

Suspension of trade with India: Notification will not affect shipments in the pipeline

Customs authorities at ports would allow clearance of Indian shipments which are in the pipeline and for which Bill of Lading (B/L) or Letters or Credit (L/C) were issued prior to 9th Aug'19. From 9th Aug'19, Ministry of Commerce and Textile had suspended bilateral trade with India after obtaining formal approval of the federal cabinet. *BR.*

Tough measures hampering dollar buying

Currency dealers have said that dollar buying has drastically dropped due to strict documentation and surplus greenback being sold to banks. Stringent documentation requirements and video-making have turned away buyers from currency market while investment has shifted from dollars to unchecked gold buying. Currency dealers have deposited \$ 550Mn surplus in banks from May'19 to Jul'19. *Dawn.*

Sindh chief secretary cancels Chinese firm's garbage-lifting contract over 'poor performance'

Sindh Chief Secretary, Mumtaz Ali Shah, has issued directives to cancel contract of a Chinese company responsible for lifting of garbage in Karachi's district East for its poor performance. The chief secretary also linked all future funding or payment to Chinese companies with a certificate issued by deputy commissioners concerned. The chief secretary has also expressed his displeasure over performance of the Sindh Solid Waste Management Board. He also directed SSWMB to increase the number of dustbins in Karachi by 4,000. *Dawn.*

FBR collects PKR 5Bn by registering 44Mn mobile phones since January

FBR has collected PKR 5Bn by registering 44Mn mobile phones under the Device Identification, Registration and Blocking System (DIRBS) since 15th Jan'19. FBR has also conveyed to the incoming international passengers that mobile phones will be cleared by the system in accordance with the applicable rates of duties and taxes. Previously, the mobile phone sets were cleared by the system in accordance with admissible allowances under the Baggage Rules, whereby the first mobile phone in a year was allowed registration/white-listing in DIRBS free of duty/taxes. However, this registration of first mobile phone without payment of duties and taxes has been withdrawn under the new Customs general order of the FBR. *BR.*

Execution of contracts: FBR asks provinces to deduct, deposit WHT

FBR has approached the provincial govts to deduct and deposit withholding tax at the time of making payment on account of execution of contracts at provincial level. Every prescribed person at the time of making payment on account of execution of a contract is required to deduct tax from the gross amount payable at the rates prescribed in the 1st Schedule of the Income Tax Ordinance 2001. The rates may vary in case the contractor is on the Active Taxpayer List or otherwise. *BR.*

Big industry contracts 3.6% in FY19

LSM sector has shrunk by 3.64% in FY19 against growth projection target of 8.1%. The sectors which showed growth year-on-year basis includes fertilizers (7.68%), electronics (12.53%) and engineering products (6.48%). Textiles, automobiles, iron and steel showed a decline of 0.19%, 11.78% and 11.21% respectively. The big industry posted a negative growth of 5.05% in Jun'19 on a year-on-year basis. *Dawn.*

'CPEC Authority' being set up for timely completion of projects: PM

PM Imran Khan has announced the formation of 'China-Pakistan Economic Corridor Authority (CPECA)' to ensure timely completion of corridor's projects. Establishment of CPEC Authority will prove effective in enhancing cooperation and collaboration between different departments and timely completion of projects. The PM said the timely completion of CPEC projects was the top-most priority of the government. *Dawn.*

Pakistan presents 21-page report to FATF group

A Pakistan delegation, headed by Governor of SBP Reza Baqir, has reached Australia and commenced negotiations with the FATF's Asia Pacific Group to exit its grey list. The delegation, comprising of representatives from NACTA, FBR, SECP, FIA and the Financial Monitoring Unit, presented its 21-page report before the inter-governmental organization regarding measures which have been taken to prevent money laundering, terror financing and other recommendations. *BR.*

In Pakistan, auto sector continues to suffer as sales plunge

Pakistan's auto sector continued to face the brunt of stabilizing economic policies and an overall slowdown in the economy as sales recorded a significant decline of 42% to 12,482 units in Jul'19 from 21,344 units in Jul'18. The plunge is being attributed to the continued hike in auto prices in the range of 9-40% in the past 12 months, FED imposed in budget FY20. Honda Atlas Cars recorded the highest decline with sales dropping 66% on a year-on-year basis to 1,694 units. This downward trend was followed by all the three players as sales of Indus Motor Company recorded a fall of 56% and those of Pak Suzuki Motor Company went down 23%. *Tribune.*

TDAP sends exporters to Thailand

TDAP is sending a fisheries exporter's trade delegation to Thailand and Vietnam from 25th Aug'19-1st Sept'19. CG of Thailand Mr. Thatree Chauwachata has informed that Pakistan is among five biggest sea food suppliers to Thailand and there are more opportunities available for Pakistani exporters in this sector. He suggested that Pakistani companies should develop joint ventures with Thai companies and improve their processing, packaging and storage facilities. *The Nation.*

