

Exports fall but trade balance improves

ISLAMABAD: The Commerce Ministry said on Thursday that the country's exports have posted a downfall of 19.5 percent to \$1.586 billion in August 2020 as compared to \$1.969 billion in the corresponding month of last year.

The reasons of decline were discussed in an internal review meeting at the Ministry of Commerce chaired by the Advisor to the Prime Minister on Commerce and Investment, Abdul Razak Dawood.

During the same month, imports also dropped by 20 percent, in dollar value terms to \$2.968 billion as compared to \$3.710 billion in August 2019.

Similarly, the overall trade balance has improved by 20.6 percent in August 2020, as compared to the same month last year. The ministry, however, has not shared any data of cumulative trade of two months (July-August) 2020-2021, indicating that exports are in two months were flat or in the negative trajectory.

Commerce Ministry, in an official statement, said that despite the decline in August, some of the products, such as tractors, iron and steel, chemicals and cement have posted a growth of 186 percent, 100 percent, 90 percent, and 30 percent respectively, in dollar value terms, as compared to August 2019. The meeting was informed that due to heavy rains in the country, there were some delays in obtaining and analysing the data.

It was further discussed in the meeting that the rains and consequential urban flooding, particularly in Karachi, caused significant problems in the existing infrastructure, disrupting the supply chains and affecting the exports for the month of August.

Power outages, slowdown in business activities, delays in transportation and hampering of port operations are some of the issues faced by exporters due to unprecedented monsoon rains in the country.

Addressing the meeting, the advisor was of the view that the exports would begin to recover in September as normalcy should return to Karachi.

He noted that although exports had temporarily fallen, the trade balance continued to improve.

"Exporters are encouraged that despite the calamity of rain and flooding, we must pursue 'Make in Pakistan' and export-led growth," the statement quoted the advisor as saying.

Dawood expressed the hope that the exporters would make up for the loss in the subsequent months.