

Growing large-scale manufacturing revives industrialisation: Hafeez

ISLAMABAD: Finance Minister Dr Hafeez Shaikh on Wednesday said the accelerating growth in large-scale manufacturing (LSM) is a testament to the government's efforts to encourage industrialisation in the country.

"The growth in LSM will generate new employment opportunities for our people", Dr Shaikh said a day after releasing official figures by the Pakistan Bureau of Statistics (PBS). He went on to say that double-digit growth of 14.5 per cent in November compared to November 2019 is proof of the government's efforts to encourage industrialisation in the country.

Planning Minister Asad Umar also took to Twitter that the LSM growth in November is the highest large-scale manufacturing growth in any month in the last 12 years. "Excellent news of LSM growth numbers for November", he said, adding that the industrial growth is clearly accelerating.

Moreover, Industries Minister Hammad Azhar said that Pakistan is successfully reversing the tide of deindustrialisation that began in 2008. Capacity enhancements, new investments and modernisations are already in play, he said, adding industry posting strong growth. "We will keep up the momentum", he said.

Since July, the LSM has rebounded after suffering months of a downturn on account of Covid-19 mainly in the construction, textile, food, chemicals, non-metallic mineral products, automobile and pharmaceutical sectors. The uptick during the last five months reflects a revival in economic activities in the country.

On a month-on-month basis, the LSM grew by 1.35pc.

The PBS snapshot of the manufacturing activity showed that 12 out of 15 sub-sectors in the LSM rose during the month under review. Low interest rates and reduction in duties on raw materials are expected to further spur economic activities in the current fiscal year.

Sector-wise, production of 11 items under the Oil Companies Advisory Committee up by 1.17pc year-on-year during November. The 36 items under the Ministry of Industries and Production rose by 19.13pc, while 65 reported by the provincial Bureaus of Statistics grew 6.94pc.

The LSM represents nearly 80pc of the country's total manufacturing and accounts for nearly 10.7pc of the national output. In comparison, the small-scale industry makes up for just 1.8pc of GDP and 13.7pc of the secondary sector.

As per the PBS data, sub-sectors excluding trucks within the automobile sector posted massive growth in November from a year ago. Production of tractors rose by 57.84pc,

jeep and cars 72.15pc, LCVs 214.9pc, buses 14.06pc and motorcycles 20.09pc during the month under review. The production of trucks dipped 10.16pc.

The cement output also grew 12.96pc during the month under review on the back of greater demand following the start of construction activities and increase in exports from the country.

The production of paints and varnishes was up 48.72pc.

On the other hand, cigarettes production up was by 17.45pc year-on-year in November.

In pharmaceutical, the output of syrups rose by 22.89pc, injection 32.59pc, and capsules 6.12pc. The output of tablets dipped 9.62pc, and ointments 11.16pc, respectively.

On the other hand, vegetable ghee, tea, cooking oil, and wheat and grain milling output grew 0.21pc, 20.50pc, 4.27pc and 68.15pc respectively. The production of these sectors rebounded since October after negative growth in the previous months.

November figures showed that output of petroleum products was up by 1.17pc. The output of two oil products — petrol and high-speed diesel was up 17.30pc and 3.13pc respectively whereas furnace oil production increased by 9.23pc and lubricating oil 24.96pc during the month under review.

The production of other petroleum products posted negative growth.