

IMF team visits LTU Karachi

The IMF held an orientation meeting with large taxpayers unit (LTU) Karachi ahead of the quarterly review of the loan program. The purpose of the visit was to assess the capacity of tax contribution by large taxpayers in achieving this year's revenue collection target of PKR 5.55Tn. The focus of the meeting was policy and enforcement by the tax department. *The News.*

Import of plant, machinery: Industries seek clarity on applicability of 'MVAST'

Local industries have raised a legal question whether they have been allowed to import plant and machinery for their own use without payment of Minimum Value Addition Sales Tax (MVAST) after changes through Finance Act'19. They asked for clarification as the customs department is not charging MVAT from commercial importers. As per the newly inserted 12th Schedule, MVAST @ 3% is applicable on all imports except for raw material and intermediary goods subject to custom duty of less than 16%. From this, it appears that MVAST is also applicable on import of plant and machinery by industry for its own use. *BR.*

What revenue sources does local govt law grant KMC, asks mayor

Karachi Mayor Wasim Akhtar has asked the Sindh advocate general to read the Sindh Local Govt. Act 2013 to know what revenue sources were available to the Karachi Metropolitan Corporation (KMC). Speaking to media after the hearing of a case pertaining to financial disputes between the KMC and K-Electric, the mayor lamented that the Sindh govt. has kept all sources of revenue to itself but at the same time it wants the KMC to generate its own revenue. He said that the advocate general should better suggest to the Sindh govt. to stop corruption and start spending the revenue it generated from Karachi. *The News.*

LSM contracts 3.78%

LSM sector has shrunk 3.78% during May'19 from May'18. LSM dipped by 3.5% during 11MFY19 falling far behind 8.1% target set for FY19. The contraction came amid dismal performance in the pharmaceutical (-6.98%), chemical (-3.85%) and automobiles (-11.20%) sectors. Electronics (18.20%) and fertilizer (6.97%) sectors showed growth in 11MFY19. *Dawn.*

Budget deficit estimated to be PKR 3.3Tn in FY 2018-19

Despite lower utilization of development funds by PKR 100-125Bn, the budget deficit is estimated to hike by PKR 1.1Tn during FY19. The budget deficit in FY19 had been estimated at PKR 3.3Tn (8.5% of GDP) against PKR 2.2Tn in FY18. *The News.*

US-based medical lab to invest \$ 40Mn in healthcare

CEO of North Shore Medical Labs USA Dr Abid Sheikh in a meeting with PM Imran Khan, during his visit to Washington, has committed an investment of \$ 40Mn in healthcare Sector of Pakistan. The North Shore Medical Labs with its head office in New York is a full-service clinical reference laboratory, dedicated to serve the individual needs of the healthcare provider. *BR.*

Chinese firm to invest \$ 20Mn in cab, cargo services

A Chinese firm 'Timesaco' is working on comprehensive business plan to provide five important services including a taxi service, heavy cargo delivery, order delivery, moving ATMs and vehicle advertisement facilities, in Pakistan, initially investing \$ 20Mn, with future prospects of \$ 600Mn. Initially these instant services would be launched in six major cities. *Dawn.*

Mazari clears up CNIC condition for women

Minister for Human Rights Dr Shireen Mazari has refuted the impression that FBR has made it mandatory for women to furnish CNIC of their husband or father while making a purchase of over PKR 50,000 from a registered sales tax seller. She clarified that women did not need to provide a copy of their husband/father's CNIC in addition to their own. *The Nation.*

Repayment tenure of agriculture loans raised to 10 years

The maximum repayment tenure of development loans under the agriculture financing has been increased from 5 years to 10 years. SBP has made some necessary amendments to Loans for Farm Development and Machinery/Equipment, Regulation R-13 (Tenure, Classification and Provisioning) and Regulation R-15 (Tenure) of Prudential Regulations for Agriculture Financing in this regard. *BR.*

CCP asks companies to refrain from deceptive marketing

CCP has observed that companies should be stopped from marketing their products in an unfair and misleading manner, as deceptive marketing practices have a direct impact on the public at large. The enquiry has been conducted on the complaint of OLX (an online platform operating in Pakistan) against a local online forum, PakWheels (Pvt) Ltd, dedicated to the automobile sector. *BR.*

Debt-for-nature swaps discussed for TBTT project

The Ministry of Climate Change has come up with an innovative financing mechanism for Ten Billion Tree Tsunami (TBTT) project through debt-for-nature swaps. Pakistan has already done this practice for education and rehabilitation sectors in the past with foreign countries. Further details of the debt-for-nature swap mechanism will be available once the strategy is finalized. TBTT project will cost PKR 125Bn, and the govt. of Pakistan has allocated an amount of PKR 7.5Bn in FY20. *BR.*

OMCs ask govt. to link oil prices with 3-month LCs

With a reported loss of over PKR 40Bn due to free fall of PKR against the USD, oil marketing companies have approached the govt., asking it to link the revision in petroleum product prices with three-month letters of credit. Oil industry has said that the next step by the industry would be staff lay-offs, which is quite imminent. *Tribune.*

