

### Outcry causes govt rethink of gas cess relief

Amid growing criticism over a lucrative amnesty being extended to fertiliser plants, power plants and other industries, the federal cabinet has directed law ministry to examine how another amendment could be made to the recently introduced Gas Infrastructure Development Cess (GIDC) Amendment Ordinance, 2019. The govt. has come under pressure for allowing 50% discount on around PKR 420Bn GIDC, payable by fertiliser plants, power plants, general industry and CNG sector. The decision to amend the controversial ordinance has been taken amid the opposition's plan to shoot it down in the Senate where the govt. lacks a majority. *Dawn*.

### PM assures magnates of pro-business policies

PM Imran Khan has reiterated that his govt. is striving hard to provide all possible facilities to businessmen in order to accelerate the economic activity in the country. Mr Khan had invited industrialists and businessmen to present their proposals to the govt. for improving the country's economy. The process of policy and planning to bring improvement in the economy would be taken forward in accordance with the proposals, he said. *Dawn*.

### Complaints emerge on new ST refund system

Some textile exporters have already rejected the new system of refund payments and have urged the govt. to establish an Escrow Account which should be jointly monitored by a leading chartered accountant firm to ensure prompt payment of sales tax refunds to export-oriented sectors. Exporters opine that the system is not only cumbersome but also takes a lot of time for fulfilling its conditions. *Dawn*.

### Ban on import of Indian medicines lifted

In order to avoid a severe crisis vis-à-vis availability of life-saving drugs in the local market, the govt. has lifted the ban on import of medicines and raw material from India. Two SROs issued by Ministry of Commerce state that the ban on trade with India would remain effective; however, it would not apply to therapeutic products regulated by Drug Regulatory Authority of Pakistan (Drp). *Dawn*.

### A filthy Karachi may have to face an environmental emergency: Nasir

Sindh's local govt. minister has said that all the relevant stakeholders should take measures on a war footing to clear the municipal waste in Karachi, otherwise the situation indicates that the city is heading straight towards an environmental emergency. LG Minister Syed Nasir Hussain Shah also said that despite being a combined project of both the federal and Sindh administrations, the K-IV Greater Karachi Bulk Water Supply Scheme alone cannot fulfil the water requirements of the city. *The News*.

### IMF, ministry projections go off the mark

IMF and the finance ministry's projections about Pakistan's FY19 framework have went off the mark by up to 94%, which may force the govt. to renegotiate the \$ 6Bn loan deal. The incapability of the IMF and finance ministry to make accurate forecasts for macroeconomic indicators has eroded the base numbers, which were fed into the targets set for FY20. The IMF projected a primary deficit at PKR 702Bn or 1.8% of GDP. However, the finance ministry's statistics put the primary deficit at PKR 1.35Tn or 3.5% of GDP. *Tribune*.

### Govt asks banks to provide data to credit bureaus

The govt. has made it mandatory on financial institutions, retailers, telecom service providers, utility companies and others to provide all pertinent data to the licensed private credit bureaus regulated by the SBP. The measure has been taken as part of govt.'s reforms aimed at ensuring ease of doing business in Pakistan. The credit bureaus will be able to offer value-added services to different enterprises and businesses. The govt. is set to release a formal notification in this regard following a nod from the Law Division and the cabinet. *Tribune*.

### Govt borrowed only PKR 3.44Tn to finance budget deficit: ministry

The Ministry of Finance has explained that total debt and liabilities have increased by PKR 10.33Tn in FY19; however, the govt. has just borrowed PKR 3.44Tn to finance its budget deficit. Total public debt increased by PKR 7.75Tn during FY19, out of which PKR 3.44Tn was borrowed for meeting budget deficit, PKR 3.03Tn was due to currency depreciation, PKR 1.02Tn was offset by higher cash balances necessary for effective cash management. Forex Liabilities of SBP increased by PKR 1.09Tn while Public Sector Entities (PSE) debt increased by PKR 0.65Tn. *The News*.

### IT concessions to continue after withdrawal of ST zero-rating facility

FBR has announced that reduced tax rate under section 148 of ITO available to the manufactures and commercial importers would continue to eligible persons despite withdrawal of zero-rating facility under the SRO 1125 of 2011. The FBR has issued a clarification on income tax relief provided to certain categories of taxpayers after abolition of SRO 1125. *BR*.

### FBR issues 253,000 notices to non-filer industrialists

FBR has issued around 253,700 notices to industrialists and businessmen, asking them to file returns, as the revenue body is expanding its broadening of tax base drive. The notices have been sent to connection holders of K-Electric and SSGC within the jurisdiction of Regional Tax Office-II (RTO), Karachi. *The News*.

