

Lahore Chamber urges govt to review foreign policy

The Lahore Chamber of Commerce and Industry Friday hoped that at the upcoming Pakistan Ambassadors and High Commissioners moot, scheduled for December 12 and 13, the government would review country's foreign policy for making it more pragmatic and result-oriented. In a statement issued here, the LCCI President Irfan Qaiser Sheikh, Senior Vice President Kashif Younis Meher and Vice President Saeeda Nazar said that the foreign policy should be more focused towards improving Pakistan's economic integration into the global economy. "This objective could be achieved by highlighting the country's potentials and strengths of the local private sector and in particular Pakistan's foreign missions should effectively use all avenues of economic and trade diplomacy."

The LCCI office-bearers said that the business community can be readily engaged to effectively establish and strengthen Pakistan's global economic networking and visibility. They said that Pakistan's Ambassadors and High Commissioners should be tasked to build country's international image by highlighting investment and growth opportunities available in all sectors of the economy. The LCCI office-bearers said that Pakistan's rich agricultural base, young and low-cost labour, geographical competitive advantage and untapped mineral wealth need to be showcased globally and our foreign missions can be very helpful in introducing these unique aspects of Pakistan's economy.

They said that the government should, in consultation with the private sector, rewrite its foreign policy paper keeping in view the national interests. Meanwhile, the LCCI President Irfan Qaiser Sheikh has urged the government to prepare 15 years economic agenda in consultation with business community to cope with challenges being faced by the economy. The LCCI President said that the private sector is main stakeholder when it comes to economy and without taking it onboard in the formulation of business-related policies an economic turnaround would be day dreaming. Irfan Qaiser Sheikh said that an acute electricity, gas shortage, over 72 per cent hike in electricity prices in the last five months, highest ever markup, huge banking spread, Rs 600 billion annually loss making State-owned Enterprises, unskilled workforce and poor infrastructure are the main factors of economic meltdown and the private sector has the ability and the capacity to prepare a 12 to 15 years economic roadmap to overcome these issues by ensuring sustainable growth. Irfan Qaiser Sheikh said that interest rates need to be in single digit for reducing the cost of borrowing while ensuring that banks increase cash-flow lending and reduce emphasis on collateral. Improving access to finance must also be accompanied by increased availability of venture-capital. The State Bank should encourage gradual expansion and diversification of financial products while at the same time paying closer attention to the supervision of the entire banking system to prevent large-scale failure. At the same time, the government must also adopt fiscal restraint and reduce bank borrowing in order to ensure that private sector's access to finance is not undermined. Irfan Qaiser sheikh said that the country needs to invest heavily to overcome the growing electricity and gas deficit resulting from energy policy and planning neglect of the last three decades.

The LCCI President said the economic growth requires infrastructure.

The country is falling behind in the development of widespread Special Economic Zones, Export Processing Zones, Industrial Parks and other specialized infrastructure. We need to invest in the essential infrastructure for growth such roads, bridges, airports and rail network as well as widespread access to affordable and reliable utilities and a nationwide digital outfit geared to increase productivity. “We are still not using information and communication technology to improve our way of doing business. We also need to build large-scale research and development infrastructure to support innovation, high-quality and high-value production and diversification of economic activities.”

The LCCI President said that the Public Sector Enterprises (PSEs) such as Pakistan International Airlines, Pakistan Steel Mills, Pakistan Electric Power Company, Pakistan Railways, National Highway Authority, Pakistan Agriculture Storage and Services Corporation and the Utility Stores Corporation continue to exert substantial burden on the public finance. These eight PSEs are incurring losses of around Rs.600 billion annually. The LCCI recommends immediate revival of the privatization program. Selling these organizations for Rs.1 each would also be better for managing the economy responsibly. This would immediately reduce a burden of around Rs.600 billion on the public finance which is considerably higher than Pakistan’s annual development budget. Above all, the government has no business to be in business.