

### Under-fire govt beats retreat on GIDC amnesty

Surrendering to public outcry, PM Imran Khan has finally decided to withdraw a controversial Gas Infrastructure Development Cess (GIDC) Ordinance promulgated last week that offered PKR 210Bn amnesty to big businesses. PM Khan has directed the Attorney General to ensure an urgent hearing in the Supreme Court for the retrieval of PKR 417Bn deal struck with fertilizer, CNG, general industry and power sector from Jan'12 till Dec'18. The govt. will also ask the Supreme Court of Pakistan to club all stay orders issued by various high courts and itself take an expedited decision in ongoing cases on the issue of GIDC. *Dawn*.

### Higher energy, food prices push inflation up to 87-month high

Pakistan's inflation rate touched 87-month highest level of 11.6% in Aug'19 as a result of higher energy and food prices. PBS has released two figures of CPI based inflation as one figure with old methodology and second with rebasing exercise. On both accounts, CPI based inflation has shown rising trends. Inflation with new base year (FY16) has increased by 10.49%, highest in 69 months. PBS has also changed the weights assigned to various consumption items in the CPI basket, and has introduced a new panel of prices. The Urban CPI covers 35 cities and 356 consumer items while the Rural CPI covers 27 rural centres and 244 consumer items. *The Nation*.

### ECC approves proposal for simplification of tax regime for non-resident firms

ECC of the Cabinet has approved the proposal for simplification of tax regime for non-resident companies investing in the local debt market with a view of increasing foreign exchange inflows and reserves. The current tax structure for non-residents investing in debt securities is complex with different tax regimes with multiple rates, penal transaction charges for non-filers and complex tax filing processes being key regulatory and structural impediments to foreign investment in the local debt market. *The Nation*.

### Govt rules out any mini-budget in near future

Amid criticism from both govt. and opposition members of the National Assembly over price hike and other monetary and fiscal policies, the govt. has ruled out any mini-budget in the near future, saying an improvement in revenue collection would be made through technological and administrative measures. *Dawn*.

### Karachi still among world's 10 least liveable cities

Karachi has been named among the least liveable cities in the world by the Economist Intelligence Unit (EIU). The EIU gives 140 cities score out of 100 on a range of factors, such as living standards, crime, transport, infrastructure, access to education and healthcare, as well as political and economic stability. This year, Karachi has been ranked 136th on the list. Karachi's overall rating out of 100 is 40.9. Meanwhile, Austrian capital Vienna retained its ranking as the world's most liveable city. *Dawn*.

### Pakistan ranked least competitive country in travel, tourism in S. Asia

Pakistan remains the least competitive country in South Asia when it comes to travel and tourism, according to Travel and Tourism Competitive Report published by the World Economic Forum. Pakistan ranked 121 this year out of 140 countries against 124 in 2017. However, the report said Pakistan was the most improved country in terms of human resources and labor market in the Asia-Pacific region. *Dawn*.

### FBR announces Export Facilitation Scheme to boost exports

The FBR has announced the Export Facilitation Scheme (EFS) in order to boost exports from Pakistan. The automated system of Export Facilitation Scheme will decrease the lead time, promote ease of Doing Business and minimize the human interaction between exporters and the FBR which will make the overall environment business friendly and increase Pakistan's rating in "Doing Business". *The News*.

### Economists ask FBR to remove trust deficit

Economists have asked the FBR to remove trust deficit on account of creating hindrance for boosting economic activities because monumental targets of PKR 5.5Tn cannot not be achieved if slowdown of economy persists. It was the crux of discussions held at a special round-table on 'Mechanism for Effective Revenue Collection in Pakistan: Ways and Means' organized by Islamabad Policy Research Institute (IPRI). It was unanimously recommended to the FBR to reduce the tax rates, simplify tax procedures and allow businesses to grow to fill the national kitty. *The News*.

### IMF deal could be renegotiated

The govt. has not ruled out the possibility of renegotiating the \$ 6Bn IMF deal amid an admission by the tax authorities, for the first time, that they may collect between PKR 4.8-5.2Tn in taxes in light of existing economic realities. The questions about renegotiating the deal started after the IMF and the finance ministry's projections about Pakistan's FY19 framework went off the mark by up to 94%. *Tribune*.

### PKR 644Bn taxes against PKR 580Bn target collected, says Hafeez Shaikh

Adviser to PM on Finance, Dr. Hafeez Shaikh, has said that the govt. has succeeded in collecting PKR 644Bn taxes against the envisaged target of PKR 580Bn. He said that the govt. is confident to surpass the growth target of 2.4% set for FY20 as after gaining stability on external front during the past year, the economy has been moving on positive direction. *The News*.

