

#### FBR tightens rules to check superfluous imports

FBR has tightened its clearance regulations to check unnecessary imports that are causing a spread in the trade deficit. Restriction on clearance of around 1,875 items was imposed considering the abnormal rise in imports. Now, an individual would not be able to file goods declaration on his own for clearance of goods falling under 45 different categories, instead, these items will only be cleared through goods declaration filed by a licensed customs agent. *The News*.

#### Pressure on external, fiscal accounts to persist: State Bank

SBP expects that GDP growth rate for FY18 will remain between 5-6% against the 6% growth target set by the government. SBP's state of the economy report has lowered its 6% inflation target to 4.5-5.5% for FY18. It projects fiscal and current account deficits of 5-6% and 4-5% of GDP against the targets of 4.1% and 2.6%, respectively, for FY18. *Dawn*.

#### Massive jump in fresh sovereign guarantees

Issuance of fresh sovereign guarantees jumped to PKR 586.3Bn in FY17 from an average of PKR 143Bn for the past 5 years, according to the latest annual report by SBP. The total stock of sovereign guarantees is now PKR 936.6Bn, or 2.9% of GDP, with 90% of these on domestic loans. The report warns that this creates a moral hazard and increases the default risk as guarantees usually cover losses on default. *Dawn*.

#### CPEC shifting gears to industrial parks

CPEC is about to shift gears and enter its next phase as the industrial working group on SEZs is going to finalize its recommendations and decide which SEZ will begin first. Towards that end, a team from China International Engineering Consulting Corporation (CIECC) arrived in Karachi and began a round of consultations with provincial authorities as preparation for the final round to be held in Islamabad early next week. *Dawn*.

#### Dhabeji zone attracts investors ahead of inclusion in CPEC

The Dhabeji Special Economic Zone, which is high on the agenda of Pakistan and China to make it part of the multibillion dollar CPEC, has received an overwhelming response from potential foreign and local investors. Sindh Board of Investment (SBI) Chairperson said that SBI had received expressions of interest from around 25 big and small Pakistani and Chinese industrial investors in different areas including steel, cement, chemicals, garments, logistics and pharmaceuticals. *Tribune*.

#### Pak-Russia should establish direct banking channel to boost trade

Trade representative of the Russian Federation Yuri Kozlov, while exchanging views at KCCI, has said that Russia and Pakistan should establish direct banking channel to enhance bilateral trade. KCCI president Muffasar Atta Malik said that he strongly believes that Pakistan's improved relations and enhanced trade with countries like Russia would help deal with numerous economic challenges being faced by the country, and prove to be beneficial for both the countries. *The News*.

#### PM urges Japanese firms to invest in Pakistan

PM Shahid Khaqan Abbasi has said that Pakistan would welcome the Japanese companies to invest in Pakistan as it would enhance the capacity of Pakistan's industrial sector to produce value added goods. In a meeting, the PM asked the Japanese Ambassador Takashi Kurai to consider a three to four years exemption for Pakistani textiles under Temporary Tariff Measures to bring Pakistan at par with its competitors which enjoy free access to Japanese market. The Ambassador appreciated Pakistan's economic growth and stated that Pakistan's perception particularly in Japan has changed to a business-friendly country. *The Nation*.

#### Exports of services increase by 5%

Exports of services grew nearly 5% YoY to \$ 816.27Mn in 2MFY18, the PBS reported. However, exports of services recorded a negative annual growth of 4.29% in Aug'17 alone. *Dawn*.

#### CCE for making arrangements to import additional 100MW Iranian power

A meeting of Cabinet Committee on Energy, held under the chairmanship of Prime Minister Shahid Khaqan Abbasi, has approved a proposal regarding import of additional 100MW electricity from Iran. During the meeting, Energy Ministry was directed to make immediate arrangements for its purchase. For the additional 100MW, transmission line and grid station has to be constructed to meet immediate needs of Makran division especially Gawadar Port and industrial area. It is worth mentioning here that Iran is already providing 100MW of electricity in addition to existing arrangement which is renewed annually. *BR*.

#### MOL Group, Mari Petroleum ink MoU on strategic cooperation

MOL Group and Mari Petroleum Company Ltd (MPCL) have announced a strategic cooperation initiative for evaluating future potential business opportunities in the local, international upstream exploration and production sector. A MoU was inked between MOL Group and MPCL in this regard. *The Nation*.

