

Five zero-rated sectors: FBR set to levy 17% GST to forestall revenue leakage

The FBR has started preparations for charging 17% sales tax on local supplies of manufacturers-cum-exporters of 5 zero-rated sectors from July 1, 2019. The FBR has also initiated stocktaking to avert any possibility of showing clearance of all stocks at zero% (on papers) till 30th Jun'19. The FBR is apprehending that the zero-rated sectors may try to show on books that all stocks have been cleared at zero-percent sales tax before 1st Jul'19 to avoid 17% sales tax on available stocks. *BR-Sun*.

Sales tax of 5%, not 13%, levied on ride-hailing services: Sindh govt

The Sindh Revenue Board (SRB) has clarified that the provincial govt. had imposed a sales tax of 5%, and not 13%, with effect from 1st Jul'19 on services rendered by cab aggregators or ride-hailing services. There is no truth in the propaganda that the rate will be 13% and have an effect of 26%, the SRB said. *Dawn*.

FBR proposes valuation rates hike in 18 cities

FBR has proposed hiking of valuation rates of property in 18 major cities and bringing close to fair market value for collection of taxes on transaction of real estate, though valuation rates for Karachi and Quetta have not been proposed to be increased through proposed hike in rates. Now the average valuation rates have hiked in range of 25-35%, jacking it up from 60% to average 85-90% in comparison with fair market value of properties depending upon the locations of respective cities. *The News*.

Biometric verification: SBP asks banks not to block accounts before June 30

SBP has directed banks not to block bank accounts of customers who have failed to get their biometric verification done before 30th Jun'19. The statement came after complaints surfaced that some banks have temporarily blocked accounts and ATM cards until the biometric verification is done. *The News*.

MoUs signed with Doha on trade, investment, and finance intelligence

Pakistan and Qatar signed 3 MoUs on trade and investment and cooperation on financial intelligence and tourism. The signing of the MoUs was witnessed by PM Imran Khan and Qatari Emir Al Thani. Both sides also agreed to take steps to significantly expand collaboration in the agriculture and food sectors, enhance cooperation in the energy sector including the LNG and LPG fields and exploration and production of oil and gas, promote Qatar's investments in energy, tourism and hospitality industries, expand cooperation in the fields of aviation, maritime affairs, higher education, and defense and defense production. *Dawn*.

Qatar seeks workers, security personnel from Pakistan

The Qatari foreign minister has expressed interest to invest in various sectors in Pakistan. He said his country is interested in importing more than one hundred thousand people from Pakistan for 2022 FIFA World Cup in Qatar. *Daily Times*.

ADB restores Pakistan's status as family station

In a major development, the Asian Development Bank (ADB) has abolished status of non-family station for its staff working in Pakistan after witnessing an improved security environment. Now the ADB staff will be allowed to bring wife/spouse into Pakistan during their stay in the country. Pakistani authorities will have to showcase more steps for further improving its reclassification in months ahead. *The News*.

Free trade talks with Indonesia next month

Indonesia's Ambassador to Pakistan, Iwan Suyudhieamri, while speaking to prominent Pakistani businessmen said that Pakistan and Indonesia are set to hold talks over the conversion of PTA to FTA in Jul'19, and the respective ministries have started their homework in this regard. Talking about bilateral trade relations between the two states, the envoy invited Pakistani businesspersons to participate in the 34th Trade Expo, being held in Indonesia in Oct'19. *Dawn*.

Borrowing from SBP doubles to PKR 2.7Tn

The govt. has announced its decision to stop borrowing funds from the SBP in FY20 after cumulative borrowing in FY19 doubled to PKR 2.7Tn as of 14th Jun compared to PKR 1.43Tn last year. It is believed that in the absence of borrowing from SBP, the govt. will look towards the commercial banks for its financing needs. The possible huge outflow of funds from the banks to the govt. would practically dry up the liquidity for private sector ultimately affecting the overall economic activity. Bankers have also warned that the govt.'s recent drive to get PKR 40,000 prize bonds registered could also deprive it from possible source of borrowing. *Dawn*.

