerns of the business fraternity and now rupee had strengthened in last few months and refunds payments had also improved.

The adviser further said that Prime Minister was paying special attention on sugar, wheat and rice sectors to resolve issues related to the industries, which were facing immense challenges. He said that government had now discontinued all subsidies on sugar, yarn and grey cloth exports that increased value-added exports to 27 percent.

Moreover, he said that rice sector was planning to escalate its exports to US$5 billion from US$2.1 billion in next five years with government facilitative approach and for the purpose they had a meeting with the prime minister. He also apprised the participants that representatives from edible oil industry, who requested him for relaxing axel load limit, agreed to drop their prices by Rs 10. However, this relief could not be materialized due to import price increase. "The country is moving forward despite high inflation and strict monetary policy," he said.

Moreover, Razak said that changes were being made to widen the tax net and to promote 'make in Pakistan', which would help encouraging exports and imports substitutions as the government did not want to continue the culture of not paying taxes and the imports of consumer products. During the media talks, he said that deliberations were in progress with the protesting transporters and hoped the issue would be resolved soon.

In his welcome address, A Rasheed Janmohammed, chief executive PEOC said that 90 percent local demand of edible oil were met through imports and urged the authority concerned to revive palm seed cultivation project located at Thatta district.

Moreover, he said Malaysia was keen to explore investment opportunities in Pakistan and the delegation in this regard had meetings with the chairmen Port Qasim Authority (PQA) and Karachi Port Trust (KPT).

Meanwhile, Sheikh Atif Ikram, chairman Pakistan Vanaspati Manufacturers Association (PEVA) said that edible oil sector was not sustainable growth, due to heavily dependency on imported palm oil and requested the government to promote palm seed cultivation in the country to maximize the share of locally produced palm oil.

Madam Teresa Kok, minister of primary industries, Malaysia, who came to Pakistan for the first time to attend the event, said that Pakistan was the first export destination Malaysian palm oil. She said that both Malaysia and Pakistan were in good relations and Prime Minister Imran Khan was going on his second visit to Malaysia by next month.

She said that Pakistan imported 6.4 percent of total Malaysian palm oil production and was fourth largest importer after China, India and Japan; adding that Malaysia palm oil industry despite having strict regulations witnessed almost 100 percent growth since 2000 (from 2.7 million tons of oil in 2000 to 5.3 million tons in 2018).