

Hole in the economy

This refers to the editorial 'Hard choices' (December 14). While Asad Umar may have skilfully answered the foreign media's piercing questions, he could not impress the domestic audience. Instead of offering any roadmap for the faltering economy, he kept saying that actions taken so far synchronise with IMF recommendations. The State Bank's reserves have now fallen to \$ 7.3 billion, the lowest level in the past seven years. Bold measures like a complete ban on import of luxury and unnecessary items to rein in the current account deficit have not been taken to date. No significant reduction in the import bill was noticeable during the July-November period while the current account deficit remains almost at the previous year's level.

The government has also failed to expand the tax base. A shortfall of over Rs100 billion has occurred during the first five months in tax collection against the modest target set in the budget. Documentation of economy remains a distant dream as no plan is on the card. The finance minister is solely depending on friendly countries. It seems that tough measures that are necessary to reform the economy are absent.

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