

Economic Security Council in the making

The federal govt. has decided to step up its efforts to improve country's deteriorating economy and for the purpose a decision has been taken to constitute the Economic Security Council (ESC) to deal with economic downturn. The council will consist of civil and military leadership. The council will be headed by Prime Minister Imran Khan himself, while Chief of Army Staff General Qamar Javed Bajwa and the finance secretary will serve as council members. The ESC will oversee economic policies and international agreements. *The News*.

Murad defends imposition of new taxes in Sindh budget

Sindh CM Murad Ali Shah defended his decision to burden people of the province with more taxes in the budget FY20, saying it is because of the incompetence of the federal govt. According to the finance bill, PKR 500 per annum tax is proposed to be imposed on all persons engaged in any profession, trade calling or employment. It also proposes a PKR 1,000 per annum tax on all factories, shops, or establishments not assessed to income tax in the preceding financial year. The govt. also imposed a yearly tax of PKR 5,000 on all petrol pumps and CNG stations. Tax at the rate of 1.5% of value in the valuation table has been imposed for all categories of immovable properties excluding those of 240 square yards or less. An amount of PKR 75 per sq-yds would be charged where the value of immovable property is not recorded. Similarly, 1.5% of value in the valuation table would be charged on flats from 1,000sq-ft or above. Online vehicle services, indoor sports and game centers, e-commerce entities, vehicle parking and valet services, renting of machinery, equipment, appliances and other tangible goods have also been brought into the net of sales tax on services. *Dawn*.

Centre has given 31% extra funds to Sindh govt: Naqvi

Rejecting CM Murad Ali Shah's claim that the federal govt. had reduced Sindh's due funds, Leader of the Opposition in the Sindh Assembly Firdous Shamim Naqvi has said that the province got 31% extra funds from Islamabad. *Dawn*.

Exporters demand restoration of zero-rated status

Leaders of 5 export-oriented industries on Saturday demanded immediate restoration of zero-rated facility under SRO 1125 and withdrawal of 17% sales tax on all exports that was imposed in Budget FY20. A protest rally which culminated at the Karachi Press Club saw industrial workers carrying banners and wearing black bands on their arms, demanding continuation of the zero-rated status for exports. Business leader Zubair Motiwala said that representative bodies of the five industries will continue to protest on daily basis if the govt. does not pay attention to their grievances. Industries would be left with no choice but to observe "No Export Days" as a sign of protest and eventually shutdown industries. *Dawn*.

Settlement of customs duty: taxpayers won't be allowed to apply for ADR mechanism

Taxpayers will not be allowed to apply for Alternative Dispute Resolution (ADR) mechanism for settlement of customs duty related-disputes in cases having larger revenue impact, as per FBR's opinion. According to the Finance Bill 2019, the FBR has proposed to revise section 195C (Alternative dispute resolution) of the Customs Act 1969 to restrict the scope of the ADR for taxpayers. *BR-Mon*.

Eligible taxpayers: FBR must ensure prompt issuance of exemption certificates: LHC

Lahore High Court (LHC) has ruled that refund of income tax deposited for delay in issuance of exemption certificates shall be processed expeditiously and exemption certificates shall not be delayed by the FBR field formation. LHC has disposed of appeal furnished by a taxpayer having grievance that due to delay in issuance of exemption certificate, the petitioner had to undergo agony in addition to deposit tax, which has to be refunded by the department. The LHC has issued order on the basis of FBR assurance. *BR-Mon*.

PM Imran approves appointment of Ali Jehangir Siddiqui as 'Ambassador-at-Large' for investment

PM Imran Khan has approved appointment of Pakistan's former Ambassador to US, Ali Jehangir Siddiqui as Ambassador-at-Large for foreign investment. Previously, he served as Special Assistant to PM with the status of Minister of State. He recently joined the board of Afiniti also known as a Global Unicorn along with former British PM David Cameron and Admiral William Owen, Ex-US Vice Chairman Joint Chief of Staff. *The News*.

Ship agents fear hike in freight cost

Shipping agents have asked the govt. that strict implementation of axle load for goods carriers will create shortage of vehicles/trucks resulting in higher freight and hampering cargo movement to and from ports across the country. They said that the decision has been made without giving any alternative because up to 96% of goods are being shipped by road freight sector and play a vital role in economic growth of the country. *Dawn*.

Pakistan can no longer be blacklisted by FATF: Malaysia

PM Imran Khan telephoned Malaysian PM Dr Mahathir Mohamad to thank Malaysia for its support of Pakistan's bid to avoid being blacklisted by the FATF. Malaysia's support was seen as crucial in helping to stop Pakistan from being blacklisted after India had put forth a motion with FATF to blacklist the country for money-laundering activities linked to terrorism. With Malaysia's backing, Pakistan now has the support of three nations. *The Nation*.

Iqama holders despite public office to be made accountable, PM vows

PM Imran Khan has reiterated that the people who had Iqamas (work permits) despite holding important positions will be made accountable through a high-powered commission to be formed shortly, supervised by the PM himself. He said that tough times which his govt. has had to face after taking over in Aug'19 has passed and now the economy will take off. *BR-Sun*.

