

PBS clarifies export, import figures

Pakistan Bureau of Statistics (PBS) has clarified that export and import figures presented in the summary trade statistics placed on the PBS website on Sept. 11, 2017, for Aug.'17 carried an incorrect number in US \$ terms. As per the corrected numbers, the exports in Aug.'17 showed a healthy growth of 14.41% to \$ 1.87Bn from \$ 1.63Bn over Jul.'17 and not 26.85% while 12.8% growth over the last Aug.'16 in dollar terms. Similarly for imports, the data shows a low growth of 2.42% to \$ 4.95Bn from \$ 4.84Bn over Jul.'17 and 15.08% over Aug.'16 in dollar terms. PBS in a statement uploaded on its website stated that this occurred due to use of incorrect exchange rate for Aug.'17. BR.

Government struggles to cut trade deficit

Commerce Ministry's team recently gave a detailed presentation to Prime Minister Shahid Khaqan Abbasi on revision of Strategic Trade Policy Framework (STPF) 2015-18 and further incentives for all sectors including textile. The Commerce Ministry has undertaken an extensive exercise to impose or enhance Regulatory Duty (RD) on import of non-essential/luxury items aimed at reducing trade deficit which has reached an alarming level. Commerce Ministry is opposing surcharge on electricity and GIDC on gas so that industry is provided cheap electricity. The establishment of Exim Bank is pending since long whereas TDAP's performance is appalling and suggested that TDAP offices should be shifted to Islamabad. BR.

Trade balance reviewed

Prime Minister Shahid Khaqan Abbasi chaired a high-level meeting to review trade balance and measures to boost exports and has directed the Commerce Ministry to ensure that no option considered should have a dampening impact on Pakistan's economic growth rate and development. The meeting also focused on GSP Plus status and reviewed various measures to expand and deepen exports into the European markets. BR.

Senate body recommends modernizing commerce ministry

The Senate Standing Committee on Commerce and Textile industry has recommended modernizing and restructuring the commerce ministry in order to align it with the changes and technological developments in the world. It urged the govt. to follow the modern trade pattern and the emerging market trends for value addition and innovation in local market to enhance the country's exports. *Tribune*.

90% of "nil" filers are exporters, importers and distributors

Around 90% of the "nil" filers of sales tax returns are exporters, importers or sole distributors who have either already paid final sales tax at import/purchase stage or filed returns to claim refunds as admissible under the law. In most of the cases, "nil" filers are primarily exporters. Therefore, the exporters are not required to deposit tax while claiming refunds of raw materials consumed in finished items to be exported. The exporters are legally allowed to claim adjustment or refund of sales tax paid on inputs used in manufacturing of export products. Most of sales tax refund claimants within the category of exporters belong to Faisalabad, Sialkot and Multan. BR.

Remittances rise 13.18% to \$ 3.5Bn in July-August

Overseas Pakistani workers sent home \$ 3.5Bn in remittances during 2MFY18, 13.18% higher than that of 2MFY17. However, remittances outlook for the whole of FY2018 would remain depressing due to uncertainty about the improvement in economic conditions of Gulf countries, especially Saudi Arabia, which is the main source of remittances to Pakistan. *The News*.

SBP grants relaxation to rice exporters under EFS

SBP has granted relaxation to rice exporters under Export Finance Scheme (EFS) for FY17. As per granted relaxation, under EFS Part-I (Pre-shipment), 90 days extension in shipment period has been allowed for those Part-I loans, in which shipment is falling due in FY17. In case of non-shipment, the fine already charged will be retained by SBP BSC offices till submission of Annexure-F within extended period. BR.

Leading business houses plan to set up fourth LNG terminal

A group of leading business houses has decided to build an LNG terminal at an estimated cost of \$ 120 Mn by Mar'19 for gas processing and consumption in their own power, cement, textile and car manufacturing plants. Younus Brothers Group, Sapphire Group and sponsors of UK-based Halmore Power Generation will build Energas LNG Terminal with handling capacity of 800mmcfcd at Port Qasim. The designed capacity of the terminal is 4.5 Mn tons per annum, while the current requirement of the business houses stands at 2.1 Mn tons and expected to swell to 3 Mn tons per annum. *Tribune*.

2017-18 season: Pakistan's sugar production likely to hit record at 8 Mn tons

Pakistan's sugar industry is urging the government to reinstate export subsidies after a steep fall in global sugar prices has slowed shipments, adding to a domestic surplus plus as the country prepares to harvest a record crop. Pakistan produced 7Mn tons of sugar in the 2016-17 marketing year ending September 30, exceeding local demand of around 5 Mn tons, and estimates suggest this year's crop at a record 8 Mn tons. *Tribune*.

Benefits of Sindh's PKR 11Bn investment in coal sector set to trickle down to masses'

Marking the celebration of 50% completion work of the Thar coal power generation project, CM Shah said that Sindh government had invested PKR 11Bn in the project and now the people of Pakistan, particularly Sindh, are set to reap its fruit. *Dawn*.

