

Current import, export trend may hurt economic growth: FPCCI

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REPORT

KARACHI: Federation of Pakistan Chambers of Commerce and Industry (FPCCI) president Ghazanfar Bilour apprehended that if current trend in exports and imports continues, the trade deficit will get further widen and ultimately, it may hurt economic growth, outflow of capital, transfer of resources and it will increase economic dependency.

Expressing his serious concern over the drastic increase in trade deficit of Pakistan resulting in fiscal imbalances, he said adverse balance of payment also erodes the foreign exchange reserves that are also narrowing down.

The exorbitant increase in import is exerting pressure on balance of payments and reflecting performance of economy.

He further informed that latest figures indicate that imports for the fiscal year 2017-18 has reached \$61 billion, while exports remained \$23 billion which results a record high trade deficit of \$38 billion. Despite, the imposition of regulatory duty to contain imports, it has gone more than double of the exports.

While on the other hand exports from Pakistan are continuously declining after reaching \$25 billion in 2013-14. The imports target for fiscal year 2018 was set at \$48.82 billion.

Pakistan's imports have increased by 15 percent due to increase in POL prices, machinery for CPEC and devaluation of Pakistani rupee.

Ghazanfar Bilour also said many countries have trade deficit which is not unusual but deficit finance through borrowing is un-sustainable in the long term.