

### \$ 1.1Bn import compression: FBR faces PKR 68Bn shortfall in July, August

The FBR is facing a revenue shortfall of PKR 68Bn in 2MFY20 mainly because of import compression of \$ 1.1Bn on a monthly basis. The FBR used to collect around 38% taxes through imports. The FBR's net collection on account of Customs Duty stood at PKR 49.8Bn against a target of PKR 65Bn in 2MFY20. Total Inland Revenue (IR) target was envisaged at PKR 286Bn but so far, collection stands at PKR 250Bn. However, domestic collection of income tax, sales tax and federal excise duty has fetched PKR 152Bn so far, against PKR 110Bn in 2MFY19. *The News-Sun.*

### FBR starts issuing refunds

The FBR has started issuing refunds "FASTER" software. The first claim of an exporter has been processed and the refund will be directly credited to the exporter's bank accounts. *The News-Mon.*

### FBR kicks off nationwide anti-smuggling drive

In a bid to discourage smuggling, special joint teams of the FBR have begun conducting inspections of all the markets across the country from 1<sup>st</sup> Sept'19 (yesterday) wherein import documents of all foreign products/items will be checked. The teams would visit markets in all the big cities across the country. *Tribune-Sun.*

### FBR still functions on 20th century model

A recent note by FBR Chairman Shabbar Zaidi to heads of all field formations revealed that 75% of the Inland Revenue Service collected only PKR 102Bn or 7% of the PKR 1.5Tn income tax collection in FY19. Rest of the PKR 1.4Tn was either collected automatically or with very little effort by the remaining 25% workforce. PM Imran has placed a huge bet on the FBR by agreeing to the PKR 5.5Tn revenue collection target with the IMF. He did this without first restructuring the FBR which, according to Zaidi's letter, operates under the 20th century model. By redeploying the workforce, the FBR can enhance withholding tax collection by another 30%, said Zaidi. The chairman wants to redeploy this workforce for monitoring and ensuring recovery of withholding taxes. *Tribune-Sun.*

### Zero-rated sectors: FBR should increase GST on domestic sales only gradually: Haroon

Former Special Assistant to on Revenue, Haroon Akhtar Khan, has suggested that FBR should gradually increase sales tax rate on domestic sales of 5 leading export sectors and reduce the tax applicable on the actual market value of the real estate sector. He said that imposition of standard 17% sales tax on domestic sales of zero-rated sectors overnight is inexplicable and accounts for the virtual collapse of this market. A phased approach starting with 5% and going on to 8% and gradually raising it to 17% would be a better option, he added. While supporting the govt. for raising real estate values to market values, he added that initially the tax rate should have been lower than what the govt. has imposed - from 10-15% with provinces collecting stamp duty. This high rate has led to the real estate business coming to a standstill, he added. *BR-Sun.*

### Different categories through online facility: around 31,000 foreign nationals apply for visas

Around 31,000 foreign nationals from 141 countries have so far applied for Pakistani visas in different categories through online visa facility introduced by the govt. in Mar'19 to attract tourism and foreign investment. 26,000 applicants were issued visas under different categories including tourist visa, tourist visa on arrival, business visa, business visa on arrival, work visa, diplomatic visa, journalist visa, official visa, family visit visa, student visa, Tablighi visa, missionary visa, NGO/INGO visa and domestic aid visa. *BR-Mon.*

### Pakistan, Iran to sign extension in IP gas line agreement next week

Islamabad and Tehran have extended the Iran-Pakistan (IP) gas line GSPA (Gas Sales Purchase Agreement) for the next 5 years till 26<sup>th</sup> Aug'24 through a mutually agreed amendment. Under earlier GSPA, Pakistan was to have first gas inflow from Iran under IP gas line from 1<sup>st</sup> Jan'15. Under the IP gas project, Pakistan was to import gas of 750mmcf which was to increase up to 1,000mmcf and additional quantity of 250mmcf was to be used in Gwadar. Since Pakistan remained unable to lay down 781Km pipeline under its territory, Iran served a legal notice to Pakistan in Feb'19. After agreement to extend the IP-GSPA, Iran has withdrawn the legal notice. *The News-Sun.*

### Pakistan, Turkey to sign strategic economic framework

Pakistan has started preparations for signing the Strategic Economic Framework (SEF) and Plan of Action (PoA) agreed upon with Turkey, whereas the govt. has decided to establish a special unit at the Ministry of Economic Affairs Division for SEF after both the countries consented to the draft of the framework. The draft on SEF between the two countries had been finalized. The SEF and PoA will be signed during the Turkish President's visit to Pakistan, the date of which is to be finalized. *Tribune-Mon.*