Federal cabinet to discuss nine-point agenda today

PM Imran Khan has summoned federal cabinet meeting for today (20th Aug'19) to discuss a 9-point agenda, including the Kashmir conflict. The meeting will also get a briefing from the ministry of communications to review its one-year performance. Approval of PKR 5Bn loan for the low costing houses and Pak-Turk Strategic Economic Framework will also be green signaled. *The News.*

Total external inflows reach \$ 10.19Bn during FY19

The total external inflows during FY19 were recorded at \$ 10.19Bn, including loans and grants of \$ 9.86Bn and \$ 330Mn, respectively. According to One Year Performance Report launched by the govt., out of these, the disbursement received from multilateral sources was \$ 2.11Bn, whereas from bilateral sources it stood at \$ 1.98Bn. Borrowings from foreign commercial banks were \$ 4.1Bn and State Administration of Foreign Exchange deposits from China were \$ 2Bn. During FY19, the incumbent govt. repaid \$ 9.1Bn to international development partners and foreign commercial banks on account of principal repayments (\$ 7.05Bn) and debt servicing (\$ 2.06Bn). The govt. also signed \$ 3.42Bn worth of new loan agreements. *The News.*

India using water as weapon: WAPDA chief

Wapda has accused India of waging 5th-generation warfare after New Delhi had failed to inform Islamabad about the release of water from a dam in Ladakh that could cause flooding across the border. The unexpected release of water into the River Sutlej that flows from India to Pakistan, was part of an attempt by New Delhi to flout a longstanding treaty between the countries. *Tribune.*

KE chairman holds civic agencies, 'mafias' responsible for majority of electrocution deaths

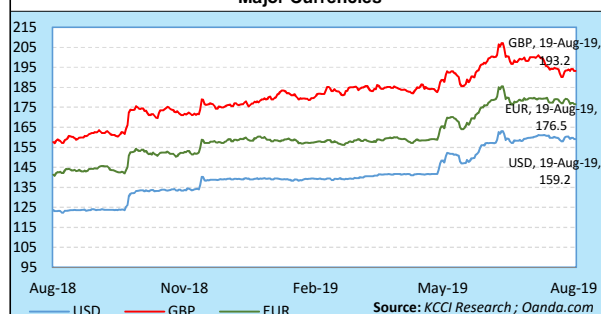
With at least 33 people having been killed due to electrocution during the recent spell of rains, K-Electric has said that civic agencies and various mafias are responsible for the majority of the deaths. The power utility admitted, however, that two deaths were caused due to the KE's negligence. K-Electric has said that the internet and TV cable mafia are one of the biggest culprits in the recent incidents and it called for better coordination among the various civic agencies and utility service providers. *Tribune.*

Economic Indicators

| List of Indicators | Date / Period | Unit | Value | Change Daily |
|---------------------|---------------|--------|----------|--------------|
| USD-Interbank | 19-Aug | PKR | 158.62 | -0.21% |
| USD-Open MKT | 19-Aug | PKR | 158.40 | -0.44% |
| KSE-100 index | 19-Aug | Pts. | 29,562 | 2.77% |
| FIPI | 19-Aug | \$ Mn | -1.31 | NM** |
| Crude (AP'19) | 19-Aug | \$/bbl | 1,497.10 | 2630.94% |
| Gold (MA'19) | 19-Aug | \$/oz | 16.9 | -98.89% |
| Gold (10g) Local | 19-Aug | PKR | 75,789 | 0.00% |
| Silver (MA'19) | 19-Aug | \$/oz | 56.14 | 228.73% |
| Cotton(KHI)-40 kg | 19-Aug | PKR | 8,359 | 0.64% |
| Kibor-6M | 19-Aug | % | 14.08 | -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-Jun 19 | % | -3.64 | |
| 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

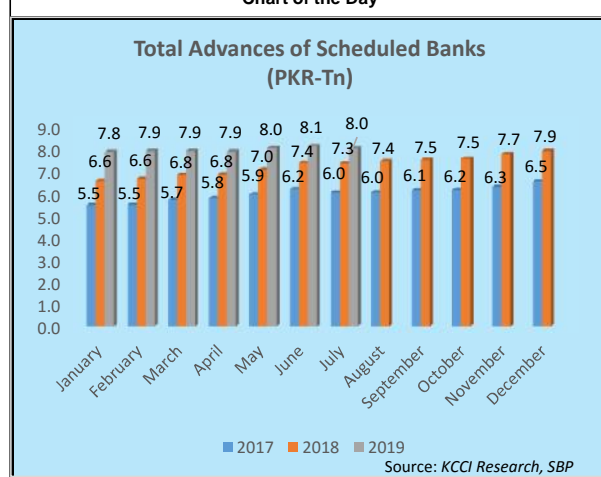


Quote of the Day

"The Pessimist Sees Difficulty In Every Opportunity. The Optimist Sees Opportunity In Every Difficulty."

Winston Churchill

Chart of the Day



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