#### FBR launches income tax awareness drive

A large number of public and private sector employees do not file their tax returns under the misconception that since income tax has been deducted at source there was no need for filing. A two-member team is conducting a tax awareness drive in Karachi which aims to motivate salaried individuals to file their tax returns before the due date of 31<sup>st</sup> Oct'17. *Dawn*.

#### IMF sounds alert over debt in largest economies

For the first time in years IMF is optimistic about global economic growth. But it sees a new problem: mounting debt in the world's largest countries. Debt levels are increasing in G20 economies while for private businesses in those countries, leverage is higher than before the financial crisis. *Dawn*.

#### Textile manufacturers for implementation of PM's package in 'true spirit'

Textile millers have called for implementing the "Prime Minister Export Enhancement Package" in its true letter and spirit besides taking steps for ensuring ease of doing business in order to make Pakistan's exports competitive in the international markets. *The Nation*.

#### Foreign reserves decline by \$ 69Mn

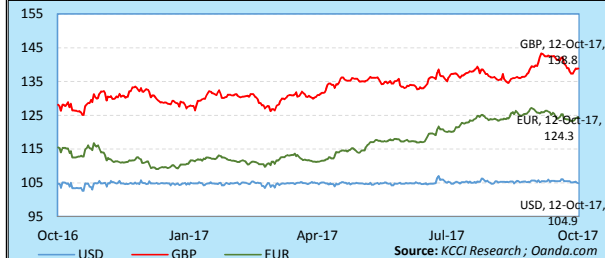
The total liquid foreign reserves held by the country stood at \$ 19.67Bn on Oct. 6, 2017. During the week under review, foreign reserves held by the SBP decreased by \$ 69Mn to \$ 13.79Bn as against \$ 13.86Bn a week earlier due to payments on account of external debt servicing. The net foreign reserves held by commercial banks stood at \$ 5.88Bn compared with \$ 5.91Bn. *The Nation*.

#### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	12-Oct	PKR	105.39	-0.03%
USD-Open MKT	12-Oct	PKR	107.20	0.00%
KSE-100 index	12-Oct	Pts.	40,238	-0.66%
FIPI	12-Oct	\$ Mn	4.98	NM* *
Crude (DE'17)	12-Oct	\$/bbl	51.01	-0.72%
Gold (NO'17)	12-Oct	\$/oz	1,294.0	0.15%
Gold (10g) Local	12-Oct	PKR	45,342	0.38%
Silver (NO'17)	12-Oct	\$/oz	17.22	0.32%
Cotton(KHI)-40 kg	12-Oct	PKR	6,591	0.83%
Kibor-6M	12-Oct	%	6.17%	0.02%
Forex Reserves	6-Oct	\$ Bn	19.67	-0.46%
Remittances	Jul-Sep 17	\$ Bn	4.79	1.05%
Exports*	Jul-Sep 17	\$ Bn	5.17	10.84%
Imports*	Jul-Sep 17	\$ Bn	14.26	22.19%
Trade Balance*	Jul-Sep 17	\$ Bn	-9.09	-29.75%
Current Account	Jul-Aug 17	\$ Mn	-2,601	-102.10%
Foreign Direct Inv.	Jul-Aug 17	\$ Bn	0.46	154.74%
LSM Growth*	Jul-17	%	12.98	
Avg. CPI-FY18*	Jul-Sep 17	%	3.39	
Discount Rate	Sep-17	%	5.75	

Sources: KCCI Research, PMEX, NCCPL, KSE, SBP, PBS\*  
 \*\* Not Meaningful on week;

#### Major Currencies

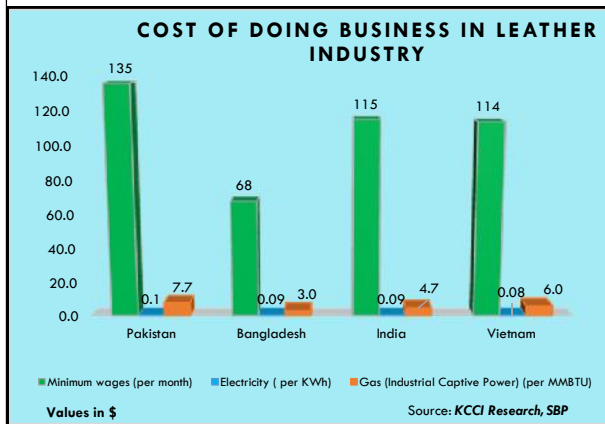


#### Quote of the Day

*"Confidence in what you do is crucial, but that does not mean being delusional. You must always face the truth and then combat the obstacles as they appear."*

**Diane von Furstenberg**

#### Chart of the Day



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