### CM tells KWSB to construct 200MGD canal from Keenjhar to Pipri

Sindh CM, Murad Ali Shah, has decided to construct a separate canal from Gujjo to Pipri to provide 200 MGD additional water to Karachi and has also directed the KWSB to reduce its 30% line losses so that 58 MGD water can be saved for the city. He took this decision while presiding over a meeting to explore ways and means to improve capacity of existing systems of K-I, II and III. *The News*.

### KMC cancels 'urban forest' agreement, again

For the 2<sup>nd</sup> time in a year, KMC has cancelled its agreement with an entrepreneur, who had started an initiative to convert a decrepit amenity plot located in Clifton into an urban forest. The businessman was informed that the KMC will look after the space itself. He had planted 15,000 trees of 55 native species, developed an artificial lake as well as an organic vegetable garden. *Tribune*.

### Cellular mobile operators deposit \$ 449.2Mn in national exchequer

In compliance with the directions of the Islamabad High Court, two Cellular Mobile Operators Telenor Pakistan and Jazz have deposited partial payment (50% of the PTA determined license fee) amounting to \$ 224.6Mn and \$ 224.6Mn respectively against their license renewal fee with PTA. *The Nation*.

### Funds for Karachi's Uplift projects still awaited from centre

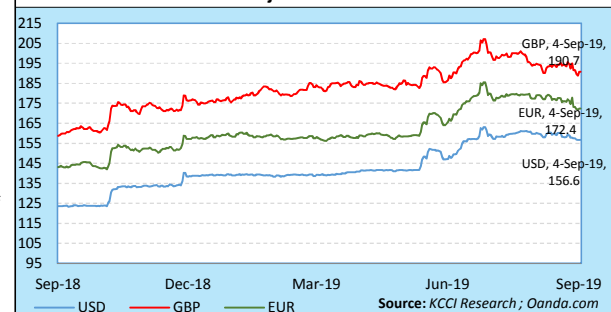
Development projects of road infrastructure, mass-transit, water and sewerage have not received any funds from the federal govt. in 2MFY20. PKR 2Bn had been set aside for FY20 PSDP for Green Line BRTS and PKR 893Mn for construction of different flyovers. Likewise development scheme under PM's Program in Sindh did not receive any funds, for which PKR 5Bn have been allocated. *BR*.

### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	4-Sep	PKR	156.23	-0.25%
USD-Open MKT	4-Sep	PKR	156.00	-0.19%
KSE-100 index	4-Sep	Pts.	30,245	1.46%
FIPI	4-Sep	\$ Mn	-4.57	NM**
Crude (AP'19)	4-Sep	\$/bbl	56.06	3.87%
Gold (MA'19)	4-Sep	\$/oz	1,555.4	0.35%
Gold (10g) Local	4-Sep	PKR	76,303	0.45%
Silver (MA'19)	4-Sep	\$/oz	19.58	1.95%
Cotton(KHI) -40 kg	4-Sep	PKR	8,574	0.00%
Kibor-6M	4-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-Aug 19	%	9.44	
Discount Rate	Jul-19	%	13.25	

Sources: KCCI Research, PMEX, NCCPL, KSE, SBP, PBS\*  
\*\* Not Meaningful on week;

### Major Currencies

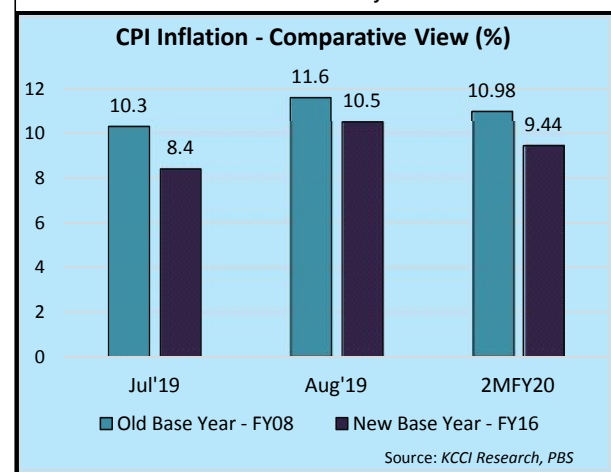


### Quote of the Day

"Great minds discuss ideas; average minds discuss events; small minds discuss people."

Eleanor Roosevelt

### Chart of the Day



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