

### Malaysia suggests expanding FTA list

Malaysia and Pakistan need to agree upon on a new concessional list under the existing FTA. Khairul Nazran Abd Rahman, CG Malaysia, while speaking at KCCI said that he has been receiving a lot of requests from different segments for addition of numerous items in FTA list. Pakistani Basmati rice is not competitive compared with other countries due to not being in the list; hence Malaysia is importing it from India and Vietnam. President KCCI Agha Shahab Ahmed Khan said, today we are living in the 21<sup>st</sup> century in which nobody is neither dependent nor independent but everyone of us are inter-dependent. Hence, we all must live in harmony and focus on expanding ties particularly in those sectors where there is a comparative advantage. To improve the existing trade ties, he opined that Pakistan can exports many of its traditional and non-traditional goods to Malaysia particularly rice, furniture, electric cables, cosmetics, jewellery, food stuff and many other products. Meanwhile, business communities of both countries agreed to hold regular interactions in order to fully benefit from the existing FTA, which would certainly improve the existing trade ties between the two brotherly countries. *The News*.

### High debt levels to persist until FY24, says IMF

IMF has projected Pakistan's primary deficit to turn positive to 1% of GDP in FY21 from negative 0.5% in FY20 but forecasted that country's debt levels are likely to remain elevated at above 65.4% until FY24, despite continuous decline. The IMF Fiscal Monitor 2019 put the budget deficit at 8.8% of GDP in 2019 with projection for FY20 at 7.4% as IMF-supported programme comes into force. Fiscal deficit is likely to go down to 5.4% of GDP in FY21, followed by 3.9% in FY22 and 2.8% in FY23. It will then stay at 2.6% of GDP in FY24, adds the report. The revenue-to-GDP ratio, at 12.8%, is expected to increase to 16.3% of GDP during FY20 because of 2019 taxation measures and further go up to 17.9% in FY21. This ratio will increase to 19% in FY22 and then remain unchanged at 19.6% in FY23 and FY24. *Dawn*.

### Pakistan improves 15 notches on World Competitive Index

Pakistan has improved 15 ranks up in the competitive report published by the World Economic Forum. The country's new position is 52 from 67 earlier. It is pertinent to mention here that the SECP was recognized as world's 7<sup>th</sup> powerful regulator body for good governance in the world. Pakistan is among few countries where a person can register a private company within a day, the report includes. As for as startup of business is concerned, the report states that Pakistan has increased six ranks to 96 and the new rank is 90 whereas the country maintained its position in investment ranking. *The Nation*.

### Traders announce shutter-down strike on 29th, 30th

The trader community has announced a shutter-down strike across the country on 29<sup>th</sup>-30<sup>th</sup> Oct'19 to press for their demands. Traders will come up with stronger reaction in the next phase if the FBR fails to meet their demands. The trader community has decided not to call off its protests till the FBR withdraws the condition of CNIC on purchase of items for and above PKR 50,000. *The News*.

### Pakistan Customs to launch swift cargo clearance system

Pakistan Customs is set to introduce the international Authorized Economic Operators (AEO) program, which will shorten the average time taken to clear import and export consignments. In a briefing, Customs authorities said that the department is working on the draft of AEO certification, which will help speed up Customs processes. *Tribune*.

### SECP's structural changes to recognize entrepreneurial risk

SECP will bring structural changes in terms of attitude towards entrepreneurial risk and growth of innovative companies. SECP Chairman, Aamir Khan, said that the SECP is working with other stakeholders to collaborate in creating legal framework's adaptability to digital business models, where Pakistan is performing better than 100 other countries in the world. *The News*.

### IMF, FBR officials share views on tax harmonization

IMF has discussed with FBR a number of policy issues including simplification of complex income tax system, harmonization of taxes, introduction of a very simple scheme for small businesses, and integration between federal and provincial tax authorities through a single portal. Structural changes in tax policy being recommended by IMF mission would be incorporated in next year's tax policy in Jun'20. The idea of establishing National Tax Collection Agency for the purpose of filing and collection of all taxes of federal and provincial authorities was also discussed. *BR*.

