

KCCI supports govt.'s resolve to bring everyone into tax net

President KCCI Junaid Esmail Makda and Chairman BMG Siraj Kassam Teli have assured that KCCI would fully support the government's resolve to bring everyone into the tax net, as higher number of taxpayers will lessen tax burden on the existing ones. In a joint statement, both the top leaders of KCCI mentioned that only businesspersons holding NTN numbers were eligible for KCCI. KCCI firmly believes that everyone should pay taxes and it is a matter of pride for us that we represent a city that contributes more than 70% revenue to the national exchequer in shape of taxes, duties and other levies, they maintained. They added that everyone should be taxed and there should be no leniency for anyone. *BR.*

Chambers and industry alarmed by traders' strike; support documentation efforts

On the first business day after nationwide traders' strike, various business chambers and associations gave a mixed response. Chairman BMG Group, Siraj Kassam Teli, said that in order to achieve the desired results in terms of revenue collection, the govt. has simultaneously opened many fronts which have terribly disturbed the entire business cycle and it is the basic reason behind why the govt. has been facing agitations and resistance. Meanwhile, KCCI President Junaid Makda said that he appreciated PM's remarks about partnering with business community in order to resolve issues and ensuring ease of doing business, he nevertheless requested a flexible approach while dealing with loyal taxpayers. KCCI also advanced a few concerns about discretionary powers given to the officers of FBR. It quoted Mr. Teli as saying that the govt. has devised numerous laws and amendments with a sincere intent to enhance tax collection but it is feared that most of these laws and amendments which have given enhanced discretionary powers to FBR officials even at lower level would only be used to harass the taxpayers in order to seek personal benefits and gratifications. *Dawn.*

Power, gas connections: FBR asks ministry not to entertain unregistered applicants

FBR Chairman Shabbar Zaidi has requested the Ministry of Power that any application for commercial/industrial connection of electricity/gas shall not be processed unless the applicant is on the Active Taxpayers List. In this regard, the FBR seeks Power Division's support for implementation of section 181AA of Income Tax Ordinance. He further added that FBR has extended the date of filing the return of income for TY18 to 2nd Aug'19 to facilitate filing of return by all persons who were required to file the return of income but have not filed so far. *BR.*

Printing of retail price on imported Third Schedule items: FBR issues sales tax order "relief"

FBR has allowed clearance of imported 3rd Schedule items without printing of retail price or affixing stickers for which goods declaration are filed by the importers up to 31st Jul'19. In this regard, the FBR has issued sales tax general order no. 102 / 2019 on the subject of printing of retail price on imported 3rd schedule items. The importers did not have sufficient notice of the change, therefore, a large number of consignments of such items are arriving without printed retail price, and that the de-stuffing of containers to affix stickers in the aforesaid manner is not practical and the same would cause blockage of imports and congestion at the ports. *BR.*

100bps interest rate hike likely

SBP is expected to hike the key interest rate by 100bps in its monetary policy meeting on 16th Jul'19(today), following a recently adopted approach to keep the rate 2-2.5% higher than the rate of inflation. *Tribune.*

FDI down 50% in FY19 as CPEC inflows decline

The country has fetched FDI amounting to \$ 1.74Bn in FY19 compared to \$ 3.47Bn in FY18, depicting a decline of 50%. The power sector, which remained the single largest recipient of the CPEC-related FDI over the last few years, witnessed an outflow of \$ 254Mn. In addition, \$77.6Mn outflows from telecommunications also dragged down the overall investment. On a positive note construction attracted \$ 421Mn, oil and gas exploration \$ 309Mn, financial business \$ 286Mn, electrical machinery \$ 166Mn, automotive \$ 113Mn, Chemical \$ 134Mn, and beverage \$ 99Mn. *BR.*

Registration must for all businesses

PM Imran Khan has said that registration will be mandatory for each and every business and the people's hardships will be taken into account while specifying tax ratio. He said that easy loans will be provided for building houses and an ordinance to this effect will be approved on Tues (16th Jul'19). *The News.*

PM launches second phase of registration for housing scheme

PM Imran Khan has opened 2nd phase of registration for Naya Pakistan Housing Programme, which would provide affordable housing units to low-income families. The objective of countrywide registration process by through this scheme is to collect data regarding the demand for housing units across the country and launch projects accordingly. The PM also launched a web portal (www.nphp.nadra.gov.pk) where applicants could register themselves, without visiting any office. *Dawn.*

SBP releases third Quarterly Report on State of Economy for FY19

While Pakistan's economy moved along the stabilization phase led by demand management policies, vulnerabilities in the external and fiscal sectors persisted during 3QFY19. According to the SBP's 3rd Quarterly Report on the State of Pakistan's Economy, the current stabilization agenda needs to be reinforced with deep rooted structural reforms. The pace of economic growth slowed down considerably during FY19, mainly in response to policy measures taken to curb the twin deficits. The weak showing by the commodity-producing sectors also constrained the output of the services sector. According to the report, inflation stubbornly kept an upward trajectory. The report features a special section on power tariffs in Pakistan which explains the process of power tariff determination in the country and assesses why tariffs have not softened despite the decline in fuel cost. *The News.*

