

### High-powered body to draw up economic plan

The govt. has formed a high-powered body also comprising military authorities to formulate development and economy-oriented policies of the country. The National Development Council (NDC) to be headed by PM Imran Khan will also have Chief of the Army Staff Gen Qamar Bajwa as one of its members. Other members of the NDC include FM Shah Mehmood Qureshi, Adviser Finance Dr Hafeez Shaikh, Minister for Planning Khuro Bakhtiyar, Adviser on Commerce Razak Dawood, and all provincial CM's among others. *Dawn*.

### Body formed to remove anomalies in Finance Bill

Chairman, FBR Shabbar Zaidi has constituted an Anomaly Committee in order to identify and remove the technical and legal anomalies in the Finance Bill 2019. The committee will be chaired by renowned tax expert and Member Tax Reform Commission (TRC) Ashfaq Tola whereas the co-chairman of the committee will be Dr. Hamid Ateeq Sarwar, Member (IR-Policy), FBR. The TORs of the committee will be to review the identified and submitted anomalies and to advise FBR on removal of anomalies. *BR*.

### FBR gets details of bank accounts holding more than PKR 5Mn

Banks have finally shared the details of accounts having more than PKR 5Mn in deposits with the FBR as the tax machinery put together multiple data sources to nab maximum tax evaders. Reporting this to the National Assembly's Standing Committee on Finance Shabbar Zaidi said the FBR was previously handicapped by resistance from banks in providing details of withholding taxes and did not want to create chaos for the financial sector but had now been able to resolve the issue amicably through the SBP. He said the FBR was also securing data on more than one kanal of land holdings. *Dawn*.

### Search of residential premises, houses: Senate body opposes proposal to empower IR chief

The Senate Standing Committee on Finance has opposed the proposed powers to FBR Commissioner Inland Revenue to enter and search residential premises and houses on the basis of information of undeclared gold, bearer security or foreign currency, saying this is against the Article 14 of the Constitution. The committee members stated that this is against the dignity granted to an individual in the Constitution. *BR*.

### WHT, minimum tax to be cut if sugar dealers get registered: Shabbar

FBR Chairman Shabbar Zaidi has said that FBR has agreed to reduce WHT and minimum tax for those sugar dealers who get themselves registered with the FBR. The FBR chairman said that out of 84 mills, 71 mills have declared losses, which is not understandable. Over 40% of the sale of sugar is done through dealers and remaining sugar is directly sold. He also said that the FBR will not withdraw condition for CNIC of buyers proposed for disallowing invoice for input adjustments under the Finance Bill 2019. *BR*.

### FBR not to share tax amnesty details of beneficiaries with NA body

Despite insistence from opposition benches, FBR has refused to give details about the numbers of declarants and amount of taxes collected from the amnesty scheme. FBR argued before the parliamentarians that Board did not fix any target through this ongoing scheme to inflate its collection in FY19 ending on 30<sup>th</sup> Jun'19. *The News*.

### Ghani says PKR 22.5Bn set aside for city's uplift in budget

Sindh Local Govt. Minister Saeed Ghani has said that the provincial govt. has allocated PKR 22.5Bn in FY20 for development works in Karachi, contesting the city mayor's claim of allocating only PKR 1.6Bn. The minister added that at present 107 local govt. schemes were under implementation while in the new budget out of total 96 local govt. schemes of the province, 77 schemes were kept for Karachi. *Dawn*.

### FDI plunges 49% in July-May

The Foreign Direct Investment (FDI) in Pakistan sharply declined by 49% during 11MFY19. According to SBP, total FDI fell to \$ 1.60Bn compared to \$ 3.16Bn in 11MFY18. FDI from China was at \$ 495.7Mn as against \$ 1.83Bn received in 11MFY18. Inflows from UK was \$ 171Mn while inflows from the US almost halved to \$ 84Mn. *Dawn*.

### Exports, imports witness decline in May

Pakistan's exports during May'19 witnessed a decline of 1.72% to \$ 2.10Bn from \$ 2.14Bn in May'18. Imports also registered a negative growth of 12.8% from \$ 5.7Bn in May'19 to \$ 5.04Bn in May'18. Pakistan's exports during 11MFY19 also witnessed a decline of 0.30% from \$ 21.33Bn to \$ 21.26Bn in 11MFY18. Imports also dropped by 8.47% from \$ 55.14Bn in 11MFY19 to \$ 50.47Bn in 11MFY18. The trade deficit registered a decline of 13.6% from \$ 33.8Bn in 11MFY18 to \$ 29.2Bn in 11MFY19. *BR*.

### Forex firms intend to infuse \$ 1Bn in interbank for rupee support

Foreign exchange companies have said that they could give \$ 1Bn to govt. within next 3 months to help it bolster foreign exchange reserves and stabilise the faltering rupee. SBP said it is determined not to leave the rupee absolutely to the market forces, restoring confidence in the frightened currency market with the rupee losing one third of its value in the past 12 months. Governor SBP Reza Baqir said SBP keeps close eye on the currency market and if there is an excessive volatility it would intervene to help out. *The News*.

