

FBR extends deadline for filing income tax returns by one month

FBR has extended the deadline for filing income tax returns by one month to 31st Oct'19 due to filing of less number of returns in 30th Sept'19. As many as 380,000 people have filed their income tax returns as compared to 408,000 people who filed returns by 30th Sept'18 last year. *The Nation*.

Exporters decry delay in refunds

Exporters are facing a severe liquidity crunch due to delay in payment of sales tax refunds despite launch of new system by FBR. FASTER system never works because annexure H of the system (through which Refund Payment Orders (RPOs) were issued) carried many lacunas and flaws which prevented exporters from filing their returns. Exporters are unable to procure and purchase raw materials and other accessories for fulfilling their future export orders and this will ultimately collapse the entire export trade. *Dawn*.

BMG chairman praises PM's speech at UNGA

Speaking at the 58th AGM of KCCI, Chairman BMG & Former President KCCI Siraj Kassam Teli, while terming PM Imran Khan's speech at UNGA as excellent, stated that hats off to PM Imran Khan for vocally, vibrantly and fearlessly speaking the truth about Muslims, Islam phobia and Kashmiris which has never ever been done by any other President or PM. Commenting on the economic issues being faced by the country, Siraj Teli said the govt. should have imposed complete ban on the import of luxury cars and those food items which are already available in Pakistan but the imposition of anti-dumping duties and other duties would lead to shrinking the economy and promote smuggling. All laws and policies have been devised to recover taxes from Karachi only whereas other cities and provinces have been set free and remain exempted from the taxation laws. *BR*.

Pakistan economy faces setback over Foreign Direct Investment front

FDI inflows in Aug'19 declined by a massive 57.8% to stand at \$ 83.4Mn from \$ 198Mn in Aug'18. SBP data shows that slowdown of inflows from China have brought down the overall FDI figure, as inflows from Beijing during 2MFY20 fell to \$ 28.9Mn compared to \$ 216Mn whereas inflows during Aug'19 clocked in at \$ 33.4Mn. UK emerged as the second leading investor in the country pouring \$ 11.7Mn, followed by UAE with \$ 6Mn and Malaysia \$ 5.4Mn. *The Nation*.

KE claims supply from national grid reduced

The national grid's 500KV Hubco-NKI line has been under forced outage since 29th Sep'19 due to which there is an unforeseen reduction of up to 250MW power supply from national grid to K-Electric system. The reduced supply from NTDC, albeit temporarily, may necessitate brief spells of load management including in exempted areas. *Dawn*.

FBR misses quarterly tax target by PKR 116Bn

In a first blow, Pakistan has failed to meet a condition of the IMF and missed the 1QFY20 tax target of PKR 1.07Tn by a wide margin of PKR 116Bn despite releasing PKR 45Bn worth of less refunds and taking advances from companies. FBR has provisionally collected PKR 955Bn in 1QFY20, which is 13.5% higher than 1QFY19 but far below the IMF target. The missing of the target with a huge margin will force the govt. to either reduce development spending or bring a mini-budget to remain on track of the IMF program. *Tribune*.

Nepra fails to notify July fuel adjustment

Nepra has failed to notify monthly fuel adjustment of Jul'19. On 4th Sep'19, the regulator had approved an increase of 78 Paise per unit increase in electricity tariff in Jul'19 across the board to recover about PKR 25Bn from consumers. The delay in notification is due to the issue of use of furnace oil and economic dispatch order. Nepra is scheduled to hear the petition of CPPA-G on 2nd Oct'19 in which an increase of PKR 1.87 per unit has been sought to pass on impact of PKR 40Bn to the consumers. *BR*.

Documentation: FBR will only go after big retailers, retail chains, stores

FBR has decided to go after documentation of only big retailers located in shopping malls, retail chains and stores having 1,000 square feet under the point of sales (POS) system. FBR will notify new rules for registration and taxation of big retailers to restore confidence of the small retailers and shopkeepers. The FBR will give 1 to 2 months period to retailers for registration with POS system. *BR*.

PTI govt leaves petroleum products prices unchanged

The govt. has decided to keep petroleum product prices unchanged for Oct'19, though Ogra had recommended a reduction of up to 2.6%. The govt. tried to justify the decision of not passing price relief on to consumers in view of petroleum prices showing an increasing trend in the international markets. The price of petrol will remain static at PKR 113.24/litre, diesel at PKR 127.14/litre and light diesel oil at PKR 91.89/litre. The price of kerosene oil will also stay unchanged at PKR 99.57/litre. *Tribune*.

PM seeks comprehensive plan on proposed PSM lease

PM Imran Khan has sought a comprehensive plan regarding the proposed lease of Pakistan Steel Mills after he was informed that Russian and Chinese companies are interested in acquiring the PSM on lease. *BR*.

NA passes bill to regulate forex movement

The National Assembly on Mon (30th Sep'19) has passed two bills – one to amend the Foreign Exchange Regulation Act (FERA), 1947 to further regulate foreign exchange movement and the other to enhance punishment of money launderers. The foreign exchange policy and operations in Pakistan were governed under the provisions of FERA, 1947 which empowered the SBP to regulate flows of forex in and out of the country. However, the SBP did not have explicit powers to issue any regulation and instruction to the inland movement of foreign currencies. *Tribune*.

