

PM's visit to US: Govt uncertain about seeking tariff concessions

The govt. is still clueless and indecisive whether it should seek tariff concessions from US authorities or not during the maiden visit of PM Imran Khan, fearing it may prove counter-productive keeping in view of the unpredictability of US President Donald Trump. PM Imran Khan is to leave for US today (19th Jul'19). More importantly, the US is in protectionist mode too. It is feared that the US will try to ensure safe US troops evacuation free of cost from Afghanistan by using the strict IMF program and FATF as a bargaining chip. *The News.*

SECP clarification

SECP has strongly refuted news appearing in a section of the press and electronic media attributing any purported action against companies. It said that no crackdown of any sort is being planned or under consideration of the Commission. It also clarified that SECP does not regulate or enforce Income Tax Ordinance, 2001 or the Benami Transactions (Prohibition) Act, 17 and its powers are restricted to offences provided in the SECP Act, 97, and other administered legislation as provided in its Schedule. It also clarified that the powers of search and seizure and forced entry have been part and parcel of the SECP Act, 1997, since the establishment of the Commission. *BR.*

FBR begins probe into export losses from mispricing

FBR Chairman Shabbar Zaidi has asked tax officials to identify the export losses caused by mispricing or under-invoicing and to categorize exporters on the basis of their risk profiling. An estimate states that Pakistan incurs more than \$ 5Bn in losses a year due to under-invoicing or mispricing in foreign trade and one of the suspected methods is via port cargo. *The News.*

Raise revenue, curb smuggling, Zaidi tells taxmen as govt says FBR chief here to stay

FBR Chairman Shabbar Zaidi has said that local markets are flooded with misdeclared imported goods causing huge revenue losses and adversely impacting the existing and future investment in different sectors. Adviser to PM Naeem-ul-Haq said that FBR chairman is here to stay, at least temporarily putting to rest persistent talk of an impending replacement at the tax bureaucracy. The FBR chairman spurred into action following discovery of massive misdeclaration of goods after data from WeBOC-Glo was analysed. The data showed around 62% of total 69,000 goods declarations showed differences in assessed value and declared value of goods. On the other hand, around 21% of misdeclarations were made in weight and quantity. *Dawn.*

PM hints at low-cost credit for machinery purchase

PM Imran Khan has promised to consider a proposal to offer low-cost credit for the purchase of machinery and equipment to encourage industrial capacity expansion and stimulate new investment in the country. During a meeting with businessmen, the PM responded positively to look into the possibility of creating a credit line to provide loans at a subsidised rate of 6% for purchasing machinery and equipment. Businessmen have already put on hold their expansion and investment plans amid rising interest rates and depreciating currency over the last 1.5 years. *Dawn.*

1,650 Customs positions transferred, re-deployed

FBR's Customs Wing has re-deployed and transferred 1,650 official positions to meet the challenging revenue target and particularly to control smuggling. In this context, a total of 180 posts in BS-16 have been re-designated while 1,568 posts in BS-16 have been redeployed across Pakistan. *The News.*

SBP designates HBL, NBP and UBL as D-SIBs for 2019

SBP has designated Habib Bank Ltd, National Bank of Pakistan and United Bank Ltd as Domestic Systemically Important Banks (D-SIBs) for the year 2019. Now, these banks will be subject to enhanced supervisory requirements and following higher capital surcharge. *BR.*

Dawood, US-Pak Business Council team discuss trade, investment scope

A delegation of US-Pak Business Council called on A.Razak Dawood, PM's Advisor on Commerce to discuss bilateral trade and investment opportunities. Besides Council members, the delegation consisted of representatives of prominent US MNCs including PepsiCo, Uber and Facebook. The advisor urged the delegation to enhance the trade and investment relations between the two countries as the current relations are not at par with the existing potential. The delegation appreciated business friendly environment and showed strong commitment in unleashing new business ventures in Pakistan. *BR.*

Pakistan, France sign MoU to promote trade, investment

Ambassador of Pakistan to France, Mouin-ul-Haque (on behalf of the Board of Investment of Pakistan) and Christophe Lecourtier (CEO of Business France) have signed a MoU to promote bilateral cooperation in the fields of trade, investment and business between Pakistan and France. The ambassador noted that the agreement would encourage and facilitate the businessmen and investors from both the countries to forge closer contacts and partnerships as both the countries would also be able to help and support the businessmen for organizing exhibitions, seminars and business missions. Christophe Lecourtier said that after signing of this landmark agreement, Business France would encourage and motivate French companies to invest in Pakistan and forge business alliances with their Pakistani counterparts. *BR.*

Japanese envoy meets Hammad Azhar

Japanese Ambassador, Kuninori Matsuda called on Federal Minister for Economic Affairs Hammad Azhar. The ambassador expressed the intention of his govt. to provide financing support for implementation of high value flagship projects in the areas of sanitation & waste management, clean drinking water and human resource development including health & education, technical assistance and skill development for enhancing productivity in Pakistan's economy. *BR.*