### Pak-Italy businessmen urged to help enhance trade volume

Trade Commissioner of Italian Trade Agency (ITA) Gianpaolo Bruno, while speaking at KCCI, has said that Pakistan needs to upgrade its food value chain and improve the quality of Pakistani food in order to enhance its exports to the European market. He also expressed desire of having a MoU between KCCI and Italian Trade Agency to create a strong liaison and improve connectivity which was agreed by KCCI president Junaid Esmail Makda who shared a draft MoU with the Trade Commissioner. *BR*.

### World Bank loans Pakistan PKR 144Bn

Pakistan and WB have signed 3 loans of PKR 144Bn (\$ 918Mn) for raising revenue, Higher Education Commission (HEC) and KPK's revenue mobilization programme. The development objective of the programme is to contribute to a sustainable increase in domestic revenue by broadening tax base and facilitating compliance. The program's targeted results include: increasing Pakistan's tax to GDP ratio to 17%, increasing the number of active taxpayers to 3.5Mn, reducing compliance burden of paying taxes, and improving the efficiency of customs controls. *The News*.

### Foreign Exchange Management Accounts: FBR for replicating Indian model

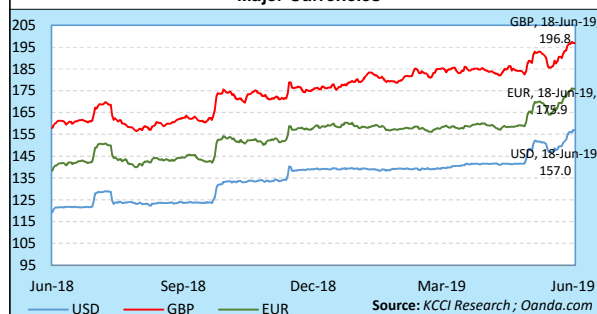
Terming Indian model as good to replicate Foreign Exchange Management Accounts (FEMA) in case of Pakistan, Chairman FBR Shabbar Zaidi has said that \$ 40Bn is remitted out from Pakistan, so there is a need to bring changes in existing Pakistani laws related to management of foreign exchange. He pointed out that Pakistan Economic Reform Act (PERA) and Foreign Exchange Regulation Act (FERA) are contradictory and there is need to move towards replicating Indian model FEMA in Pakistan. *The News*.

### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	18-Jun	PKR	156.81	-0.10%
USD-Open MKT	18-Jun	PKR	156.30	-0.29%
KSE-100 index	18-Jun	Pts.	34,682	-1.39%
FIPI	18-Jun	\$ Mn	-2.87	NM**
Crude (AP'19)	18-Jun	\$/bbl	54.15	4.30%
Gold (MA'19)	18-Jun	\$/oz	1,347.0	0.49%
Gold (10g) Local	18-Jun	PKR	64,730	0.67%
Silver (MA'19)	18-Jun	\$/oz	14.99	1.11%
Cotton(KHI)-40 kg	18-Jun	PKR	9,431	0.00%
Kibor-6M	18-Jun	%	13.05	-0.01%
				WoW
Forex Reserves	3-Jun	\$ Bn	14.89	0.42%
	FY19			YoY
Remittances	Jul-May 19	\$ Bn	20.19	10.42%
Exports*	Jul-May 19	\$ Bn	21.27	-0.30%
Imports*	Jul-May 19	\$ Bn	50.47	-8.47%
Trade Balance*	Jul-May 19	\$ Bn	-29.21	13.62%
Current Account	Jul-Apr 19	\$ Bn	-11.59	26.97%
Foreign Direct Inv.	Jul-May 19	\$ Bn	1.61	-49.18%
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

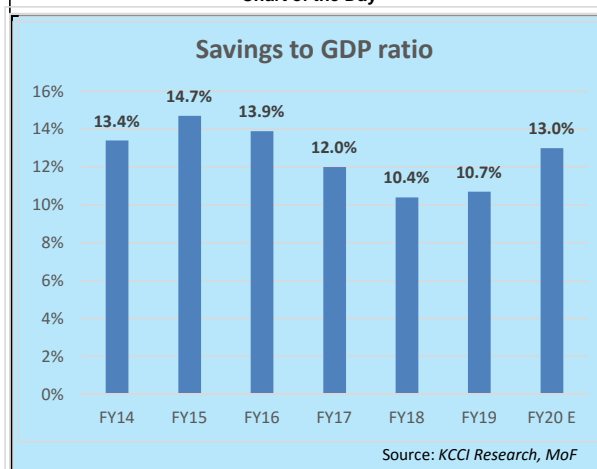


### Quote of the Day

*"You will either step forward into growth or you will step back into safety."*

**Abraham Maslow**

### Chart of the Day



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