Output grew only in industrial sector | Forex, Pakistan

Written by Administrator
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<p style="text-align: justify;" />ISLAMABAD: Pakistan�s industrial output growth remained above the target during the year 2012-13 and grew by 2.8 percent against the target of two percent during this period, despite a severe energy crisis, high unit cost of electricity, gas and transport. </p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">The manufacturing sector having forward and backward linkages with other sectors of the economy is considered as the main source of economic growth. In Pakistan, it contributes 13.2 percent to the GDP and 13.8 percent to total employment, says the Economic Survey 2012-13.</p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">Over the last few years, Large Scale Manufacturing (LSM) is giving low growth mainly due to energy shortage, adverse law and order situation, low foreign direct investment, irrational taxation and tariff system and low competitiveness of products. Besides, use of obsolete technology, low skill workers and increased raw material prices in the international market were also responsible.</p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">The industrial sector is divided into three sectors namely the LSM, Small Scale Manufacturing (SSM) and Slaughtering.The LSM sector, having a share of 10.6 percent in GDP, dominates the overall sector followed by SSM at 1.6 percent and Slaughtering at 0.9 percent.</p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">The LSM witnessed a positive growth of 9.32 percent during March 2013 as compared to negative growth of 1.19 percent in the corresponding period last year. On an average, in July-March 2012-13, the LSM registered a growth of 4.26 percent as compared to 1.49 percent in the corresponding period last year.</p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">The LSM group-wise increase witnessed in paper and board was 21.97 percent, rubber products 17.61 percent, pharmaceuticals 16.35 percent, coke and petroleum products 13.31 percent, iron and steel products 13.24 percent, food beverages and tobacco 7.30 percent, non metallic mineral products 5.86 percent and textile 0.92 percent. Most energy intensive sectors recorded negative growths including engineering products at 15.60 percent, wood products 18.98 percent, automobiles 11.84 percent, electronics 6.43 percent, fertilisers 5.03 percent, leather products 2.33 percent and chemicals 1.08 percent.</p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">The recovery in the LSM was broad based such as improved producers margin on account of falling raw material prices, better sugarcane crop, capacity enhancement in iron and steel and paper and board, strength in construction activities and higher external demand for cotton yarn.</p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">The industries like paper and board and steel production constraint eased out by investing in alternate energy arrangements i.e. coal and furnace oil. However, consumer durables continued to struggle with import competition as production of automobiles and electronics declined.</p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">The pick-up in private construction activities is also depicted in higher cement dispatches and import of iron and construction machinery that helped spur the overall manufacturing growth.

Courtesy: �The News</p>