

### Pakistan, China vow to expedite CPEC projects

Pakistan and China have vowed to expedite completion of projects associated with CPEC and also to implement the 2<sup>nd</sup> phase of the China-Pakistan FTA. Acknowledging measures taken by Pakistan, China maintained that the 2<sup>nd</sup> phase of CPEC will pave the way for enhanced Chinese investments in Pakistan and thus will prove instrumental in consolidating Pakistan's economic development. The understanding was reached at a meeting between visiting Pakistani PM Imran Khan and his Chinese counterpart Li Keqiang in Beijing. *The Nation*.

### PM wishes to adopt China's way of tackling corruption

Inspired by China's way of tackling corruption, PM Imran Khan said that he wishes to put 500 corrupt people in Pakistan behind bars just like Chinese President Xi Jinping did, to rid the county of biggest impediment to prosperity. He said China's exemplary step of taking its 700Mn people out of poverty in 30 years is a source of learning for Pakistan. *Daily Times*.

### Chinese firm investing in Gwadar gets 23-year tax exemption

Federal Minister for Maritime Affairs Ali Haider Zaidi has announced that the govt. has granted tax exemption to China Overseas Ports Holding Company (COPHC) for 23 years to facilitate establishment of its industrial units at Gwadar Port. COPHC would also set up a desalination plant with a cost of PKR 1.95Bn to provide 5,000 gallons of water per day. China would build Pak-China Technical and Vocational Training Institute in Gwadar at a cost of around \$ 10Mn, which would open job opportunities for locals. *Dawn*.

### Chinese vow to make Gwadar more valuable than Karachi

Chinese operators of Gwadar Port and its free zone have vowed to make the coastal city the single largest contributor to Pakistan's national economic output in 7 years, saying 47,000 jobs will be created for locals with new investments worth billions of dollars. China Overseas Ports Holding Company Gwadar Chairman Zhang Baozhong shared his plans after the govt. finally stamped 23-year income tax holiday and exemptions of sales tax and customs duties for the Gwadar Port and businesses to be set up at Gwadar Free Zone. *Tribune*.

### Opposition rejects CPEC body formation through ordinance

Major opposition parties have rejected govt.'s act of setting up CPEC Authority through a presidential ordinance and termed it an illegal move in violation of recommendations of parliamentary committee concerned. The authority has reportedly been given vast powers to call for any information related to CPEC activities, and in case of failure to provide the information, it will have the powers to impose penalties on those who defy its orders. National Assembly's Committee on CPEC had also unanimously opposed and rejected the formation of such a body. *Dawn*.

### APPTA rejects bonds meant to clear outstanding claims of industry

Textile millers have rejected the prevalent form of bonds meant to clear outstanding claims of the industry as no bank is ready to discount these bonds without a sovereign guarantee. Further, there is no date mentioned on the bonds for encashment and only assurance is that the bonds will be paid in time. Encashment of these bonds are also not clear and the mechanism of encashment has not been clarified. The sales tax regime at 17% on exports additionally requires PKR 25-30Bn per month on \$ 1.1Bn worth of textile exports each month. The delay in payments of outstanding refunds has already precipitated a crisis in the textile sector to the extent which will significantly hinder any export growth. The refund policy has been to ensure refund within 7 days of Goods Declaration (GD) filed with customs. *BR*.

### Cotton import expected to hit record high of 5Mn bales

Cotton import in Pakistan is expected to reach a record high of 5Mn bales in 2019 as local production of the crop is estimated to decline by 15% on high input prices and inclement weather. Traders say there is a need to abolish 11% taxes on import of cotton to bridge the massive shortfall. Cotton production is estimated to fall to 10.2Mn bales in 2019. *The News*.

### Action against unauthorized use of K-E infrastructure begins

K-Electric has initiated legal proceedings against the unauthorized use of electricity poles by cable TV and internet providers. The action is part of an ongoing campaign to rid the city's power infrastructure of such encroachments which are not only unwarranted but also pose a severe risk to the safe and reliable supply of electricity as well as to the lives of the residents of the city. The operators were given a deadline to remove their equipment by 19<sup>th</sup> Aug'19. *BR*.

### Beneficial owners of Benami accounts to face music: FBR

After refusal of banks for updating Know Your Customer (KYC) requirements on account of beneficial owner in the light of Benami law, the FBR has warned of having dire consequence for the beneficial owners of accounts and also for those maintaining such accounts under the Benami law. FBR has started collecting the required data that would help to make this law operational in effective manner in months ahead. *The News*.

