

Relaxation for clearance without MRP: KCCI seeks another 90-day extension

President KCCI, Junaid Esmail Makda, has sought another 90-day extension in the relaxation given for clearance of items imported under 3rd schedule, without printing of retail price or affixing stickers. In his letter to FBR chairman, he said the import orders were booked in advance for around 3 to 6 months while the packaging of the ordered products has already been designed and printed at the initial stage. It is not possible to reprint MRP on the old stock while any request of making changes at the 11th hour is unacceptable to the suppliers and spoils the credibility / goodwill of the trader. KCCI President reiterated that it is impractical to pre-assess and then print the MRP at import stage on each and every item as a lot of factors affect the retail prices of the products, Hence, he requested to withdraw the condition of printing MRP on imported goods or otherwise, allow MRP of the imported items to be declared on WEBOC along with the goods declaration (GD) for tax assessment purposes instead of being printed on each and every imported item. *BR.*

Clean Karachi drive gets underway

The federal govt.-backed campaign to clean Karachi has kicked off in parts of the metropolis, with the 1st target to de-silt all storm-water drains before Eidul Azha. Speaking to media at the launch ceremony of the Clean Karachi campaign, Minister for Maritime Affairs Ali Zaidi said that there is a need of 15,000 volunteers to be part of the campaign. Garbage from all areas of the city will be lifted in the 2nd phase. He further said that KMC, District Municipal Corporations (DMC), KCCI, and K-Electric have also extended their support for the drive. *The News.*

Federal government lawmaker asks for donations to support 'Clean Karachi' campaign

Minister for Maritime Affairs Zaidi has claimed that over PKR 1.75Bn is required over a period of 90 days to execute the 1st phase of the cleanliness drive. The minister also tweeted the bank account details and has asked the 'Friends of #LetsCleanKHI' to deposit their donations directly. *Tribune.*

Remaining on FATF grey list to impact capital inflows: IMF

Highlighting 5 major risks to the \$ 6Bn IMF program, the IMF's Resident Chief, Teresa Daban Sanchez, has said that Pakistan's failure to get out of FATF grey list can have implications on capital inflows, jeopardizing foreign financing assurances. The 5 major risks are: fiscal slippages such as resistance to fiscal measures and debt sustainability, opposition to governance and institutional building by vested interests, absence of majority by ruling party in Upper House of Parliament and provinces making it unable to deliver on its surplus commitment, large amount of rollover needs for short term debt and lastly, Pakistan's failure to get out of the grey list by the FATF. To a query about CPEC loan repayments in the context of debt sustainability, she said that analysis shows that CPEC loans are manageable but overall the country's debt situation is not sustainable. *The News.*

Sanchaz explains what constitutes IMF programme

IMF Resident Representative Teresa Daban Sanchaz has said that fiscal consolidation through revenue mobilisation, market-based exchange rate and social sector protection through increase in social spending are the 3 pillars of the ongoing IMF program. She said that fiscal consolidation has to be revenue-based to deal with the problems of fiscal deficit as the country's low tax to GDP ratio needs to be increased. This is being done through removing tax exemptions and giving privileges to individuals and institutions. She added that there is a need for greater coordination with the provinces for lesser spending by them to provide budget surplus to the Centre. She said that first review of the 39-month Extended Fund Facility would be held before Dec'19 and then it would be onward before every disbursement. *BR.*

IMF deal overshadows CPEC's ML-I railway project

The financing issue of the multi-Billion-dollar Mainline-I (ML-I) project of the CPEC remained unresolved due to ambiguity over taking new loans under the IMF program. The Ministry of Planning and Development does not have clarity about whether the country could sign a new loan deal with China for the construction of \$ 8.5Bn ML-I project of the Ministry of Railways. The IMF has not directly stopped Pakistan from entering into any new CPEC deal but it has brought CPEC under the overall debt sustainability matrix of Pakistan as IMF views that Pakistan's debt is not at a sustainable level. *Tribune.*

FATF conditions: Joint team formed for action against currency smugglers

In a bid to comply with FATF conditions, the govt. has constituted a joint team comprising of all law enforcing agencies (LEAs) for launching actions against currency smugglers at 7 bordering customs stations to curb money-laundering and terror-financing. The dedicated teams at the Land Border Customs stations have been formed to improve interdiction of cash smuggling and to unearth Terror-Financing (TF) linkages through improved inter-agency cooperation. *The News.*