Govt. urged to address the plight of paper merchants

Paper Merchants have rejected discriminated highest customs duty, additional customs duty and anomalous tariff on paper and paper board (HS Code 48) in Budget FY20. They said that in the budget speech, Minister of State for Revenue, Hammad Azhar, announced a cut down customs duty on uncoated paper HS Code 4802 to 16% from 20% in order to register decline in prices of copies & books but sadly in the Finance Bill, customs duty and additional custom duty on uncoated paper was jacked up to 27%. *BR.*

KCR's revival plan hangs in the balance

The plan for revival of KCR continues to hang in the balance in spite of the Supreme Court's directives because no stakeholders seem to own this multi-Billion public sector project so far. No stakeholders (federal govt., Sindh govt. and particularly the Ministry of Railway) seem to be least-interested in revival of KCR. Squatters have begun reoccupying the KCR's right of way which was recently cleared by the local administration along with the railways for handover it to the provincial govt. *BR.*

Foreign exchange: SBP reserves jump 12.9% to \$ 8Bn

Foreign exchange reserves held by SBP jumped by a massive 12.9% on a weekly basis to reach \$ 8Bn. The increase came after Pakistan received 1st tranche from the IMF of \$ 991.4Mn on 9th Jul'19. Overall, liquid foreign currency reserves stood at \$ 15.25Bn. Net reserves held by banks amounted to \$ 7.25Bn. *Tribune.*

Airspace closure caused over PKR 8Bn loss: minister

Federal Minister for Aviation Ghulam Sarwar Khan has said that CAA suffered a loss of PKR 8.5Bn because of airspace restrictions since Feb'19 in the wake of Indian aggression. It is a huge loss for overall aviation industry, he said. But this restriction hit India harder than Pakistan. The loss of India is almost double. Referring to vision of PM Imran Khan, he said it is govt.'s priority to revamp PIA and increase its fleet to 45 by phasing-in 14 new aircraft gradually by 2025. *Dawn.*

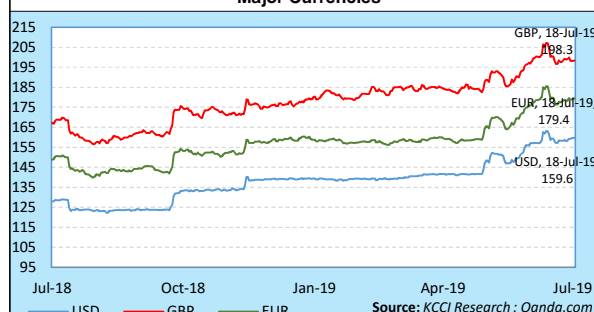
Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	18-Jul	PKR	160.03	0.13%
USD-Open MKT	18-Jul	PKR	159.90	0.06%
KSE-100 index	18-Jul	Pts.	32,310	-2.04%
FIPI	18-Jul	\$ Mn	2.65	NM**
Crude (AP'19)	18-Jul	\$/bbl	55.68	-1.26%
Gold (MA'19)	18-Jul	\$/oz	1,446.2	1.30%
Gold (10g) Local	18-Jul	PKR	70,842	0.06%
Silver (MA'19)	18-Jul	\$/oz	16.27	2.19%
Cotton(KHI) -40 kg	18-Jul	PKR	8,895	0.00%
Kibor-6M	18-Jul	%	13.94	0.20%
Forex Reserves	12-Jul	\$ Bn	15.25	6.94%
	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-Jun 19	\$ Bn	-13.59	31.71%
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

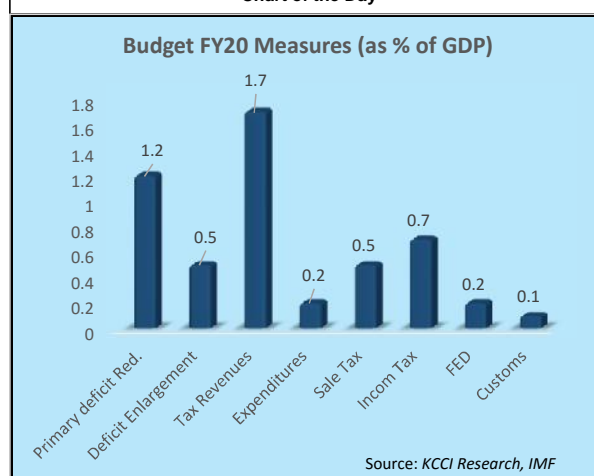


Quote of the Day

"Keep on going, and the chances are that you will stumble on something. I never heard of anyone ever stumbling on something sitting down."

Charles F. Kettering

Chart of the Day



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