### Pakistan plans to establish 'Real Estate Regulatory Authority' to curb black money

Pakistan has effectively complied with another strong condition put forward by the Asia Pacific Group as it has prepared to implement measures for curbing black money in the real estate sector. It will establish a 'Real Estate Regulatory Authority' to restrict black money in the sector. The new regulatory authority will make it mandatory for businessmen who are involved in the real estate businesses to register themselves with the authority and essential documentation of the businesses will follow. In this regard, SECP has already prepared an initial draft the establishment of the authority in accordance with the standards of the FATF. *The Nation*.

### Azerbaijan offers LNG supply on long-term basis to Pakistan

Azerbaijan has offered Pakistan to supply LNG on the long term basis while expressing interest in infrastructure development of the commodities, especially oil and gas exploration. A delegation of Azerbaijan, led by Ambassador Ali Alizada, expressed keenness during a meeting with Minister for Petroleum Omar Ayub. *The Nation*.

### Govt. working on Mobile Device Manufacturing Policy

The govt. is working on Mobile Device Manufacturing Policy that would focus on employment generation, import substitution and technology transfer. The policy envisages incentives for local manufacturing/assembly of mobile devices which will expectedly shift the focus from import of mobiles in completely built condition to semi-knocked down (SKD) and completely knocked down (CKD) condition. *The Nation*.

### Mining work begins in Thar Coal Block-I

Chinese power company Shanghai Electric has begun mining work in Thar Coal Block-I for development of the mine and installation of the 1,320 MW coal-fired power plant. The coal mine would generate 7.8Mn tons of coal annually. Around 600 families would be displaced due to the coal mining and installation of the power plant and Sindh Govt. has asked the Chinese company to construct a residential colony for the affected families. *Tribune*.

### Hyundai to start local production from January

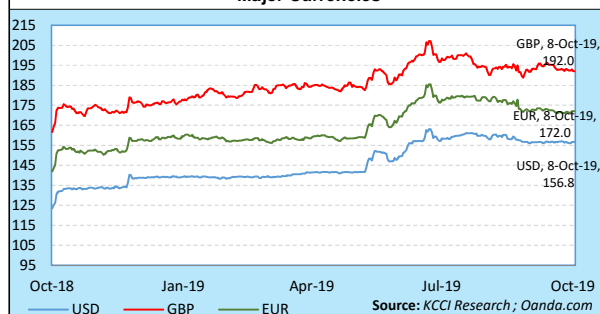
Hyundai Nishat Motors Private Ltd (HNMPPL) will start local assembly of Porter H100 pickup with 20% indigenization from Jan'20. Total investment at its Faisalabad manufacturing facility is \$ 150Mn, with an annual production capacity of up to 15,000 units. The plant will employ 250 people directly. *Dawn*.

### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	8-Oct	PKR	156.45	0.03%
USD-Open MKT	8-Oct	PKR	156.10	-0.13%
KSE-100 index	8-Oct	Pts.	33,477	-0.48%
FIPI	8-Oct	\$ Mn	1.84	NM**
Crude (AP'19)	8-Oct	\$/bbl	52.46	-0.83%
Gold (MA'19)	8-Oct	\$/oz	1,507.3	0.86%
Gold (10g) Local	8-Oct	PKR	74,931	0.23%
Silver (MA'19)	8-Oct	\$/oz	17.74	1.84%
Cotton(KHI)-40 kg	8-Oct	PKR	9,324	0.00%
Kibor-6M	8-Oct	%	13.90	0.00%
Forex Reserves	27-Sep FY20	\$ Bn	15.00	-4.87% 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-Sep 19	%	10.08	
Discount Rate	Jul-19	%	13.25	

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

### Major Currencies

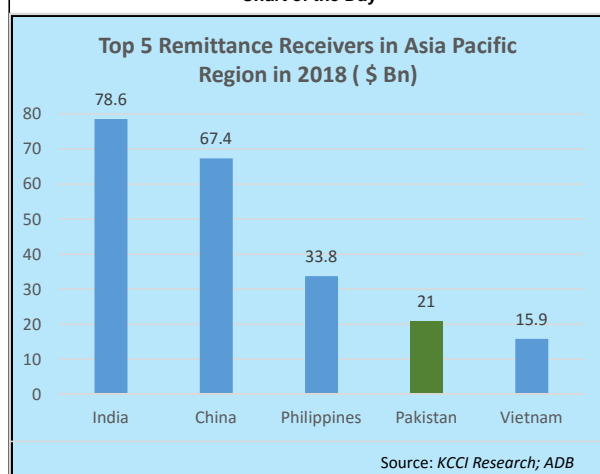


### Quote of the Day

*"Never say never because limits like fears, are often just illusions."*

**Michael Jordan**

### 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 on 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