

#### First four months of FY18: trade deficit widens to \$ 12.1Bn

Provisional trade figures released by the PBS revealed a 31.24% increase in Pakistan's trade deficit to a whopping \$ 12.1Bn during 4MFY18 compared with \$ 9.24Bn during 4MFY17. Pakistan's exports after a growth of 10.04% increased to \$ 7.1Bn as against exports of \$ 6.4Bn year ago. The imports after a 22.55% growth increased to \$ 19.2Bn in 4MFY18 from \$ 15.7Bn during 4MFY17. Month-on-month basis, trade deficit increased 8.68% to \$ 3.041Bn in Oct.'17 over \$ 2.80Bn in Sept.'17. Following an increase of 12.72%, exports increased to \$ 1.88Bn in Oct.'17 from \$ 1.68Bn a month before while imports after a growth of 10.19%, increased to \$ 4.93Bn from \$ 4.47Bn in Sept.'17. *BR.*

#### Cabinet allows \$ 3Bn borrowing through Sukuk, Eurobonds

The federal cabinet has allowed immediate borrowing of up to \$ 3Bn from international debt markets by floating three sovereign bonds and has also waived a dozen taxes to make deals attractive for investors. Both the Sukuk and Eurobonds are expected to be launched in the second half of Nov.'17. A consortium of banks have initially indicated that 5-year Sukuk (Islamic bond), 10-year Eurobond and another 30-year Eurobond with combined proceeds can be floated. Road shows are expected to be held in the United Kingdom, United States, Dubai, Singapore and Hong Kong. *Tribune.*

#### Net Metering Regulations 2015: Amendments proposed to fast-track electricity sharing

Energy ministry that was created after renaming the power ministry has sought some changes in the existing net metering regulations to empower consumers in sharing electricity. Power division observed that there are certain impediments in efficient commissioning of distributed generation (net metering) facilities starting from installation till issuance of generation license by the regulator. Proposed amendments are to promote installation of distributed generation systems on net metering in the country. *The News.*

#### Refineries on verge of closure

The domestic oil refineries have warned the government of their imminent closure and resultant disruption in supply chain of petroleum products owing to continuous shut down of oil-based power plants both in the public and private sector. Almost all the domestic refineries have been forced to run on sub-optimal capacity following a decision of PM to close down oil-based plants to facilitate maximum utilization of LNG. The problem had been aggravated by poor planning at the government level as PSO, despite its stuck up amounts of more than PKR 307Bn, had booked six ships full of furnace oil from abroad on the instructions of the power sector even though PM Abbasi ordered closure of oil-based plants. *Dawn.*

#### ADB extends current: COBP, slashes allocation for energy

Asian Development Bank (ADB) has extended its current Country Operation Business Plan (COBP) for Pakistan to 2018-2020 but slashed indicative resource allocation for energy from \$ 1.9Bn to \$ 1.69Bn, for water and other urban infrastructure and services from \$ 500Mn to \$ 168Mn. Pakistan, a group B developing member country, is eligible for Ordinary Capital Resources (OCR) lending and concessional OCR lending (COL). The indicative resources available during 2018-2020 for ADB's sovereign operations amount to \$ 4.67Bn in loans: \$ 3.39Bn in regular OCR lending and \$ 1.28Bn from COL. The final allocation of loans by year and for sectors will depend on available resources and the outcome of the country performance assessments. *BR.*

#### Businesses holding back export proceeds to face action

Pakistan Customs has decided to take action against exporters, who are not realizing foreign exchange earned against the declared value of consignments, resulting in lower inflows of export receipts. Chief collector Customs (enforcement) has said that cases are being reported where value on Export Forms is different from the one given in the goods declaration (GDs) documents at a meeting with Karachi Customs Agents Association (KCAA). *The News.*

#### Aptma wants to import cotton from India

Textile industry has demanded that government must ensure availability of raw materials to the struggling textile industry as promised under Prime Minister's Export Package at the earliest. Millers have claimed that textile industry is becoming economically unviable due to rising domestic cotton prices on the back of another short crop and restrictions on import of cheaper fiber from India. The further claimed that the government's policy of encouraging the use of Indian yarn and fabric by value-added textile sector is hurting the industry. *Dawn.*

#### Gwadar Port: new desalination plant, power generation unit approved

In a meeting with Chairman China Overseas Port Holding Company (COPHC) and Chairman Gwadar Port Authority (GPA), Maritime Affairs Minister Mir Hasil Bizenjo has been decided that new desalination plant and power generation unit would be established at the Gwadar Port Free Zone. The meeting was told that the desalination plant will produce 5Mn gallon clean water per day while the power plant will produce 30MW electricity. In this regard, minister has directed all the concerned authorities to complete all projects in the earliest possible time. *BR.*

