

BMP urges ministry to manage handsome aid to improve economy

KARACHI: Secretary General (Federal) of the Businessmen Panel (BMP), Ahmad Jawad has said Ministry of Economic Affairs must start serious negotiation with the international financial institutions for a handsome aid to fight with the country economy in the wake of COVID-19 and try to manage at-least US\$5 billion.

Jawad also stressed that the federal finance portfolio should lie with an elected politician to win greater confidence of stakeholders.

He further suggested the need for envisioning a new industrial policy which is also part of the foreign policy strategy. Similarly a new vision of economic growth must be defined by the private sector.

He said layoffs, cutting costs and halting dividends; companies are scrambling to adapt as the coronavirus emergency hits demand while the draconian measures taken to contain the illness undercut production.

In the wake of outbreak of coronavirus, Pakistan's initial economic losses in different sectors of the country's economy have been estimated around Rs1.4 trillion because of reduction in services sector, including airline business and others, FBR's revenue loss, massive decline in imports, exports, reduction in remittances, disruption in food supplies and other fronts and top of that unemployment's of daily wages workers.

Jawad said government must announce economic aid and stimulus package amid the pandemic crisis and shutdown that's hurtling the country towards a likely recession. "The briefed export orders are almost suspended and somewhere it put hold".

The recent cut of 75 bps was unjustified and completely rejected. Leading economics have slashed their interest rates to support their businesses but here things are going on in opposite direction; SBP policy rate cut is literally "depressing", I think the government was choosing not to see its finances and was instead "committed to economic suicide".

"They first committed suicide by devaluation of currency and they have now committed suicide by not reducing the interest rate adequately," he added.