

Declining Of Pakistan's Share In Global Trade

The share of Pakistan in global market is continuously at decline. The major reason behind the decline is that the rise in the quantity of export is very less that it does not add to the export development of our country. Other reason may include the declining of the international prices. The need of the hour is to raise the share in the global trade. For this purpose government is taking several steps.

Tackling of the shortcomings:

In order to deal with the short comings, the federal government took an initiative which is said to be as an Export Enhancement initiative. The worth of this initiative is more or less Rs. 180 billion. The intention behind the allocation of the budget of worth Rs 180 billion is to increase the competitiveness in the sector of exports. According to the sources of official press release, the aim is to increase the growth and to progress. It is not wrong to say that the tight fiscal conditions are prevailing and to overcome it the government has decided to provide the exporters incentives.

Furthermore, the package contains the elimination of the 4pc customs duty on the import of the cotton. The removal of sales tax on the import of the machinery is also included.

Less exports more imports:

Imports are on their rise and this is not a good sign at all. The sad reality is this that the exports are falling continuously. Just because of these factors the targets for the trade deficit are unable to meet. A scheme was introduced which was named as sales tax refund scheme, this scheme was especially made for the exporters. Unfortunately the exporters are still waiting for its implementation, they are not yet provided with it. On the other hand it is to be noted that the finance ministry is expecting considerable growth in the sector of economy.

This should be kept in mind that the government has offered more refunds on the exports of the finished goods rather than on those that are raw material.

In the year of 2003 and 2003, one such big scheme was not used in the way that it should, because of the government who had paid attention to those sectors that were not actually in need. Huge investments were made in those sectors which were not having considerable value.

Globally we are represented as a country which has cheap and low quality stuff to offer. This image is actually a hurdle in the growth process of the exports sector. Unfortunately our major investors are no more interested in investing within the borders rather they are investing outside the borders which results in economic recession.

What should we do?

It is quite clear that some serious steps must be taken in order to increase the productivity and growth. For this purpose we need to increase the export surplus. Along with the export surplus we also need to improve the quality of the products. Moreover we have to adopt such strategies that will attract the foreign investors to invest. Raw materials should also be of less cost.