

FBR constitutes committee to finalize tax regime for traders

FBR has constituted a committee to finalize a new income tax regime for traders, as the govt. and the traders remain poles apart over the key issue of disclosing their identity for trading purposes. The 15-member committee has been directed to finalize a fixed tax scheme for small traders/shopkeepers and simplified tax procedure for traders by 25th Aug'19. FBR's Member Taxpayers Audit, Nausheen Amjad, will be the convener of the committee while there will be eight representatives of the traders. The govt. has also included three eminent tax and legal experts in the committee. *Tribune*.

Trade deficit contracts 29% in July

The govt.'s battle against bloated trade deficit is bearing fruits as it shrank by 29% in 1MFY20, driven largely by a decline in non-essential luxury items. The trade deficit decreased to \$ 2.27bn in Jul'19, from \$ 3.19bn over Jul'18. The value of imported goods in Jul'19 came in at \$ 4.15bn, down 14.07% while exports grew 14.6% to \$ 1.88bn in Jul'19. *Dawn*.

FBR extends dates for returns, related annexure

FBR has extended the dates for submission of sales tax & federal excise return and related annexure and payments for the tax period of Jul'19. The due date (15th Aug'19) for payment of sales tax and federal excise duty has been extended up to 21st Aug'19. The due date (18th Aug'19) for submission of sales tax and federal excise return has been extended up to 23rd Aug'19. *BR*.

FBR takes measures to boost collection from WHT

FBR has advised all Regional Tax Offices and Large Taxpayer Units to issue notices to all industrial and commercial consumers of electricity and gas who have not filed their income tax returns. Similarly, people owning vehicles of engine capacity of more than 1,000cc and property occupying more than one kanal land will also be issued notices demanding the filing of income tax returns. *Tribune*.

Pakistan submits 450-page report to FATF

After hiring two international consultants for finalizing the compliance report, Pakistan has submitted a 450-page report along with detailed annexure on the 27-point action plan given by the FATF that will be scrutinized in a face-to-face meeting in Bangkok in the 2nd week of Sep'19. The final meeting of FATF is expected to be held in Oct'19 to take a crucial decision to exclude Pakistan from grey list, keep it within the grey list or put the country into blacklist. If Pakistan is found compliant on 18 out of 27 points then Islamabad will be automatically out from the grey list. *The News*.

Govt. not to make PKR 1,257Bn cash balance part of budget deficit

At a time when the Ministry of Finance is finalizing its budget deficit close to 9% of GDP, the govt. is unclear how to treat the cash balance of PKR 1,257Bn, whether to make it part of the overall budget deficit or to keep it outside to show deficit within the limit of 8 to 9% of GDP. In its first mini-budget in Oct'18, the govt. had envisaged the deficit at 5.1% of GDP. *The News*.

'Trade suspension will not apply to shipments in pipeline'

The Commerce Division has clarified that the decision to suspend trade with India will not apply to shipments for which letters of credit or bill of lading have been issued prior to 9th Aug'19. Two different notifications have been issued soon after a cabinet meeting to implement the decision to suspend bilateral trade with India with immediate effect and until further orders. As per notification SRO 928 of 2019, all kind of exports to India have been suspended by amending the Export Policy Order 2016. *Dawn*.

Pak-Afghan transit trade to continue

The govt. has said that Pakistan-Afghanistan transit trade would continue as it has nothing to do with Islamabad's decision to suspend bilateral trade with New Delhi. The Ministry of Commerce has asked FBR to take necessary steps to prevent mis-declaration and smuggling. According to the Ministry, the suspension of trade with India would not affect trade under the Afghanistan-Pakistan Transit Trade Agreement (APTTA), 2010. The business community has raised concerns over the suspension of bilateral trade with India might result into increase in smuggling of Indian goods, imports of Indian origin goods by mis-declaration through third countries, and smuggling under APTTA. *The Nation*.

Second phase of Clean Karachi initiative launched from Lyari

Maritime Affairs Minister Ali Zaidi has inaugurated the 2nd phase of federal govt.-sponsored Clean Karachi campaign from Lyari. However, unlike the 1st phase, he has not given any deadline to lift the garbage from the city, saying the move is target bound instead of time bound. As regards donations received for the drive, Zaidi said so far PKR 50Mn from HBL, PKR 20Mn from K-Electric, PKR 10Mn from Jubilee Insurance and PKR 5Mn from a Chinese company have been received. *Dawn*.

Consumers buy costlier roti as govt yet to notify gas tariff cut for tandoors

The govt. has yet to notify the gas tariff cut for tandoors despite taking the decision on 31st Jul'19. As a result, consumers have yet to get any price relief in various varieties of roti. Roti makers said they are likely to pay enhanced gas bill of Jul'19 as the decision to reduce gas tariff would first go to the federal cabinet for approval and then it would be notified. *Dawn*.