Chinese company starts construction of ceramics manufacturing unit

The first foreign ceramics factory has started construction of one of its kind ceramics unit with an investment of \$ 70Mn in Bhalwal Industrial Estate, which is managed by Punjab Industrial Estates. The company has allotted 37 acres of land to a prominent Chinese company. This ceramics unit is expected to become operational by Mar'20. *BR*.

Chinese firm renews intention to buy K-Electric

China's state-owned Shanghai Electric Power Company Limited has renewed the intention for the 5th time in past 3 years to acquire a majority stake in K-Electric from the financial crisis-hit Abraaj Group. Shanghai Electric had agreed with Dubai-based Abraaj Group on acquiring a majority stake in K-Electric for \$ 1.77Bn in Oct'16. K-Electric has received a fresh public announcement of intention from Shanghai Electric Power Company to acquire up to 66.04% voting shares in K-Electric Limited. *Tribune*.

Pakistan likely to extend business links with Riyadh

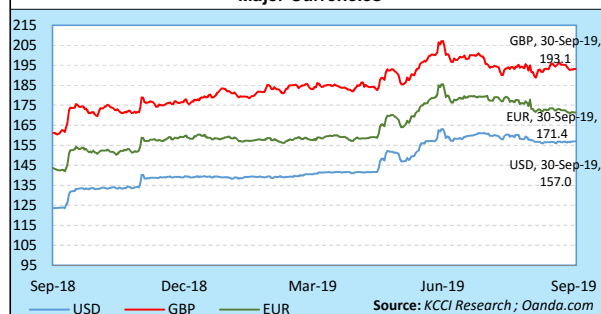
The federal cabinet, which is expected to meet today (1st Oct'19), is likely to allow an extension in a business partnership with Saudi Arabia for another 50 years, effective 5th Jun'30, following a pledge by the kingdom that it will make investment of Bns of dollars in Pakistan. The Finance Division has requested the cabinet to approve an extension in the life span of Saudi-Pak Industrial and Agriculture Investment Company. *Tribune*.

Economic Indicators

| List of Indicators | Date / Period | Unit | Value | Change Daily |
|---------------------|---------------|--------|---------|--------------|
| USD-Interbank | 30-Sep | PKR | 156.37 | 0.12% |
| USD-Open MKT | 30-Sep | PKR | 155.90 | -0.32% |
| KSE-100 index | 30-Sep | Pts. | 32,079 | 0.03% |
| FIPI | 30-Sep | \$ Mn | 1.80 | NM** |
| Crude (AP'19) | 30-Sep | \$/bbl | 54.30 | -3.19% |
| Gold (MA'19) | 30-Sep | \$/oz | 1,475.2 | -1.62% |
| Gold (10g) Local | 30-Sep | PKR | 74,588 | -0.91% |
| Silver (MA'19) | 30-Sep | \$/oz | 17.02 | -2.07% |
| Cotton(KHI)-40 kg | 30-Sep | PKR | 9,324 | 0.58% |
| Kibor-6M | 30-Sep | % | 13.90 | 0.00% |
| Forex Reserves | 20-Sep | \$ Bn | 15.77 | -0.79% |
| | FY20 | | | YoY |
| Remittances | Jul-Aug 19 | \$ Bn | 3.73 | -8.35% |
| Exports* | Jul-Aug 19 | \$ Bn | 3.75 | 10.06% |
| Imports* | Jul-Aug 19 | \$ Bn | 7.68 | -21.56% |
| Trade Balance* | Jul-Aug 19 | \$ Bn | -3.92 | 38.47% |
| Current Account | Jul-Aug 19 | \$ Bn | -1.29 | 54.67% |
| Foreign Direct Inv. | Jul-Aug 19 | \$ Bn | 0.16 | -58.42% |
| LSM Growth* | Jul-19 | % | -3.28 | |
| 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

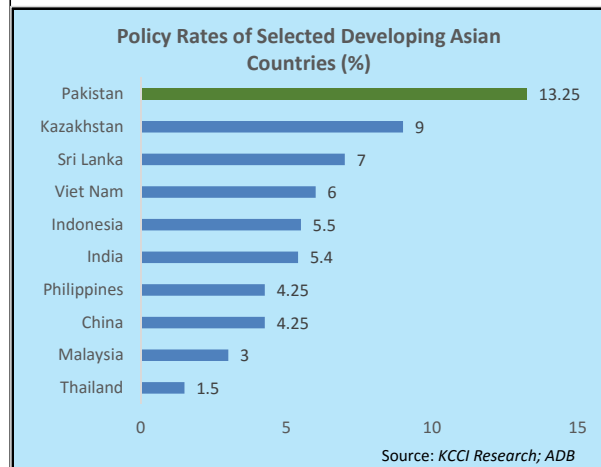


Quote of the Day

If inflation-adjusted interest rates decline in a given country, its currency is likely to decline.

Ray Dalio

Chart of the Day



Disclaimer

This report has been prepared by KCCI Research & Development Cell. The information contained herein have been compiled or arrived at based upon information obtained from sources believed to be reliable and in good faith. Such information has not been independently verified.



icon represents the sole viewpoint of the KCCI R&D Cell, and is stated to enrich the readers' understanding of the news item. The