

FBR to launch crackdown on smugglers from Sept 1

FBR Chairman Shabbar Zaidi has announced that a crackdown will be launched against smugglers from 1st Sep'19 as the inflow of goods through illicit channels has badly hit local industries. He said that FBR is declaring a war at the retail level, where non-taxed imported goods are flooding the market to the detriment of the national exchequer. He made it clear that the Dubai-focused import model of economic development would not work and if Pakistanis kept parking their money overseas, the crisis at home would no doubt go from bad to worse. *Tribune*.

ECC approves pending tax concessions for Gwadar Port

Pakistan has approved, in principle, pending tax concessions for Gwadar Port and its free zone. The FBR largely withdrew some of its objections after a legal opinion established that China Overseas Ports Holding Company Limited, its subsidiaries and their contractors were entitled to the tax holiday for 23 years. FBR informed the ECC that tax exemptions could not be given through an SRO and the govt. would have to amend the laws either through a Presidential Ordinance or by introducing a supplementary finance bill in parliament. Adviser to PM on Commerce and Industry A. Razak Dawood warned the govt. about adverse implications of the sweeping tax concessions, including for the domestic industry, as the imported material may be sold outside of the Gwadar Free Zone. *Tribune*.

FBR targets non-biometric bank accounts to nab tax evaders

FBR has asked banks to furnish details of accountholders who have not been biometrically verified as the govt. is set to reinforce action against owners of Benami assets. FBR Chairman Shabbar Zaidi has said that the govt. will expedite action against owners of Benami assets to generate revenue for national exchequer despite all hurdles in spotting the money trail. About the retailers and small traders, he said that the FBR has proposed 2 separate schemes for such categories of taxpayers. From Oct'19 whoever makes purchases above PKR 50,000 will have to provide his CNIC. *The News*.

PM Imran talks to SBP chief on matter of interest

PM Imran Khan met SBP Governor Dr Reza Baqir amid growing unease in the govt. over adverse implications of the tightened monetary policies that have started hurting economic activities. The PM was informed that the business community had clearly said that it was difficult for them to do business at the prevailing interest rates. There are indications that the PM advised the central bank chief to relax the interest rates, which have doubled in the past year. However the SBP governor wants to keep the interest rates high to attract foreign money into govt. securities to build official foreign currency reserves. *Tribune*.

PM Imran directs BOI to simplify laws, regulatory framework

PM Imran Khan has directed the Board of Investment (BoI) for early completion of the consultation process with relevant stakeholders in order to streamline and simplify laws and the regulatory framework relating to businesses in various sectors of the economy. Chairing a meeting, he directed the BoI to speed up the process of removing unnecessary regulations for improving the ease of doing business and facilitating the business community, especially start-ups. BOI Chairman Zubair Gilani revealed that an extensive stakeholders' consultation process was underway and that a digital Business Regulatory Mapping Portal has been designed to ensure transparency and accuracy in business transactions through e-commerce. *Tribune*.

To meet IMF targets: Govt to adopt appropriate policy measures to curb fiscal deficit

In the aftermath of failing to materialize all agreed fiscal targets with the IMF under the \$ 6Bn package for FY19, the Fiscal and Monetary Policies Coordination Board has agreed to take "appropriate policy measures" for curtailing the budget deficit during FY20. The target of 0.6% of primary deficit will be met through prudent planning and raising of revenues, austerity measures and discouraging supplementary grants. It was emphasized that the policy rate may be regulated in a way to confine external sector vulnerability by focusing and prioritizing the export oriented sectors to generate more exportable surplus and become more competitive. *The News*.

Enormous deficit in tax collection deprives provinces of PKR 192Bn

The massive shortfall in tax collection at federal level had deprived provinces from PKR 192Bn in their due share from the federal divisible pool in FY19. The federal govt. had transferred PKR 2.39Tn to the four provinces under NFC award in FY19 against budgeted PKR 2.59Tn. The FBR had collected PKR 3829.4Bn as against the target of PKR 4390Bn. *The Nation*.

State Bank says unique bank accounts reach 63.9Mn in Pakistan

The SBP has achieved its target of '50% adult population with a bank account' before 2020. Deputy Governor, Jameel Ahmad, said that unique account ownership has reached 63.9Mn as of Jun'18, representing more than 50% of adults with a bank account. While speaking at a convention, he said that National Financial Inclusion Strategy action plan is expected to contribute in achieving sustainable development through creation of 3Mn new jobs, additional exports of \$ 5Bn and banks' deposits to GDP ratio to 55% by 2023. *The News*.