#### \$ 150Mn guarantee for LNG suppliers

The Economic Coordination Committee of the Cabinet (ECC) has approved a \$ 150Mn guarantee for issuance of letter of credits by Pakistan LNG Ltd (PLL) in favor of LNG suppliers. PM Abbasi chaired the meeting wherein different agenda items on various subjects were discussed. *Dawn.*

#### 6,000MW coal power plants to be installed by 2025

While briefing the Senate's Planning Committee, official of Sindh Energy informed that 14 coal fired power plants based on Thar coal, with a combined generation capacity of 6,000MW, will be installed by 2025. The official further informed that the feasibility study of 1,320MW Keti Bunder coal fired project will be finalized by Jan.'18 at the cost of PKR 320.06Mn. The project will be started with the help of consortium and funds will be obtained from China while formal developmental work on the project will start from Jan.'19. *The Nation.*

#### Quetta mass transit: Chinese bank to extend loan on 3% interest rate

Chinese Policy Bank would give loan to Pakistan to the tune of 85% of \$ 687.22Mn Quetta Mass Transit project at a 3% interest rate. During its briefing on Quetta Mass Transit project, Balochistan govt. informed the Senate's Planning Committee that the project is under CPEC and that loan investment recovery period is 25 years. The preliminary agreement has already been signed between the govt. of Balochistan and the China Communication Construction Company however, the framework agreement has not yet been signed. *BR.*

#### Sales of automobiles surged 32% in July-Oct

Sales of locally produced cars, vans, light commercial commercials (LCVs) and jeeps jumped by 32% to 83,809 units in 4MFY18. Assemblers of these vehicles sold 23,341 units in Oct.'17, up 46% YoY and 24% MoM. Pak Suzuki Motor Company Ltd (PSMCL) was a big beneficiary as majority of used car imports fall under lower engine capacity segment. The company sales rocketed 53% YoY as price-conscious models Mehran (up 41%), WagonR (141%) and Cultus (23%) all exhibited strong sales. *Dawn.*

#### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	13-Nov	PKR	105.44	0.03%
USD-Open MKT	13-Nov	PKR	107.30	-0.09%
KSE-100 index	13-Nov	Pts.	41,240	-0.47%
FIPI	13-Nov	\$ Mn	-1.97	NM**
Crude (JA'18)	13-Nov	\$/bbl	56.91	0.12%
Gold (DE'17)	13-Nov	\$/oz	1,278.6	0.20%
Gold (10g) Local	13-Nov	PKR	45,600	-0.19%
Silver (DE'17)	13-Nov	\$/oz	17.05	0.95%
Cotton(KHI)-40 kg	13-Nov	PKR	7,020	-3.47%
Kibor-6M	13-Nov	%	6.17%	0.01%
Forex Reserves	3-Nov	\$ Bn	19.91	0.35%
	FY18			YoY
Remittances	Jul-Oct 17	\$ Bn	6.44	2.27%
Exports*	Jul-Oct 17	\$ Bn	7.06	10.04%
Imports*	Jul-Oct 17	\$ Bn	19.19	22.55%
Trade Balance*	Jul-Oct 17	\$ Bn	-12.13	-31.24%
Current Account	Jul-Sep 17	\$ Mn	-3,557	-117.29%
Foreign Direct Inv.	Jul-Sep 17	\$ Bn	0.66	56.33%
LSM Growth*	Jul-Aug 17	%	11.30	
Avg. CPI	Jul-Oct 17	%	3.50	
Discount Rate	Sep-17	%	5.75	

Sources: KCCI Research, PMEX, NCCPL, KSE, SBP, PBS\*

\*\* Not Meaningful on week;

#### Major Currencies



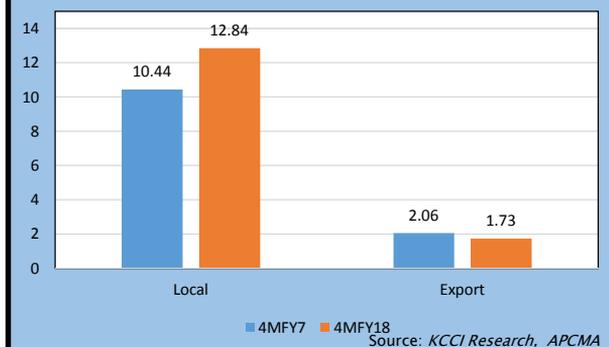
#### Quote of the Day

"Fortune and love favor the brave."

Ovid

#### Chart of the Day

#### Pakistan's Cement Sales (Mn Tons)



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