

### Pakistan likely end up on FATF's white list by Oct

All pointers coming out of FATF and its regional Affiliate — The Asia Pacific Group (which met in Australia) — suggest positive outcome for Pakistan's grey-listing status with the increased prospect of plenary meeting in mid-Oct'19 in Paris likely to deliver its final verdict favorable, putting Pakistan in "white" category. All major world powers including the US, China, UK and Russia in particular, besides, Turkey and Saudi Arabia, have been intensely lobbied and are positive to take Pakistan off the grey list. *The News.*

### FBR sets up new unit to increase returns filing

The FBR has established a new unit of broadening of tax base (BTB) at Regional Tax Office (RTO)-III Karachi to increase the number of return filers to 8Mn in the next couple of years. The FBR had also conferred powers of BTB to RTO-II Karachi in May'19, which resulted in a massive rise in returns filing for the TY18. The two RTOs will share territorial jurisdiction in Karachi after the creation of new BTB unit. The RTO-II Karachi has been authorized to take action in the areas of Karachi covering, Saddar, Lyari, SITE, DHA and Clifton. *The News.*

### Foreign investment down 22%

Total foreign investment in Pakistan plungs by 22% in 1MFY20, falling to \$ 107.2Mn as compared to \$ 136.8Mn recorded in Jul'18. FDI plummeting by 57.79% to \$ 73.4Mn, from \$ 173.9Mn. On the other hand, portfolio investment is down 19.66% to \$ 33.9Mn. USA is the biggest source of inbound investments, registering net FDI of \$ 16.6Mn as against \$ 14.4Mn. Sector-wise, oil and gas exploration recorded highest net FDI of \$ 13.2Mn in Jul'19, down from \$ 19.6Mn in Jul'18. *Dawn.*

### Govt. set to waive PKR 208Bn dues of industrialists

Govt. is set to write off a minimum PKR 208Bn in favor of industrialists after it and the previous two gov't.'s failed to recover dues on account of gas infrastructure development cess (GIDC). The amount that the gov't. is going to waive in favor of the industrialists, mainly Karachi-based, is close to the total loans written off from 1971 to 2009. Total GIDC dues stand at PKR 416.3Bn as of the end of Dec'18 and according to a proposed ordinance, half of the amount will be written off in favor of 4 sectors – fertilizer, textile, power generation and CNG. *Tribune.*

### Transport dept lacks funds to launch bus projects, PA told

The Sindh Assembly has been informed that the provincial transport department lacks funds to launch bus projects on its own for providing mass transportation facilities to the people of major urban centers of the province, including Karachi. Sindh Transport Minister, Awaiz Qadir Shah, conceded that the issue of mass transportation in Karachi is a serious one as the Sindh gov't. has been trying to bring new buses for the city. He explained that as the transport department lacked funds to run bus projects in the city on its own, it has signed a contract with a private company which will bring 50-100 new public buses to the city by the end-Sep'19. *The News.*

### In Pakistan, telecom companies offer partial fee payment

Two cellular companies of Pakistan – Telenor and Jazz – have offered to partially pay the fee for renewal of their licenses as a dispute between them and the regulator (PTA) over pricing continues to linger on. Telenor Pakistan has voluntarily offered payment of \$ 224.6Mn to the gov't. The renewal of GSM license of Telenor Pakistan, which was supposed to be done by 25<sup>th</sup> May'19, had been delayed by the PTA and faced further delay due to the pricing issue and rollout obligations. Jazz has also said to have made a decision to pay \$ 291Mn to the gov't. as partial payment for license renewal. *Tribune.*

### Chinese JVs submit bids for building part of Diamer dam

Wapda has commenced evaluation process for bids submitted to it separately by two Chinese-led JVs for construction of part of much-awaited Diamer-Basha Project. These JVs include China Gezhouba Group Company GRC JV and Power Construction Corporation of China FWO JV. *Dawn.*

### State Bank issues updated Islamic financing facility

The SBP has issued an updated Islamic Financing Facility for Renewable Energy (IFRE) for renewable energy projects which is now available to customers under 3 categories including prospective sponsors desirous of setting up renewable energy power projects with a capacity ranging from more than 1MW and up to 50MW for their own use. The SBP will make Mudarabah investment in general pool of Participating Islamic Financial Institutions (PIFIs) under IFRE. *The News.*

### Govt. to expedite release of development funds

Concerned over a slower beginning of development programme and overall economic activities in the country, the gov't. has decided to relax procedures for release of development funds and improve utilisation of external financing to fast-track the execution of development projects, particularly those relating to social sector. Some quarters are creating an impression that SEZs under CPEC had come to a standstill in recent months following PM Imran Khan's US visit which required to be dispelled. *Dawn.*

