

Reasons behind 20pc decline in August exports

ARTICLE: The reasons behind the plunge in exports are obvious and need no Sherlock Holms to investigate! The first four days of August were lost to Eid Holidays, and this time we all noticed a marked reluctance of out-station workers to work over Eid. They had been at their jobs throughout the pandemic period and unable to take holidays at home even if they wanted to. There was no public transport particularly for long journeys to other cities. Most travelers were scared of contracting Covid-19 so everyone just stayed at home or work or their labor colonies or ghettos! By end of July there was visible fatigue with the pandemic lockdowns, the infection and death rates were coming down. So many workers went home, and most factories remained understaffed till quite a few days after the Eid holidays officially ended.

The next holiday which was celebrated with great gusto was the 14th of August, Independence Day. As luck would have it, it happened to be on a Friday, so obviously the Saturday and Sunday was strung along and it became another celebratory long weekend. Then came the Ashura holidays at the closing of the month. Factories, which pride themselves on continuous runs and do not shut down even during the Eid

Holidays, do close on 9th and 10th of Muharram. The number of official holidays reached six and that is pretty well about a quarter of the 24 working days of the month.

The end of the month was marked by heavy rainfall all over the country. The devastation wrought by torrential rains in Karachi was broadcast live on television day and night. The industrial areas were flooded by rainwater and sewage. Factories were shut down, low-lying godowns and packing rooms were flooded and export consignments were destroyed. There were reports of havoc at the port where export and import activities were halted for days. Shipments en route to Karachi from upcountry either did not leave or were stuck on the roads. Luckily, there were no major road or rail disruptions and all the main bridges and connections kept working.

There is no doubt that our roads especially in the Punjab and the KPK have been improved greatly over the last twenty years. The motorway from Sukkur northwards is a breeze. A number of Karachites have ventured to the north in their own automobiles and marveled at their own country.

Cities like Lahore, Rawalpindi/Islamabad, Faisalabad, Multan and the other major centers remained safe to travel through. The roads which erstwhile would become waterways for a few days of the monsoons were quite navigable by cars and even motorcycles this year. This goes to show that even a modicum of pre planning and reasonable governess can do wonders. The picture of Pakistan is not entirely bleak.

Most of the exporting factories are optimistic. They have orders for September and beyond. The figures for September should normalize if no fresh calamities take place.

Unfortunately, we as a country are good at creating fresh disruptions and chopping off our own feet. So unless some completely unforeseen events disrupt our economic life September figures for exports should go back to normal.

All that is required is that the government holds to its promises and does not go off on a tangent. The exchange rate should remain market driven, sales tax refunds continue to get paid, and electricity and gas keep flowing. It appears that we have weathered Covid-19 better than most, and let's just hope there is no surprise from that angle as well.

For Pakistan, perhaps a month without a calamity is too much to ask!

(The writer is Chairman Towel Manufacturers Association of Pakistan)