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/><strong><br />KARACHI - The Finance Minister Ishaq Dar at the outset expressed his appreciation of the positive role played by exchange companies in the past for the country and hoped that they would once again remain conscious of their responsibilities in stabilising the exchange rate in support of Pakistan's economy.</strong></p> <p><strong><br

/></strong></p> <p></p> <p style="text-align: justify;">The Finance Minister and the Governor SBP held a meeting Friday July 26, 2013 with representatives of Exchange Companies Association of Pakistan (ECAP) at SBP Karachi. The productive meeting was held in a very cordial and positive atmosphere. He expressed concern over the rising spread between the Interbank and Kerb market rates recently and emphasised his confidence that exchange companies would work towards narrowing the gap.</p> <p style="text-align:

justify;"><br />The ECAP members presented their views and proposals, following which it was decided that ECAP would have another meeting with the Governor SBP to deliberate on the issues and arrive at substantive measures for implementation with expectation that exchange companies would play their positive role in bringing the spread down.</p> <p style="text-align:

justify;"><br />Meanwhile, KCCI President Muhammad Haroon Agar has expressed deep concern over recurring devaluation of the Pak Rupee against the Dollar terming it detrimental for the economy. Haroon Agar said that the enhancement in the rupee-dollar parity is due to inefficiency of policy makers. The rupee has plunged to life-time low position and will not attract the investors. Due to huge difference in the interbank exchange rates the expatriate Pakistanis would opt to other channels to send their remittances to Pakistan.</p> <p style="text-align:

justify;"><br />Haroon Agar said that our country cannot afford to have one of the worst-performing currencies in Asia which is result of deficits and lack of capital inflows, depletion of reserves, flight of capital and failure to push through economic reforms. It appears that policymakers lack a consistent plan to stabilise the currency which will compel business community to start looking at opportunities in other countries.</p> <p style="text-align:

justify;"><br />He said that almost over 50 percent depreciation of Pakistan rupee against US dollar since last five years and has nearly halted economic growth in the country, hitting all the important areas of economy from agriculture to industry; manufacturing to import of goods; and government should take immediate measures to seize further devaluation of rupee to avoid more damaging consequences for the economy. Rupee devaluation is multiplying the cost of doing business and badly affecting the industrial, manufacturing and agriculture sectors as Pakistan has to import commodities, machinery and industrial raw material. ♦He said that in the current scenario, depreciation of the rupee at its current pace won't push up exports, rather will certainly inflate import bill and inflation that, over the years, became closely linked to the exchange rate because of Pakistan's ever higher reliance on imports, particularly of energy inputs.</p> <p style="text-align: justify;"><br />Faster the depreciation of the rupee, higher will

be inflation and lower the competitiveness of Pakistan's business and industry.</p> <p style="text-align: justify;"><br />Therefore, government should get quickly into action to control this damaging trend to bring stabilisation in exchange rate to protect national economy from further injury.<br /><br /><br /><br /><br />Courtesy: ♦Nation</p>