### Govt raises PKR 494Bn through PIBs

The gov't.'s Pakistan Investment Bonds (PIBs) auction saw record participation with total bids crossing PKR 1Tn mark. Of the total PKR 1.034Tn, the gov't. accepted bids worth PKR 494.68Bn, mostly concentrated in the three-year tenors. It accepted bids worth PKR 414.55Bn in three-year instruments at a cut-off yield of 14.25% in the auction. Yields have started to decline with the increase in maturity period indicating that interest in long-term instruments would decline. *Dawn.*

### SECP registered 1525 new companies in July

SECP registered 1,525 new companies in Jul'19. Around 71% companies registered as private limited companies, while around 25% registered as single member companies. 4% registered as public unlisted companies, not for profit associations, foreign companies and Limited Liability Partnership (LLP) whereas 96 % of these companies registered by using online facility including applications received from overseas subscribers through eService and around 49 % of these companies registered on same day. *The Nation.*

### IMF to Trump: It's not working

US tariffs on China will not fix the trade deficit, and neither will weakening the USD through interest rate cuts. IMF economists, in a blog post, in unusually blunt language, targeted President Donald Trump who has persistently demanded that the Federal Reserve cut interest rates to weaken the USD and juice the economy, while imposing round after round of tariffs on China to reduce deficit he describes as theft. But the US policy moves are counterproductive, wouldn't achieve the desired results, and will slow the global economy, IMF chief economist Gita Gopinath said. *The News.*

### BOI couldn't operationalize even a single SEZ in 1 year

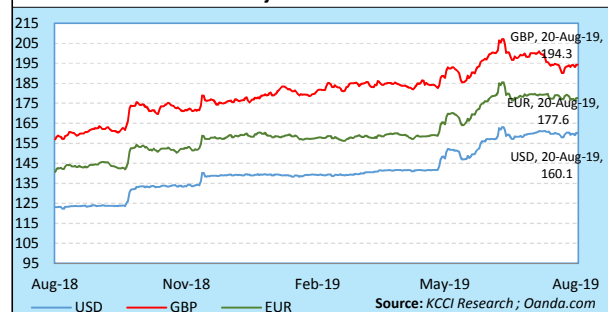
Board of Investment (BOI) has been unable to operationalize a single Special Economic Zone (SEZ) during the tenure of the gov't. The BOI has also not proposed any timeline for completion of the proposed 9 SEZs under CPEC, according to the 1<sup>st</sup> year performance report submitted to the PM. PC-1 for Rakshai SEZ will be submitted by 30<sup>th</sup> Aug'19. *BR.*

### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	21-Aug	PKR	158.58	-0.03%
USD-Open MKT	21-Aug	PKR	158.40	0.00%
KSE-100 index	21-Aug	Pts.	30,973	1.82%
FIPI	21-Aug	\$ Mn	-0.61	NM**
Crude (AP'19)	21-Aug	\$/bbl	55.89	-0.34%
Gold (MA'19)	21-Aug	\$/oz	1,502.4	-0.36%
Gold (10g) Local	21-Aug	PKR	75,532	-0.45%
Silver (MA'19)	21-Aug	\$/oz	17.11	-0.14%
Cotton(KHI)-40 kg	21-Aug	PKR	8,359	0.00%
Kibor-6M	21-Aug	%	14.08	0.00%
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-19	\$ Bn	-0.58	72.82%
Foreign Direct Inv.	Jul-19	\$ Bn	0.11	-21.64%
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

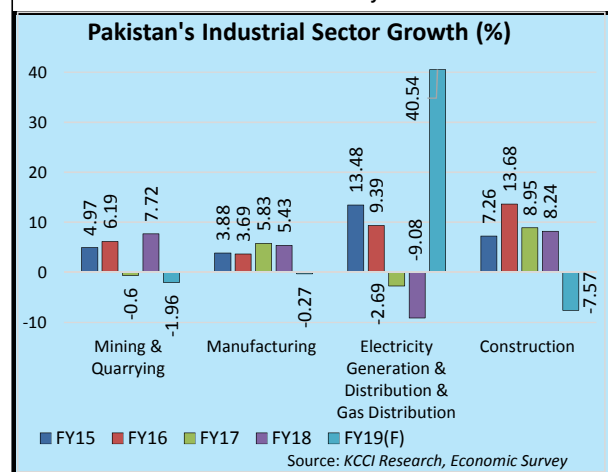


### Quote of the Day

*"Don't worry about people stealing your design work. Worry about the day they stop."*

**Jeffrey Zeldman**

### Chart of the Day



### Disclaimer

*This report has been prepared by KCCI Research & Development Cell. The information contained herein have been compiled or arrived at based upon information obtained from sources believed to be reliable and in good faith. Such information has not been independently verified.*



*icon represents the sole viewpoint of the KCCI R&D Cell, and is stated to enrich the readers' understanding of the news item. The*