### 'Pakistan's low competitiveness dims growth prospects'

Rating agency Moody's has said that Pakistan's very low global competitiveness and diminishing per capita income keep the country's growth prospects dim. Moody's Investors Service, in a periodic review of ratings action, said that the country's credit profile reflects its 'moderate (+)' economic strength, which is underpinned by the relatively robust GDP growth potential and large scale of the economy, limited by very low per capita incomes and global competitiveness. Moody's did not announce any change in the country's rating. *The News*.

### Pact signed with Saudi Arabia to share trade data

Pakistan and Saudi Arabia have formally agreed to exchange values of goods for imports and exports to control under and over invoicing as part of FATF's recommendation. Saudi Arabia will become Pakistan's 23<sup>rd</sup> major trading partner with whom the country will enter into an agreement to monitor and control illicit financial flows and currency smuggling. The two states will also share profiling of advance passenger information and encourage cooperation between both Customs to arrest senders and recipients of drugs. *Dawn*.

### Profit repatriation hits 4-month low at \$ 138.2Mn

Massive PKR depreciation has brought down the repatriation of profits and dividends by foreign companies from Pakistan to a 4-month low at \$ 138.2Mn in Jul'19 as compared to \$ 136.7Mn in Jul'18. Car manufacturers, food and beverages emerged as the three sectors whose repatriation of profits and dividends dropped to a nominal amount. *Tribune*.

### Investment moot being held in US

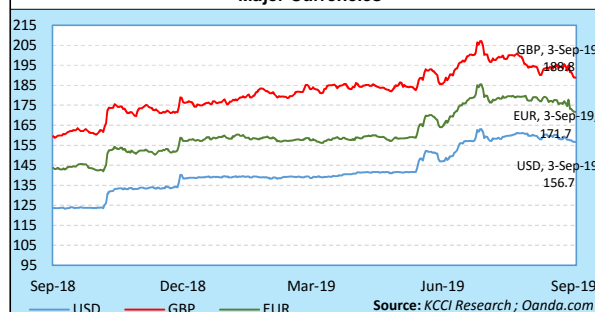
An investment conference titled "Pakistan Investment Conference 2019 is being held in the US from 4<sup>th</sup>-6<sup>th</sup> Sep'19. The conference intends to showcase Pakistan's economic growth and business potential among leading global investors to attract foreign direct and portfolio investments. *The News*.

### Economic Indicators

| List of Indicators  | Date / Period | Unit   | Value   | Change Daily |
|---------------------|---------------|--------|---------|--------------|
| USD-Interbank       | 3-Sep         | PKR    | 156.63  | 0.00%        |
| USD-Open MKT        | 3-Sep         | PKR    | 156.30  | -0.26%       |
| KSE-100 index       | 3-Sep         | Pts.   | 29,810  | -0.82%       |
| FIPI                | 3-Sep         | \$ Mn  | 1.23    | NM**         |
| Crude (AP'19)       | 3-Sep         | \$/bbl | 53.97   | -4.71%       |
| Gold (MA'19)        | 3-Sep         | \$/oz  | 1,550.0 | 1.31%        |
| Gold (10g) Local    | 3-Sep         | PKR    | 75,960  | 0.00%        |
| Silver (MA'19)      | 3-Sep         | \$/oz  | 19.21   | 5.88%        |
| Cotton(KHI) -40 kg  | 3-Sep         | PKR    | 8,574   | 0.00%        |
| Kibor-6M            | 3-Sep         | %      | 14.08   | 0.00%        |
| Forex Reserves      | 23-Aug        | \$ Bn  | 15.63   | 0.16%        |
|                     | 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

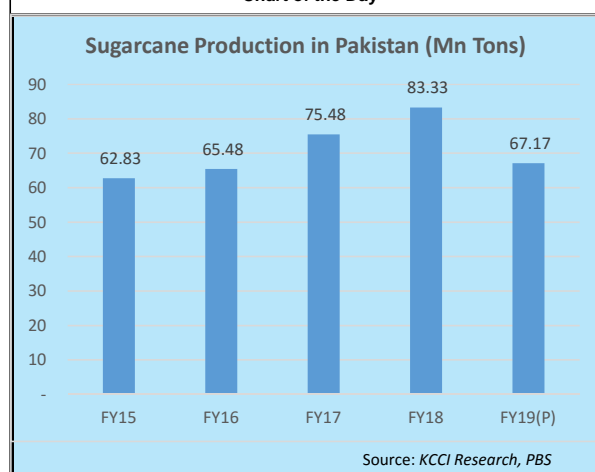


### Quote of the Day

"If you want to achieve success then don't doubt your dreams."

Ryan D'Souza

### Chart of the Day



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