EV policy to be aligned with current auto policy: Razak

Adviser on Commerce Razak Dawood has said the electric vehicle policy would be formulated in consultation with the stakeholders and it would be aligned with the current auto policy. The policy would incorporate global and regional best practices, growth of the EVs and the environmental concerns would be addressed properly, he said in a press statement. As Ministry of Industries has already formulated and implemented the Auto Development Policy (ADP), 2016-21, the E-vehicle Policy will also be scrutinized and implemented in the broader prospect of auto sector and under the auspices of the already implemented ADP, 2016-21. *Dawn*.

PMYA to launch cash grant program for youth

Prime Minister Youth Affairs Program, in collaboration with Ehsas team will launch a program for extending cash grant to rural and marginalized youth for their uplift. They will be granted cash amount in order to start their own business ventures. The focus will on 5 point agenda included their employment, economic empowerment, civic engagement, social protection health and wellbeing for specially marginalized youth. *The Nation*.

Donald Trump's new law may trigger global currency war

President Donald Trump's renewed focus on what he calls "unfair" exchange rates could presage a new global battlefield that has the potential to greatly damage the world economy. Under a proposed new rule that could come into effect as early as Jul'19, US may impose punitive tariffs on any country it determines is manipulating its currency to make its products more competitive than American goods. *The News*.

Southeast Asian leaders emphasize economic strength in face of US-China tensions

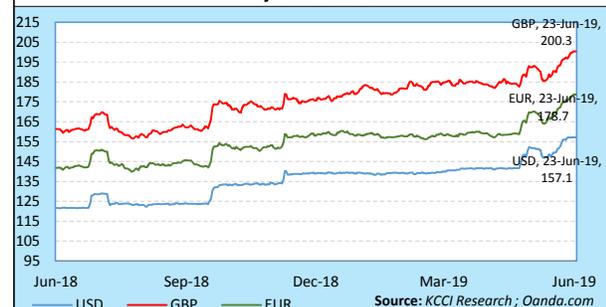
Southeast Asian leaders have agreed to work together on the region's economy and security to strengthen their position to face growing US-China tensions. As they wrapped up their summit in Bangkok, Thai PM Prayuth Chanocha, as Chairman of the 34th ASEAN Summit, urged ASEAN nations to complete negotiations this year for the China-initiated Regional Comprehensive Economic Partnership (RCEP) pact that includes 16 countries but has been held up by disputes between China and India over access to markets and protected lists of goods. Negotiations began in 2012 on RCEP, which envisages the creation of a free trade zone encompassing 45% of the world's population and more than a third of its GDP, but does not involve the United States. *BR-Mon*.

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	21-Jun	PKR	156.83	-0.17%
USD-Open MKT	21-Jun	PKR	156.50	0.00%
KSE-100 index	21-Jun	Pts.	35,125	0.37%
FIPI	21-Jun	\$ Mn	0.24	NM**
Crude (AP'19)	21-Jun	\$/bbl	57.61	0.68%
Gold (MA'19)	21-Jun	\$/oz	1,399.8	0.81%
Gold (10g) Local	21-Jun	PKR	66,958	1.04%
Silver (MA'19)	21-Jun	\$/oz	15.33	-0.51%
Cotton(KHI) -40 kg	21-Jun	PKR	9,324	-1.13%
Kibor-6M	21-Jun	%	13.06	0.01%
Forex Reserves	14-Jun	\$ Bn	14.64	-1.68%
	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-May 19	\$ Bn	-12.68	29.28%
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

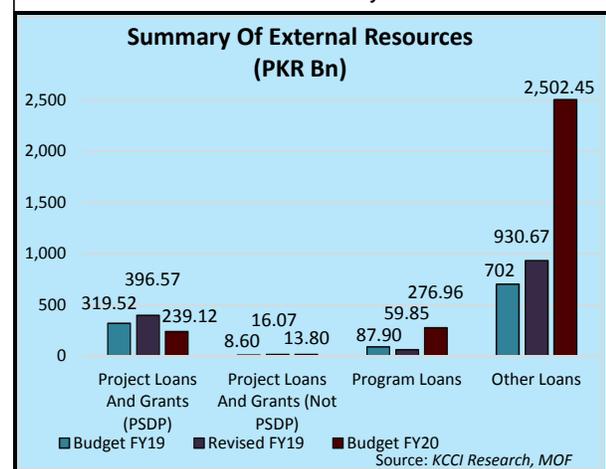


Quote of the Day

"Money often costs too much."

Ralph Waldo Emerson

Chart of the Day



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