

**PIAF warns govt of missing annual growth target in major sectors**

LAHORE: The Pakistan Industrial and Traders Association Front (PIAF) has warned the government of missing its annual growth target in major sectors and stressed the need for dropping energy prices for the local industry so that industrial growth could be escalated.

In an interactive session with the media, the PIAF leadership lamented that the cost of production has flown upward, reaching the highest level of last seven years mainly due to massive cut in Rupee value versus greenback and record high interest rate, leading to slowdown in economic growth.

The Association leaders urged the government to provide level-playing field to business community, as the huge depreciation of Rupee against dollar, record high markup rate and continued hike in power and gas tariffs have escalated the cost of production unprecedentedly, hitting not only the export sector but also the local industry.

PIAF Chairman Mian Nauman Kabir suggested a considerable reduction in the key policy rate, taking it into single digit, with a view to providing the private sector access to low-cost borrowing. Instead of export sector, the entire industry should be given relief. The frequent increases in electricity prices or additional charges to the bills are not the solution of power sector problems, he opined. The electricity supply at regionally competitive rate to the export sector can give a significant boost to the exports, he said.

Mian Nauman Kabir also called for lowering cost of production, solution of liquidity crunch through early refunds payment, long-term and consistent energy tariff policy and relaxed import policy for industrial raw materials so that industrialization could be promoted and exports could be enhanced.

PIAF former chairman and LCCI former president Mohammad Ali Mian said that Pakistan's core issue was high cost of doing business which rendered its industrial production uncompetitive, suggesting the government to work on bringing around significant improvements in ease and cost of doing business for the industry.

He said that the liquidity crunch was a major stumbling block in the way of improving exports, calling for ensuring refund of sales tax within 72 hours of the filing of claim. The withdrawal of zero-rated facility not only affected the large scale manufacturing, it also increased the cost of doing business of small industries and opened the door of smuggling which is unaffordable in the present economic environment. He suggested the government to facilitate the industrialization in Pakistan, particularly the agro-based and value-added industries for the enhancement of exports.

PIAF Vice Chairman Javed Siddiqi said that the government must provide level-playing field to the industry enabling it to successfully compete with its regional business rivals in international markets.” He stressed the need for new marketing plan to maximize exports following extension in GSP Plus status.

Javed Siddiqi said this facility has been available to Pakistan since Jan 2014, its continuation is an award for Pakistan’s progress in enacting new laws and developing new institutions for implantation of 27 core conventions of GSP-Plus, especially the National Action Plan for human rights. The national economy is directly linked with the survival of industry and its active participation in policy making is a must to harvest the economic benefits of GSP Plus and other emerging opportunities.