Airports to be cleared for US airlines soon, says minister

Federal Minister for Aviation Ghulam Sarwar Khan has said that soon airports will be cleared for US airlines as a United States team recently visited Pakistan to review security arrangements at airports of the country. While giving details of business plan of PIA, he said five aircraft would be inducted every year. *Dawn.*

Govt added \$ 10.81Bn to public debt

The govt., while side stepping the required due diligence in securing new liabilities, has added \$ 10.81Bn foreign loans in public debt during its first year in power. This threatens to undermine its deficit-cutting ambitions and commitment to pin point reasons for sharp increase in overall debt. The country's reliance on expansive foreign funding continues to rise, while Islamabad's ability to generate cheap funding in shape of getting disbursements from multilateral creditors has shrunk significantly. *The News.*

Auto workers may lose jobs as sales plummet

The automotive industry fears that amid declining auto sales, the sector is likely to lose at least 10-15% of direct jobs over the next few months. Warning of tough times ahead, they said rising auto prices on the back of steep currency depreciation, imposition of federal excise duty in the range of 2.5-7.5% depending on the engine size and tough economic climate have affected overall sales. Auto sales have declined by 7% in FY19 with fears of further shrinkage to 15-20% in FY20. *Dawn.*

US slaps \$ 5Bn fine on Facebook, toughens privacy oversight

US regulators have slapped a record \$ 5Bn fine on Facebook for privacy violations in a wide-ranging settlement that calls for revamping privacy controls and oversight at the social network. The penalty is the largest ever imposed on any company for violating consumers' privacy and one of the largest penalties ever assessed by the US govt. for any violation. This would end "unfettered control" of decisions on privacy by Facebook. *The News.*

PrintPak expo to begin on November 22

PrintPak 2019 is going to be held from 22nd-24th Nov/19 at Lahore Expo Centre to showcase and discuss areas of mutual cooperation in the fields of printing, packaging, graphic arts & allied products and services to cater the future requirements of the country. *BR.*

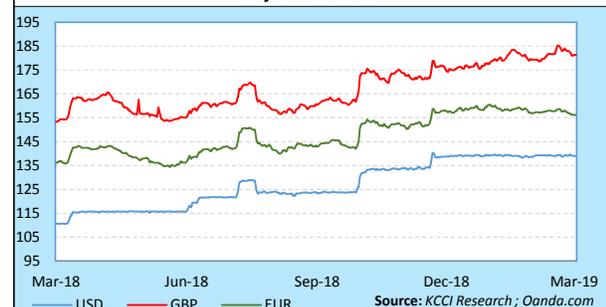
Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	24-Jul	PKR	160.78	0.12%
USD-Open MKT	24-Jul	PKR	160.10	0.00%
KSE-100 index	24-Jul	Pts.	32,401.4	-0.96%
FIPI	24-Jul	\$ Mn	4.40	NM**
Crude (AP'19)	24-Jul	\$/bbl	55.88	-2.03%
Gold (MA'19)	24-Jul	\$/oz	1,425.6	0.54%
Gold (10g) Local	24-Jul	PKR	72,171.0	0.36%
Silver (MA'19)	24-Jul	\$/oz	16.52	0.92%
Cotton(KHI) -40 kg	24-Jul	PKR	9,270	1.17%
Kibor-6M	24-Jul	%	14.00	0.21%
Forex Reserves	12-Jul	\$ Bn	15.25	6.94%
	FY19			YoY
Remittances	Jul-Jun 19	\$ Bn	21.84	91.87%
Exports*	Jul-Jun 19	\$ Bn	22.98	-1.00%
Imports*	Jul-Jun 19	\$ Bn	54.80	-9.86%
Trade Balance*	Jul-Jun 19	\$ Bn	-31.82	15.33%
Current Account	Jul-Jun 19	\$ Bn	-13.59	31.71%
Foreign Direct Inv.	Jul-Jun 19	\$ Bn	1.74	-49.96%
LSM Growth*	Jul-May 19	%	-3.50	
Avg. CPI	Jul-Jun 19	%	7.34	
Discount Rate	Jul-19	%	13.25	

Sources: KCCI Research, PMEX, NCCPL, KSE, SBP, PBS*

** Not Meaningful on week;

Major Currencies



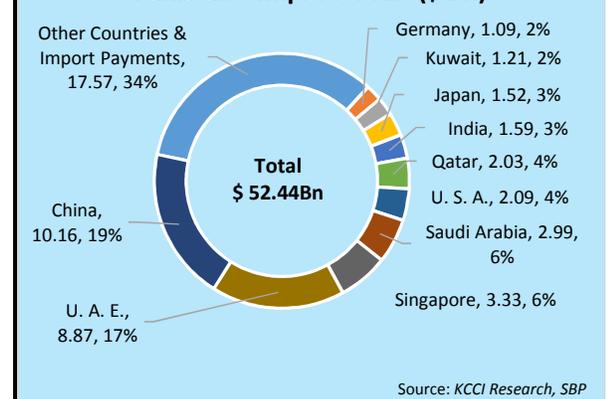
Quote of the Day

"There can be no liberty unless there is economic liberty."

Margaret Thatcher

Chart of the Day

Pakistan's Imports FY19 (\$ Bn)



Source: KCCI Research, SBP

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