

Pakistani industrialists decry hike in POL prices **Demand govt to withdraw decision which will increase cost of doing business**

LAHORE: Government should withdraw the recent hike in oil prices which is bound to jack up the cost of doing business in Pakistan, said Lahore Chamber of Commerce and Industry (LCCI) Senior Vice President Irfan Iqbal Sheikh.

In a statement on Saturday, he said there was no denying the fact that oil prices were rising in the international market but instead of passing on the surge to the masses, the government needs to curb the number of taxes on petroleum products because fuel is the engine of growth.

"If fuel will is taxed heavily the entire economy suffers and that is what has been happening in Pakistan," he added. "A large number of industrial units have already shifted their operations to foreign countries solely due to high cost of doing business in Pakistan."

He expressed regret that the recent decision would force more industrialists to relocate their industrial units. He was of the view that the unprecedented move would dent the agriculture sector as well besides affecting the industrial sector.

On the other hand, Pakistan Hosiery Manufacturers and Exporters Association (PHMA) lashed out at the government as well for the extraordinary rise in prices of petroleum products. They said that the increase in prices will raise cost of production and cost of doing business.

PHMA Vice Chairman Shafiq Butt argued that the high cost of doing business was already hindering the country from achieving its export target and the recent hike would add to the woes.

He appreciated State Bank of Pakistan's decision of slashing interest rate by 100 basis points to 7% and hoped that it would spur economic activity slowed down by the coronavirus outbreak. He observed that a cumulative reduction of more than 6% in the interest rate in just few months would drastically cut the cost of production, strengthen debt repayment ability and improve the credit worthiness.

"However, the latest move of hiking oil prices suddenly will erase the entire benefit provided to the industry," he added.