

# INTERNATIONAL THE NEWS

## Path to trade prosperity

Dr Muhammad Zeshan

28<sup>th</sup> July 2024



Imagine strolling through the Karachi port, bursting with mangoes ready to be shipped to London, Paris and Dubai. Picture Pakistani textile mills churning out world-class clothes to rival any global brand. This is not a dream, it is Pakistan's potential. But to make it happen, we need to ditch our outdated trade rules.

Let's face it, Pakistan's trade record is, well, not great. Our exports are a measly 10 per cent of our economy, while neighbours like Vietnam and

Bangladesh are double that. It is like we are playing defence while the rest of the world is scoring goals.

Why? Blame it on our love affair with protectionism. High taxes on imports, complicated customs, and other roadblocks are strangling our economy. This is not just bad for businesses, it is bad for you and me as well. This means higher prices on everything: from cars to clothes.

Take our car industry. It is been in a bubble for ages. The result? Lousy cars at sky-high prices. Can you imagine if we let competition in? It would force car makers to up their game, giving us better choices and lower prices.

Sure, some people say we need to protect our new industries. But often, it is just a cover for old companies to avoid competition. There are better ways to help new businesses, like giving them money for research or training their workers.

This protectionism mess is also why we are always borrowing money. We are not exporting enough to pay for all the stuff we buy. We need to sell more than just clothes and rice. Let's manufacture things people actually want to buy.

So, what's the solution? Let's cut taxes on imports; make customs easy to deal with; and build better roads and ports. Let's make deals with other countries to sell our products there. And let's help small businesses get into the global game.

It won't be easy. Some people will fight us every step of the way. But the rewards are huge. More jobs, better products, and a stronger economy.

We need to stop thinking small and start dreaming big. Pakistan can be a trade powerhouse, a place where everyone has a chance to succeed. Let's open up, compete, and win. Our future depends on it.

Let's go deeper. We've touched on the problem, but now let's explore solutions.

First, let's talk about those taxes. They're like handcuffs for our economy. Lowering them will make our stuff cheaper for other countries to buy. It's simple economics: lower prices, more sales. But we cannot just slash them overnight. We need a plan, maybe cutting them a little each year.

Second, customs is a nightmare: Red tape, delays, and bribes – it's a mess. We need to digitize the whole thing, make it transparent, and crack down on corruption. Technology can be a game-changer here. Imagine being able to track your shipment from your phone.

Third, let's talk about those trade deals. We need to be more aggressive. We have to negotiate hard to get the best deals for Pakistan. And let's not forget about our neighbours. We should be working closely with countries like India, China, and Iran to create a regional trade bloc.

Fourth, small businesses are the engine of our economy. They create jobs and drive innovation. We need to make it easier for them to start and grow. This means access to finance, training, and support.

And let's not forget about the digital age. Online shopping is booming. We need to make it easy for Pakistani businesses to sell their products online. This means fast internet, secure payment systems, and clear regulations.

Change is never easy, but it's necessary. We cannot keep doing the same things and expecting different results. It is time for Pakistan to step into the global spotlight. Let's open up, compete, and win.

The writer is a research fellow at the Pakistan Institute of Development Economics (PIDE).

[Newspaper Link](#)