Bike makers set production, sales records

Pakistan's top two bike assemblers in Aug'17 broke all earlier production and sales records. Atlas Honda Limited (AHL) has sold a total of 187,249 bikes in July-Aug 2017-18 as against 136,476 units in 2016-17. United Auto Motorcycle (UAM) production and sales hit 35,555 and 36,084 units in Aug'17, compared to its earlier record of 32,773 units in Nov'16. *Dawn*.

Unbundling of SSGC, SNGPL unviable

Independent consultants have found the proposed unbundling of SSGC and SNGPL to negatively affect equity value, make the gas distribution companies unviable and increase financial pressure on the government and the consumers. KPMG, which was hired by SNGPL on the advice of the federal government to analyze four options for unbundling of the two utilities as part of larger gas sector reforms, has said that its findings are in line with World Bank's presentation shared with them, which highlight the risk that unbundling of the gas distribution business could create companies which are not viable. *Dawn*.

Senate clears Corporate Rehabilitation Bill

The Senate has passed the Corporate Rehabilitation Bill 2017 after a clause-by-clause reading. The bill aims to provide for rehabilitation and reorganization of distressed corporate entities. According to statement of Objects and Reasons of the bill, the existing institutional arrangements and legal process for revival and rehabilitation of distressed companies is both inadequate and time consuming. *Dawn*.

ADB signs loan pacts for development projects

ADB has signed two loan agreements totaling \$ 453Mn with Pakistan for important development projects in Khyber Pakhtunkhwa and Sindh. Under the agreement, a bus rapid transit (BRT) system will be developed in Peshawar while investment in Sindh infrastructure will be increased. *Dawn*.

Projects for Sindh: ADB inks \$ 100Mn loan agreement

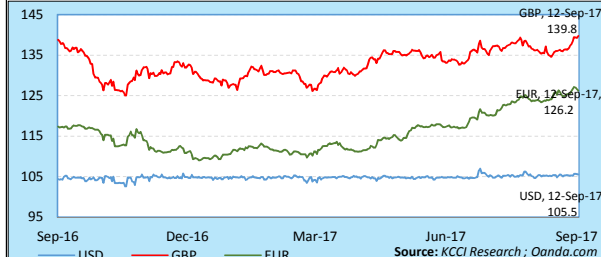
Asian Development Bank (ADB) and Pakistan have signed a loan agreement for \$ 100Mn that will improve and strengthen the standards in the development and delivery of Public-Private Partnership (PPP) projects, to increase investment in infrastructure and services in Sindh. The UK govt., through the Department for International Development (DFID), is co-financing the project through a \$ 19.23Mn and \$ 4.75Mn technical assistance (TA), both of which will be administered by ADB. The total cost of the project is \$ 188.98Mn, with the Sindh govt. contributing \$ 65Mn. The expected completion date of the project is mid-2022. BR.

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	12-Sep	PKR	105.41	0.00%
USD-Open MKT	12-Sep	PKR	105.70	0.00
KSE-100 index	12-Sep	Pts.	41,279	0.37%
FIPI	12-Sep	\$ Mn	3.82	NM**
Crude (NO'17)	12-Sep	\$/bbl	48.87	0.47%
Gold (OC'17)	12-Sep	\$/oz	1,331.6	0.30%
Gold (10g) Local	12-Sep	PKR	44,828	-0.95%
Silver (OC'17)	12-Sep	\$/oz	17.88	0.47%
Cotton(KHI)-40 kg	12-Sep	PKR	6,484	-1.62%
Kibor-6M	12-Sep	%	6.16%	0.01%
				WoW
Forex Reserves	31-Aug	\$ Bn	20.39	1.93%
				YoY
Remittances	Jul-Aug 17	\$ Bn	3.50	13.18%
Exports*	Jul-Aug 17	\$ Bn	3.50	11.80%
Imports*	Jul-Aug 17	\$ Bn	9.79	24.85%
Trade Balance*	Jul-Aug 17	\$ Bn	-6.29	-33.52%
Current Account	Jul-17	\$ Mn	-2,053	-210.12%
Foreign Direct Inv.	Jul-17	\$ Bn	0.22	162.81%
LSM Growth*	Jul-Jun 17	%	5.60	
Avg. CPI-FY18*	Jul-Aug 17	%	3.41	
Discount Rate	Jul-17	%	5.75	

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

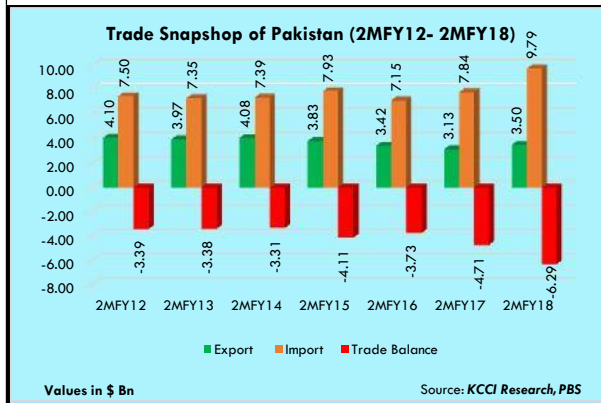
Major Currencies



Quote of the Day

"Whether you believe you can do a thing or not, you are right."
Henry Ford

Chart of the Day



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