SBP auctions PKR 676.6Bn worth of MTBs

The SBP has sold PKR 676.6Bn worth of Market Treasury Bills (MTBs) at an auction, with yields falling in the 6-12-month papers. The cut-off yield on 3-month T-bill stood at 13.74%, unchanged from the previous auction on 7th Aug'19. *The News*.

Industrial consumers: Import of slag & residues containing metals restricted

Ministry of Commerce has restricted the import of slag and residues containing metals and arsenic, or their compounds containing aluminum to only industrial consumers with the submission of NOC from the Ministry of Climate Change. It has amended Import Policy Order, 2016 through SRO No 963 (I)/2019. *BR*.

South Korean battery-maker eyes to set up charging infrastructure in Pakistan

Songuo, a South Korean battery manufacturer, has offered to set up a (battery) charging infrastructure across Pakistan in the wake of an ambitious electric vehicle (EV) policy being introduced by the Ministry of Climate Change. A delegation of Songuo expressed the company's interest during a meeting with Federal Minister on Climate Change. *The News*.

Pakistan partially closes Karachi airspace till 31st

CAA has closed three aviation routes of Karachi airspace from 28th Aug'19 till 31st Aug'19. The decision comes a day after Federal Science and Technology Minister Fawad Chaudhry said the PM is considering a complete closure of airspace to India. The ban will affect all international flights travelling by three routes above Karachi. *The Nation*.

Gold climbs to PKR 90,000

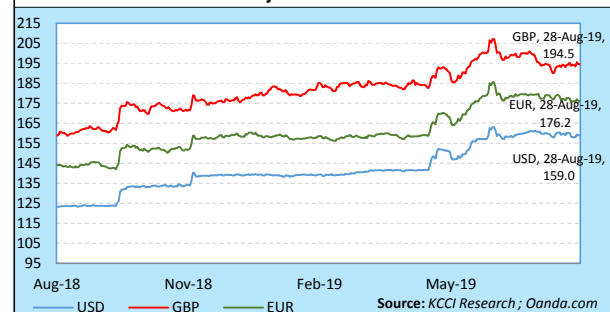
Gold price has hit an all-time high of PKR 90,000 per tola and PKR 77,160 per 10 grams, up by PKR 900 and PKR 770 respectively. The local prices were adjusted upward after international yellow metal prices soared \$ 15 to \$ 1,545 an ounce. *Dawn*.

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	28-Aug	PKR	157.29	0.02%
USD-Open MKT	28-Aug	PKR	157.20	0.19%
KSE-100 index	28-Aug	Pts.	30,638	0.17%
FIPI	28-Aug	\$ Mn	-1.21	NM**
Crude (AP'19)	28-Aug	\$/bbl	55.90	0.83%
Gold (MA'19)	28-Aug	\$/oz	1,542.7	0.02%
Gold (10g) Local	28-Aug	PKR	77,160	1.01%
Silver (MA'19)	28-Aug	\$/oz	18.60	2.51%
Cotton(KHI)-40 kg	28-Aug	PKR	8,574	0.00%
Kibor-6M	28-Aug	%	14.08	-0.01%
Forex Reserves	17-Aug	\$ Bn	15.60	0.17%
	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

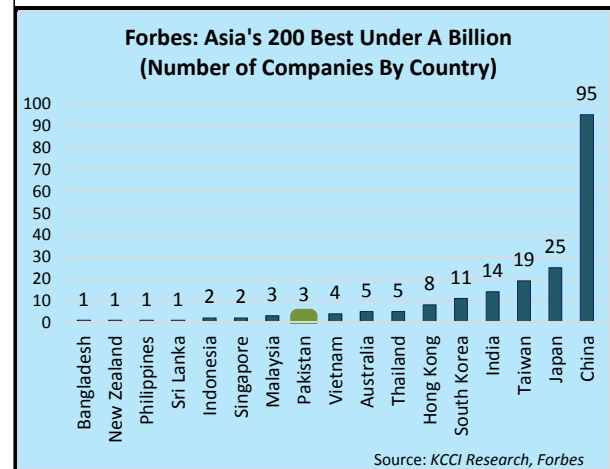


Quote of the Day

"It doesn't matter whether you are pursuing success in business, sports, the arts, or life in general: The bridge between wishing and accomplishing is discipline."

Harvey Mackay

Chart of the Day



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