35 % increase YoY: FBR receives over 2.3Mn tax returns for TY18

FBR has so far received more than 2.34Mn income tax returns for TY18, depicting over 35% growth in number of filers as compared to 1.7Mn returns received in TY17. *BR.*

Pakistani dollar bonds fall

Pakistan's dollar bonds fell across the curve on Monday (5th Aug) after India's govt. revoked the special status of Kashmir in an effort to fully integrate its only Muslim-majority region with the rest of the country. The bonds have been under pressure in recent days on renewed tension over occupied Kashmir, with the move by the Indian govt. triggered a new fall, with Pakistan's 2027 issue losing 1.7 cents in the dollar to reach its lowest level in more than a month. *BR.*

Japan to give \$ 5Mn for agri development programme

The Govt. of Japan has announced aid worth around 560Mn Japanese Yen (\$ 5Mn) to United Nations Industrial Development Organization (UNIDO) to support Agri-Food and Agro-Industry Development in KP and Balochistan. *The Nation.*

New UK Trade Director for Pakistan

Mike Nithavrianakis has been appointed as the UK Trade Director for Pakistan and British Deputy High Commissioner to Karachi in succession to Elin Burns. Nithavrianakis is a career diplomat who joined the Foreign and Commonwealth Office in the 1980s. He has had postings to various countries including Malaysia, Russia, Ghana, Saudi Arabia and Greece. *The News.*

Banks disburse record PKR 1.17Tn agriculture loans

Banks have failed to achieve the agricultural credit disbursement target of PKR 1.25 Tn for FY19, mainly due to some challenges on demand and supply side. However, banks successfully disbursed all-time high PKR 1.174Tn agricultural loans to over 4Mn farmers during FY19. This disbursement is 21 % higher than the disbursements of PKR 972.6Bn in FY18. *BR.*

Chinese yuan falls to weakest level against dollar since 2010

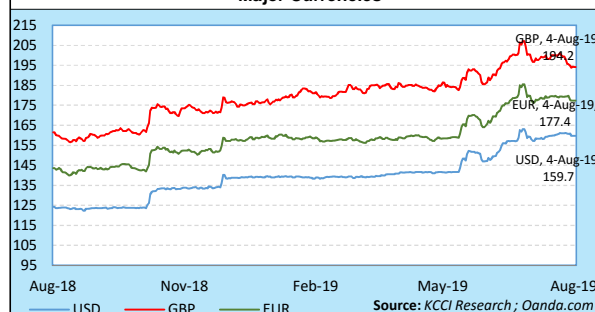
The Chinese yuan fell to its lowest level against the USD since Aug'10 in morning trade on Mon (5th Aug'19), fueling speculation that Beijing is allowing currency depreciation to counter threatened US tariffs. The currency weakened to 7.11 to the USD, days after US President Donald Trump announced a plan to impose fresh tariffs on another \$ 300Bn in Chinese goods, sharpening trade war tensions between the world's two biggest economies. *The News.*

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	5-Aug	PKR	158.94	-0.11%
USD-Open MKT	5-Aug	PKR	158.40	-0.44%
KSE-100 index	5-Aug	Pts.	31,181	-1.53%
FIPI	5-Aug	\$ Mn	-0.05	NM**
Crude (AP'19)	5-Aug	\$/bbl	54.88	-0.62%
Gold (MA'19)	5-Aug	\$/oz	1,467.4	1.63%
Gold (10g) Local	5-Aug	PKR	72,016	0.00%
Silver (MA'19)	5-Aug	\$/oz	16.42	1.26%
Cotton(KHI) -40 kg	5-Aug	PKR	8,681	-3.57%
Kibor-6M	5-Aug	%	14.03	0.00%
Forex Reserves	26-Jul	\$ Bn	15.06	-1.23%
	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-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

"Don't be afraid to give up the good to go for the great."

John D. Rockefeller

Chart of the Day

Pakistan's GDP at Current Market Price (PKR-Tn)



Disclaimer

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