

### Agri-credit disbursement rises 38% to PKR 972.6Bn

Credit disbursement by commercial and specialised banks to the agriculture sector increased 38% in the fiscal year ended 30th Jun' 18. Banks provided PKR 972.6Bn in loans to farmers in fiscal year 2017-18 compared to PKR 704.5Bn in FY17. "The achievement of agri-credit disbursement target was a challenging task in the backdrop of various real-side challenges like water shortage, low production of maize and wheat, volatility in prices of agricultural produce and a high cost of production," the central bank said in a statement. With the disbursement of fresh loans and retirement of previous loans, the outstanding agricultural credit portfolio stood at PKR 469.4Bn as on June 30, which was 16% higher than PKR 405.8Bn in FY17. Similarly, the agricultural credit outreach expanded to 3.72Mn farmers at the end of June 2018 from 3.27Mn last year, a growth of 13.8%. *Tribune*.

### Key data for IMF bailout: Spadework Accomplished

The Finance Ministry under the directives of the caretakers completed the spadework a few weeks before for the incoming government of Pakistan Tehreek-e-Insaf, specifically the preparation of data on key macroeconomic indicators (fiscal deficit, current account deficit and trade deficit). Preparatory work provides justification for Pakistan seeking a bail-out package, sources said adding that the incoming government will have a maximum of two to three weeks after taking charge to decide whether to go for another IMF programme or not as the planned "Diasporas Bonds" may not mobilize sufficient foreign exchange to meet the country's financing needs. The Ministry of Finance, the State Bank of Pakistan (SBP), the Federal Board of Revenue (FBR), the Economic Affairs Division and the Privatization Commission have all been engaged in the preparation of economic indicators in case the new government decides to take an IMF bailout package. *BR*.

### Banks refuse to lend PKR 50 billion to govt.

Commercial banks have refused to lend PKR 50Bn to slice down circular debt saying the govt. is only interested in debt servicing but not inclined to pay the principal amounts. The denial by the banks has further deteriorated liquidity crisis in the power sector as the circular debt with loan and liabilities has ballooned to PKR 1066Bn with just 85% recovery of the electricity bills which is why the power sector sustained the loss of PKR 185Bn. More importantly, documents also unveil that to cope with this kind of inefficiency and overcome the gap of PKR 85Bn loss in the head of theft alone, the overbilling of PKR 1-1.5Bn/month is extended to the legitimate consumers every month. *The News*.

### Saudi-backed IsDB ready to help Imran-led govt. with \$48n loan

Pakistan plans to borrow more than \$4Bn from the Saudi-backed Islamic Development Bank (IsDB) as part of its attempts to restore dangerously low stocks of foreign currency. It has been reported that IsDB is waiting for the elected govt. to take charge before giving their approval. Officials said the loan would be used mainly to pay for oil imports, with higher crude prices having contributed to the country's problems. *Dawn*.

### FBR to add PKR 97Bn amnesty amount in FY18 revenue collection

The ministry of finance has allowed FBR to add PKR 97Bn, collected under the amnesty scheme for the period ended 30th Jun'18, in total revenue collection for FY18. The FBR provisionally collected PKR 3,751 Bn for FY18, which was short of PKR 184 Bn when compared with revised downward target of PKR 3,935 Bn for the fiscal year. Therefore, net revenue collection of the FBR for FY18 will become PKR 3,848Bn. Officials said that the total revenue collected from the amnesty scheme for undisclosed foreign and domestic assets was around PKR 120Bn, out of which around PKR 23Bn was collected during Jul'18 and added to the collection for 1HFY18. *The News*

### AGP, FBR at odds over explaining revenue from tobacco sector

The AGP said the introduction of a third-tier tax system revealed that sales of tobacco companies jumped 31.64% in fiscal year 2017-18 compared to the previous year. However, there has not been any corresponding effect on tax collection, which increased by a mere 4.5%. During the meeting, AGP Jehangir and FBR Sales Tax Chief Rana Zulfiqar were at odds over tax collection figures. The Senate's special committee is investigating causes behind the decline in tax collection from the tobacco sector. *Tribune*.

### Govt. speeds up special overseas bond issuance to raise \$1Bn

Cash-strapped govt. hurries to issue a planned dollar/rupee bond through the Central Directorate of National Savings (CDNS). It is said CDNS planned bond for overseas Pakistanis which has reached its final stage, and after vetting from the finance ministry, it would be offered "as soon as early Sep'18. The govt. estimates to fetch initial investment in the range of \$ 550Mn to \$ 1,200Mn/annum on the basis of one fourth of 4.5Mn overseas Pakistanis living in GCC, making a minimum investment of \$ 500 only. The bond is proposed to be launched initially in the GCC and then subsequently in the UK and US, while in the third phase, it will be rolled out across the globe, keeping in view the regulatory requirement of the market. *The News*.