Mayor opposes Sepa approval for coal storage project at Port Qasim

Mayor Karachi Wasim Akhtar has expressed grave concern on the approval of a coal storage project at Port Qasim area by Sindh Environmental Protection Agency (Sepa) saying that it would increase environmental pollution in the city. He said Sepa does not have the authority to take any step in contravention of the Supreme Court's directives which had, in its 2018 decision, restrained coal import at the Karachi Port Trust as it lacked a system to safely handle and store coal consignments. *Dawn*.

Power sector gets boost with PKR 121Bn increase in revenues

Power sector revenues have witnessed a marked PKR 121Bn increase by overcoming line losses worth PKR 16Bn, owing to prudent and swift policies implemented by govt. Various other areas have also witnessed significant improvement, especially after the anti-power theft campaign, launched in Oct'18, including introduction of smart meters and record distribution of 23,049 MW electricity through improved transmission network. A sum of PKR 1.3Bn is recovered from 5,318 power thieves after registering 36,000 first information reports (FIRs) against them under anti-power pilferage campaign. *The Nation*.

Planning ministry sanctions PKR 15.4Bn for PSDP

Development work in the public sector has slowed down in new fiscal year, as the planning ministry has authorized only PKR 15.4Bn for spending due to less demand for budget by line ministries. The releases are only 2.2% of the annual PSDP allocation of PKR 701Bn. A large chunk of PKR 3.6Bn had been given for construction of Karachi Coastal Power Project, which has been restored in the PSDP on demand of the IMF. *Tribune*.

CDNS collects PKR 15Bn in July on attractive profit rates

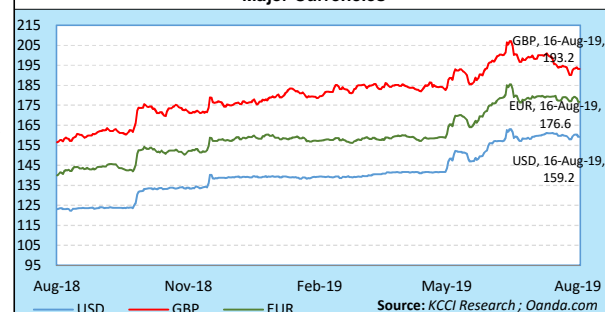
The Central Directorate of National Savings (CDNS) has succeeded in achieving net collection target of PKR 15Bn through its various investment certificates in Jul'19, as individuals are encouraged to park their funds into the saving instruments on attractive rates of returns. The CDNS has set PKR 350Bn as annual net target for FY20 as compared to PKR 324Bn in FY19. *The News*.

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	16-Aug	PKR	158.96	0.32%
USD-Open MKT	16-Aug	PKR	159.10	0.06%
KSE-100 index	16-Aug	Pts.	28,765	-2.26%
FIPI	16-Aug	\$ Mn	1.70	NM**
Crude (AP'19)	15-Aug	\$/bbl	54.66	-0.69%
Gold (MA'19)	15-Aug	\$/oz	1,525.5	0.63%
Gold (10g) Local	16-Aug	PKR	75,789	1.61%
Silver (MA'19)	15-Aug	\$/oz	17.25	0.47%
Cotton(KHI)-40 kg	16-Aug	PKR	8,306	0.00%
Kibor-6M	16-Aug	%	14.37	0.29%
Forex Reserves	26-Jul	\$ Bn	15.06	-1.23%
	FY19			YoY
Remittances	Jul-19	\$ Bn	2.04	5.70%
Exports*	Jul-19	\$ Bn	1.88	14.63%
Imports*	Jul-19	\$ Bn	4.15	-15.13%
Trade Balance*	Jul-19	\$ Bn	-2.27	30.15%
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-19	%	10.34	
Discount Rate	Jul-19	%	13.25	

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

Major Currencies

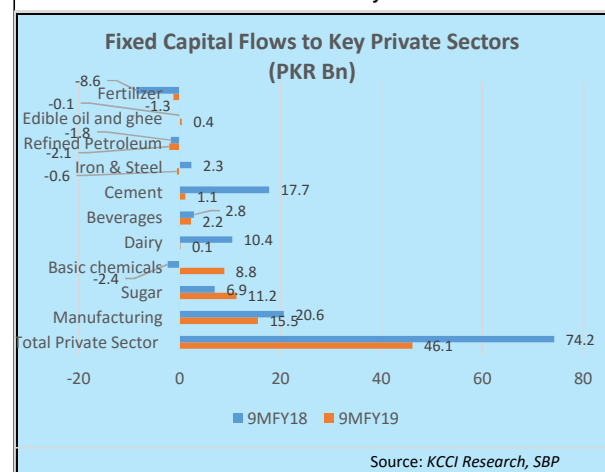


Quote of the Day

"In the business world, the rear view mirror is always clearer than the windshield."

Warren Buffet

Chart of the Day



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