Pakistan blooms at China's commodity expo

Pakistan's indigenous products showcased at the ongoing South and Southeast Asia Commodity Expo and Investment Fair in China's Kunming city have hit the mark, attracting huge number of local and international entrepreneurs. By setting up 200 stalls, Pakistani businessmen are making headway in highlighting country's trade potential amongst 3,300 corporate entities from 74 countries at the week-long expo, being held in Kunming, the capital of Yunnan province. *The Nation*.

Alto 660cc launched

Pak Suzuki Motor Company has launched the first-ever locally manufactured 660cc model and it comes in three models - two manual and one fully loaded automatic. The price ranges from PKR 999,000 to 1,295,000. *Dawn*.

Fear grips farmers as locusts advance towards cotton crop

Desert locusts are advancing towards the cotton crop in Khairpur where in recent days they have taken over parts of the district in Sindh province and are now threatening thousands of hectares of the plant. Farmers in Khairpur expressed grave concern over the looming danger to estimated 30,000 to 40,000 hectares of the cotton crop. *Dawn*.

Karachi water crisis to worsen over coming days

Water crisis in Karachi has worsened as water supply from Dhabeji pumping station, the only source of water to the metropolis, was disrupted due to prolonged electricity suspension on Friday (14th Jun'19). A 72-inch-diameter pipeline burst and the Dhabeji pumping station also caught fire. The city remained deprived of 340Mn gallons of water. *Tribune-Sun*.

Cement bag expensive by PKR 25 from July due to PKR 100 FED in budget

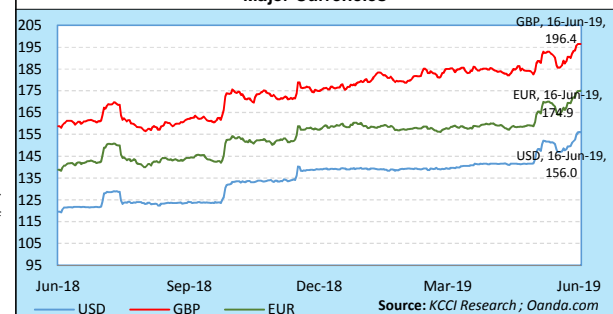
As the govt. has increased FED on cement to PKR 100 per 50kg bag from PKR 75 in budget FY20, the prices of cement bag are going to rise further from Jul'19 in the range of PKR 25-35 per 50kg bag. Industry experts said that like other things, construction material is also going to get costlier after when budgetary measures will start get implemented and new duties will be imposed. *Daily Times*.

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	14-Jun	PKR	155.85	1.93%
USD-Open MKT	14-Jun	PKR	156.50	2.29%
KSE-100 index	14-Jun	Pts.	35,573	0.48%
FIPI	14-Jun	\$ Mn	-6.53	NM**
Crude (AP'19)	14-Jun	\$/bbl	52.52	0.50%
Gold (MA'19)	14-Jun	\$/oz	1,341.9	-0.09%
Gold (10g) Local	14-Jun	PKR	65,072	4.55%
Silver (MA'19)	14-Jun	\$/oz	14.85	-0.30%
Cotton(KHI) -40 kg	14-Jun	PKR	9,431	0.00%
Kibor-6M	14-Jun	%	13.05	0.00%
Forex Reserves	3-Jun	\$ Bn	14.89	0.42%
	FY19			YoY
Remittances	Jul-May 19	\$ Bn	20.19	10.42%
Exports*	Jul-Apr 19	\$ Bn	19.17	-0.11%
Imports*	Jul-Apr 19	\$ Bn	45.47	-7.88%
Trade Balance*	Jul-Apr 19	\$ Bn	-26.30	12.82%
Current Account	Jul-Apr 19	\$ Bn	-11.59	26.97%
Foreign Direct Inv.	Jul-Apr 19	\$ Bn	1.38	-51.70%
LSM Growth*	Jul-Mar 19	%	-2.93	
Avg. CPI	Jul-Apr 19	%	7.00	
Discount Rate	May-19	%	12.25	

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

Major Currencies

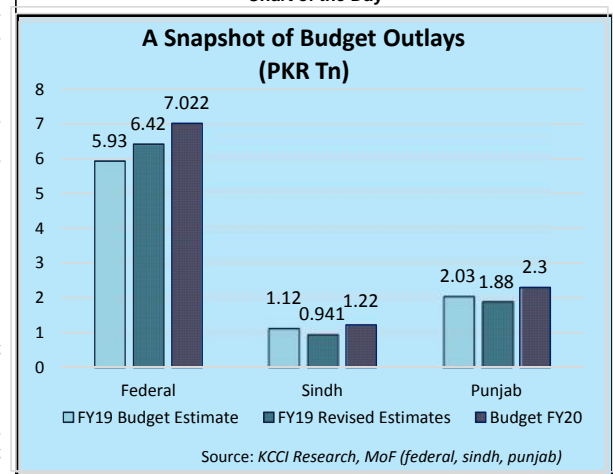


Quote of the Day

"Voters want conflicting things. They want a lot of government spending, but they don't want higher taxes."

Bruce Rauner

Chart of the Day



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