### Plan approved to form Energy Efficiency Policy

The Board of Director (BoD) of National Energy Efficiency and Conservation Authority (NEECA) on 9th Aug' 18 approved the plan of development of National Energy Efficiency and Conservation Policy. The BoD decided that the construction new public buildings should have energy efficiency attributes and reflected in PC-1s and compliance mechanism for construction of buildings as per Building Energy conservation codes/Green Building Code. The BoD also appreciated the successful initiative of Pakistan Energy Labeling Scheme of Fans and recommended similar initiative to be taken up on mandatory basis for refrigerators, Air Conditions and LED Lights and mandatory Energy labeling are adopted to promote energy efficient products. *Nation*.

### SBP directive on exporters' foreign currency accounts

SBP issued instructions to all banks regarding the exporters' special foreign currency accounts and asked them to ensure prescribed use of export proceeds. Exporters generally use the exports proceeds to get maximum profits or use them for purposes not allowed by the central bank, often taking more than the prescribed period. However, authorized dealers (banks) must follow the standard operating procedures for opening and maintenance of these accounts and ensure compliance of all related requirements about the foreign exchange regulations. *Dawn*.

### Foreign exchange: SBP's reserves increase \$19Mn to \$ 10.37Bn

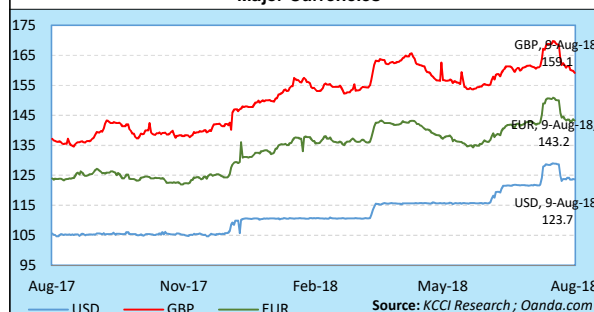
Foreign exchange reserves held by the central bank have increased by 0.19% on a weekly basis. A week ago, the reserves had swelled around 15% after a news report said China had agreed to immediately give a loan of \$ 2Bn to Pakistan. Of the agreed amount, \$ 1Bn had already been transferred to the central bank account. On 3rd Aug' 18, the foreign currency reserves held by the SBP were recorded at \$ 10,369.1Mn, up \$ 19.4Mn compared with \$ 10,349.7Mn in the previous week. Overall, liquid foreign reserves held by the country, including net reserves held by banks other than the SBP, stood at \$ 17,005Mn. Net reserves held by banks amounted to \$ 6,635.9Mn. *Tribune*.

### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	9-Aug	PKR	123.96	-0.22%
USD-Open MKT	9-Aug	PKR	122.50	-0.41%
KSE-100 index	9-Aug	Pts.	42,924	0.45%
FIPI	9-Aug	\$ Mn	-9.63	NM**
Crude (SE'18)	9-Aug	\$/bbl	66.72	-0.07%
Gold (JY'18)	9-Aug	\$/oz	1,213.3	-0.10%
Gold (10g) Local	9-Aug	PKR	47,282	0.09%
Silver (JY'18)	9-Aug	\$/oz	15.46	0.13%
Cotton(KHI) -40 kg	9-Aug	PKR	9,645	-0.56%
Kibor-6M	9-Aug	%	8.05	0.01%
Forex Reserves	3-Aug	\$ Bn	17.01	-0.44%
	FY18			YoY
Remittances	Jul-Jun 18	\$ Bn	19.62	1.40%
Exports*	Jul-Jun 18	\$ Bn	23.23	13.74%
Imports*	Jul-Jun 18	\$ Bn	60.90	15.10%
Trade Balance*	Jul-Jun 18	\$ Bn	-37.67	-15.95%
Current Account	Jul-Jun 18	\$ Bn	-17.99	-42.57%
Foreign Direct Inv.	Jul-Jun 18	\$ Bn	2.77	0.76%
LSM Growth*	Jul-May 18	%	2.76	
Avg. CPI	Jul-Jun 18	%	3.82	
Discount Rate	Jul-18	%	7.50	

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

### Major Currencies



### Quote of the Day

*"Never give up. Today is hard, tomorrow will be worse, but the day after tomorrow will be sunshine".*

**JACK MA**

### Chart of the Day

#### Pakistan's Average Yearly CPI Inflation (%)



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