CPLC data reveals rampant street crime across city in year's first half

Street crime, mobile phone snatching and vehicle theft remained rampant in Karachi in 1HCY19, according to statistics compiled by the CPLC. A total of 114 four-wheelers were snatched and 655 stolen during 1HCY19. Similarly, 835 motorcycles were snatched while 13,056 motorcycles were stolen. 8,517 mobile phones were snatched and 13,644 were stolen. The CPLC reported 18 cases of extortion while two cases of bank robberies took place. A total of 203 people were killed during the six months, whereas, only single case of kidnapping for ransom was reported. *The News.*

Kuwaiti business team explores investment avenues in Pakistan

A visiting Kuwaiti business delegation of Burgan Petroleum is in Pakistan to explore investment opportunities in Pakistan's petrochemical sector. The delegation headed by Hamoud Okla Al Enezi, CEO Burgan Petroleum held meeting with the Chairman BOI Zubair Gilani. *The News.*

Antofagasta for 'negotiated settlement' after winning \$ 6Bn from Pakistan

London-listed Chilean-focused miner Antofagasta has offered a "negotiated settlement" to Pakistan after winning a 7-year legal battle with the Pakistan govt. The company has been awarded almost \$ 6Bn (GBP 4.8Bn) when the World Bank international arbitration tribunal ruled that Pakistan was wrong to block a mining lease for the Reko Diq project in Pakistan in 2011. *The News.*

Wheat, flour to be costlier if govt continues 17% GST on bran

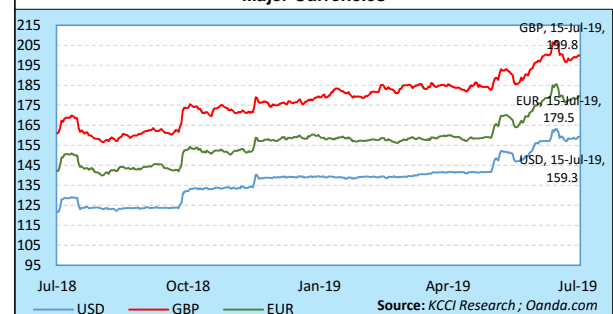
The price of a 20-kg wheat flour bag could increase by PKR 15 to PKR 30 as a result of 17% GST on wheat bran. Through an official correspondence, the federal govt. has notified that no tax has been levied on wheat products except bran. It is very clear that while wheat flour is exempted from sales tax, price of flour could increase due to high tax rate being imposed on bran. *The News*

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	15-Jul	PKR	159.86	0.67%
USD-Open MKT	15-Jul	PKR	160.00	0.63%
KSE-100 index	15-Jul	Pts.	32,958	-2.12%
FIPI	15-Jul	\$ Mn	1.16	NM**
Crude (AP'19)	15-Jul	\$/bbl	59.30	-1.71%
Gold (MA'19)	15-Jul	\$/oz	1,416.1	-0.02%
Gold (10g) Local	15-Jul	PKR	68,844	0.00%
Silver (MA'19)	15-Jul	\$/oz	15.33	0.90%
Cotton(KHI)-40 kg	15-Jul	PKR	8,895	0.00%
Kibor-6M	15-Jul	%	13.19	0.04%
Forex Reserves	5-Jul	\$ Bn	14.26	-1.27%
	FY19			YoY
Remittances	Jul-Jun 19	\$ Bn	21.84	9.68%
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-May 19	\$ Bn	-12.68	29.28%
Foreign Direct Inv.	Jul-Jun 19	\$ Bn	1.74	-49.96%
LSM Growth*	Jul-Apr 19	%	-3.51	
Avg. CPI	Jul-Jun 19	%	7.34	
Discount Rate	May-19	%	12.25	

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

Major Currencies



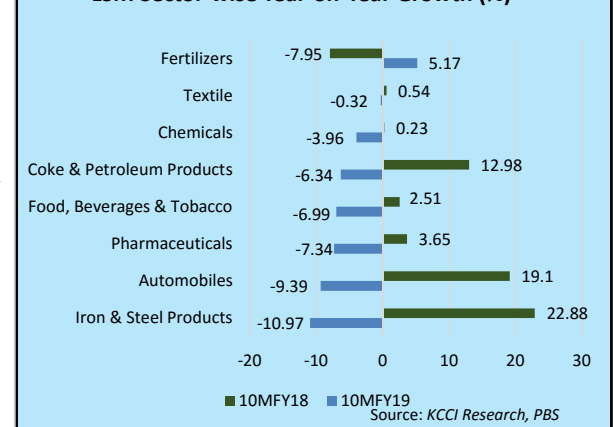
Quote of the Day

"Try not to become a man of success. Rather become a man of value."

Albert Einstein

Chart of the Day

LSM Sector-wise Year-on-Year Growth (%)



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