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## *Exports cannot wait*



It is always a good idea to examine how to enhance exports, particularly when the economy remains fragile and external buffers are thin. That is why the recent consultative session at the Ministry of Commerce where value-added textile and apparel exporters laid out their grievances before Commerce Minister Jam Kamal Khan should not be treated as just another routine industry interaction. The fact that the same structural complaints continue to surface, year after year, is itself the real story.

Representatives of the Pakistan Hosiery Manufacturers and Exporters Association, PRGMEA, the Pakistan Textile Council, PTEA and others did not arrive with novel demands. They pointed to upfront taxes that strain liquidity before revenue is realised, elevated energy tariffs that erode competitiveness, pending refunds that trap working capital, limited credit under the Export Finance Scheme (EFS) and frequent policy changes that disrupt planning. These are not marginal irritants. They strike at the core mechanics of exporting.

The shock lies in the familiarity of the list. Pakistan has been grappling with weak export performance for decades. Every balance-of-payments scare triggers renewed pledges to boost exports. The recent brush with potential default, which forced harsh stabilisation measures and deep contractionary policies, should have sharpened focus on external earnings. Yet the conversation remains stuck at identification of impediments rather than their removal.

Upfront taxation, followed by delayed refunds, effectively taxes liquidity. For small and medium exporters, especially in value-added textiles, this means borrowing more at high domestic interest rates to fulfil orders. In an environment where energy costs already exceed those of regional competitors, this compounds the disadvantage. Industry's call for alignment with regional peers is not rhetorical. Bangladesh, Vietnam and even India structure export facilitation with predictability and cost discipline. Pakistan oscillates between short-term relief announcements and subsequent adjustments that dilute them.

Credit constraints under the Export Finance Scheme add another layer. When access to working capital is limited, exporters cannot scale orders or explore new markets with confidence. The proposal to ensure uniform acceptance of foreign master letters of credit as collateral for back-to-back LCs is technical but consequential. If commercial banks remain hesitant or inconsistent, exporters are left navigating administrative uncertainty instead of focusing on production and marketing.

Frequent policy changes remain the silent drag. Export contracts are negotiated months in advance. Pricing assumes certain input costs, energy tariffs and tax structures. When these variables shift abruptly, margins evaporate. Long-term buyers seek reliability; volatility discourages them. The minister's assurance of categorising proposals into immediate, budget-linked and structural reforms is welcome. The formation of technical committees signals intent. What is missing is an implementation clock.

The deeper concern is strategic inertia. Pakistan's export earnings remain modest relative to its population and industrial base. Despite possessing a vertically integrated textile supply chain, as the minister noted, the country has not translated this into sustained diversification or consistent growth. Remittances continue to play a disproportionate role in stabilising the current account. Foreign direct investment remains weak. In such a context, exports are not merely another sectoral objective; they are the foundation of economic sovereignty.

Globally, trade patterns are being reshaped. Countries are pursuing bilateral agreements, supply-chain realignments and sector-specific partnerships at a pace unseen in recent years. Strategic trade policy has become central to national planning. Against that backdrop, Pakistan's recurring debates over refunds, credit ceilings and utilisation periods appear painfully small-scale. These are administrative bottlenecks that should have been resolved long ago.

Enhancing exports does not require grand slogans. It requires disciplined coordination among the commerce ministry, the State Bank of Pakistan, the tax authorities and energy regulators. It requires policy stability measured in years, not quarters. It requires treating exporters as generators of foreign exchange rather than as cash-flow buffers for the fiscal system.

The economy's fragility has been exposed repeatedly. Each crisis produces the same acknowledgement: exports must rise. The difference between rhetoric and resolve will be visible only when the obstacles described in that ministry meeting begin to disappear. Until then, optimism about export acceleration will remain aspirational rather than credible.

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