### Dual SIM phone registration deadline extended till Sept 15

PTA has extended registration date for all such mobile devices that come with dual SIMs till 15<sup>th</sup> Sep'19. To check the status of a mobile device, the PTA has advised subscribers to dial \*#06# and SMS each 15 digit IMEI to 8484. *Dawn-Sun.*

### SECP finalises reforms agenda to revitalise capital markets

The SECP has finalised the reforms agenda for capital markets based on demands presented by stakeholders. Reforms undertaken by the regulator aim to stabilise markets, attract liquidity, facilitate ease of doing business, revitalise market development and restore investor confidence. SECP has also introduced Murabaha Share Financing Regulations for leverage financing in Shariah-compliant securities. *Dawn-Sun.*

### Govt releases over PKR 76Mn for Industries Division projects

The govt. has so far released PKR 76.149Mn for various ongoing and new projects of Industries and Production Division under PSDP for FY20. An amount of PKR 6Mn has been released for footwear cluster development, PKR 6Mn for handicraft development, PKR 5.97Mn for SME Business Facilitation Center, Multan, PKR 3Mn for Business Skill Development Center for Women at Dera Ismail Khan and PKR 5.179Mn for Fruit Dehydration Unit, Swat. *The Nation-Mon.*

### Deceptive marketing practices: CCP recommends action against 14 pharma companies

Competition Commission of Pakistan (CCP) has recommended initiation of proceedings against 14 pharmaceutical companies engaged in selling of weight loss products by making false claims of success without adoption of a proper diet plan and exercise regime. The CCP recommended that in the interest of the public at large, proceedings may be initiated against these companies. *BR-Sun.*

### First Pakistani businessman gets five-year work visa for China

A Pakistani businessman, along with three other foreigners, has been issued first-class working visa valid for 5 years by the administration of the city of Yiwu, located in the central part of east China's Zhejiang province. The issuance of the permit for 5 years is the first time after the implementation of the new policies. Prior to this policy, the businessmen were issued visa for only one year. *BR-Sun.*

### Trump's 15% tariffs on \$ 112Bn in Chinese goods take effect

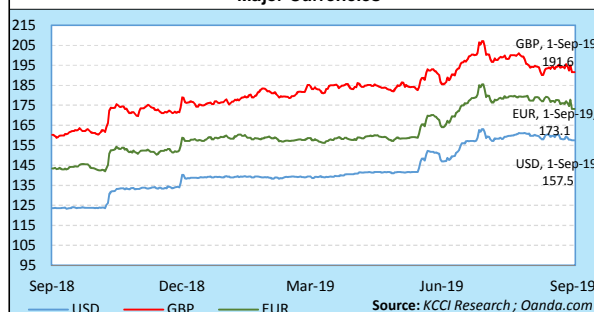
The Trump administration's latest round of tariffs on Chinese imports took effect from Sun (1<sup>st</sup> Sep'19), potentially raising prices Americans pay for consumer goods in advance of the holiday shopping season. The 15% taxes apply to about \$ 112Bn of Chinese imports. More than two-thirds of the consumer goods that the US imports from China now face higher taxes. *Daily Times-Sun.*

### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	30-Aug	PKR	156.86	-0.23%
USD-Open MKT	30-Aug	PKR	156.70	-0.37%
KSE-100 index	30-Aug	Pts.	29,672	-1.61%
FIPI	30-Aug	\$ Mn	1.89	NM**
Crude (AP'19)	30-Aug	\$/bbl	55.01	-2.88%
Gold (MA'19)	30-Aug	\$/oz	1,526.1	-0.25%
Gold (10g) Local	30-Aug	PKR	76,732	-0.55%
Silver (MA'19)	30-Aug	\$/oz	18.25	0.61%
Cotton(KHI)-40 kg	30-Aug	PKR	8,574	0.00%
Kibor-6M	30-Aug	%	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



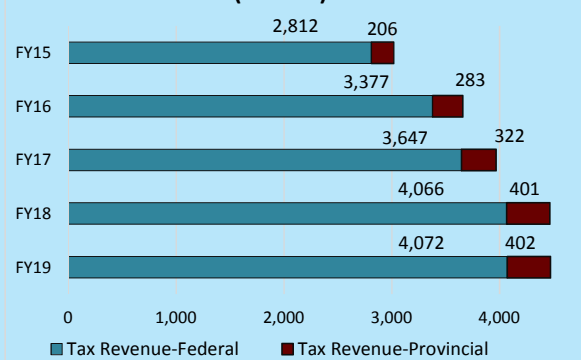
### Quote of the Day

"An organization's ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage."

Jack Welch

### Chart of the Day

### Pakistan's Total Tax Revenue (PKR Bn)



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