

LCCI demanded of the government to bring all untaxed sectors into the tax net instead

The Lahore Chamber of Commerce and Industry Friday said that 250 to 300 basis point cut in policy rate is direly needed to jumpstart the economy which is at standstill and to revive the industry. In a statement issued here, the LCCI President Irfan Qaiser Sheikh said that a cut of 50 to 100 basis points would not be doing any service to the dwindling economy. He said that it was very unfortunate that we have failed to learn any lesson from the tighter monetary policy stance adopted by the State bank of Pakistan in the yester years.

Irfan Qaiser Sheikh, while appreciating the Defence Minister Ahmad Mukhtar stance for a drastic cut in interest rate, said that the Lahore Chamber of Commerce and Industry acknowledges the services of Mr Ahmad Mukhtar because during his tenure as Federal Commerce Minister he had managed a visible cut in markup rates. The LCCI President said that ongoing economic scenario shows that there is hardly any time left for economic managers of the country and they all should understand well that a 50 to 100 basis point cut will be too little.

Irfan Qaiser Sheikh said that it is now before all of us that high discount rate is no more sustainable. It has been causing a great harm to economy and would continue to do so unless and until a realist approach is adopted. The LCCI President said that despite higher inflation all the major economies have either curtailed or are in the process of reducing high interest rates to protect their economies. He said that in the United Kingdom, the inflation is around 4.5 percent while the government, despite poor health of its economy, is not making any change in its interest rate that is 0.5 percent.

He said that in USA, the rate is 0.25 percent and in Eurozone it is 1.5 percent. The LCCI President said that the State Bank of Pakistan should understand that its continued tighter stance is inflicting a very heavy loss on the nation as the economy has already paid a very high price because of high interest rate.

The LCCI president said that he, in his one-to-one meeting with the Prime Minister Yousaf Raza Gillani yesterday, had also requested him to help bring down the highest ever interest rates in the country if the present government was interested in seeing industrialization in the country. Irfan Qaiser Sheikh said that the Prime Minister had assured him that while evolving all the future economic policies, the private sector in general and the Chambers of Commerce in particular will be taken on board.