### Incentives to SEZs under CPEC being revisited

The govt. is revisiting incentives to SEZs under CPEC and has initiated a consultative process to identify and resolve all pending issues. BOI informed that there is no harmony between legislation and ground challenges at the time CPEC was conceived. The SEZ Act 2012 is being revisited to give SEZs concrete legal backing and enhanced incentives and benefits. The govt. has also not yet been able to address grievances of domestic investors, who have invested in SEZs on the promise of getting a 10-year income tax holiday under the SEZ Act 2012. As these industrial units are set to start production, FBR has refused to provide a blanket income tax holiday. *BR*.

### Pakistan hopes to satisfy IMF in upcoming review meeting

Pakistan hopes to satisfy IMF on the 1<sup>st</sup> review under EFF that would be discussed later in Oct'19. IMF mission for the 1<sup>st</sup> review is expected to reach Islamabad in the last week of Oct'19. The govt. would convince the Fund on tax collection despite FBR facing massive shortfall of PKR 111Bn in 1QFY20. The reforms program has 7 performance criteria, 5 indicative targets and 13 structural benchmarks and the progress on all of them is very encouraging according to ministry of finance. *The Nation*.

### SECP proposes legal amendments to boost IPOs

The SECP has proposed legal amendments to encourage companies to raise capital from the primary equity market that saw an average three initial public offerings (IPO) a year in the last three years. SECP has proposed certain amendments into the Public offering Regulations 2017 for seeking public comments. *The News*.

### Sindh govt to demolish illegal constructions in Karachi

Sindh Local Govt. Secretary, Roshan Sheikh, has admitted that the exponential growth of illegal construction is the result of unnecessary delays in the approval of legal constructions. He said that the govt. will demolish all the illegal constructions pointed out and also assured that the govt. will introduce a one-window system through which builders will get approval for construction within 10 days. *Tribune*.

### Egypt keen to invest \$ 1Bn in Pakistan

Egypt Ambassador Agmed Fadel Yacob has said that Egypt is keen to invest \$ 1Bn in Pakistan over the next one year in different sectors mainly in energy, building, pharmaceutical, halal food and tourism. These remarks were made during a meeting with prominent Pakistani businessmen. He said that special incentives would be provided to Pakistani companies through new strategic trade policy framework for participating in trade fairs in Africa, under Look Africa initiative. *The Nation*.

### India falls to 102 in hunger index, eight ranks below Pakistan

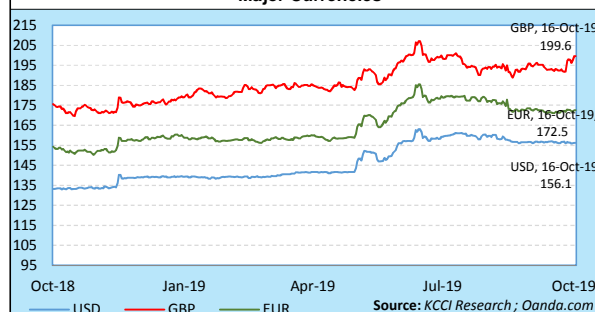
India has dropped further down in the latest ranking of Global Hunger Index (GHI) 2019 for failure to provide minimum healthy and safe living conditions to its people. India has ranked 102 out of 117 countries in GHI 2019, whereas Pakistan stands at 94. *The News*.

### Economic Indicators

| List of Indicators  | Date / Period | Unit   | Value   | Change Daily |
|---------------------|---------------|--------|---------|--------------|
| USD-Interbank       | 16-Oct        | PKR    | 156.01  | -0.03%       |
| USD-Open MKT        | 16-Oct        | PKR    | 155.70  | 0.00%        |
| KSE-100 index       | 16-Oct        | Pts.   | 34,281  | 0.58%        |
| FIPI                | 16-Oct        | \$ Mn  | -1.83   | NM**         |
| Crude (AP'19)       | 16-Oct        | \$/bbl | 53.10   | 0.51%        |
| Gold (MA'19)        | 16-Oct        | \$/oz  | 1,489.7 | 0.56%        |
| Gold (10g) Local    | 16-Oct        | PKR    | 74,588  | -0.12%       |
| Silver (MA'19)      | 16-Oct        | \$/oz  | 17.36   | -0.23%       |
| Cotton(KHI)-40 kg   | 16-Oct        | PKR    | 9,324   | 0.00%        |
| Kibor-6M            | 16-Oct        | %      | 13.59   | -0.03%       |
| Forex Reserves      | 4-Oct         | \$ Bn  | 14.99   | WoW -0.07%   |
|                     | FY20          |        |         | YoY          |
| Remittances         | Jul-Sep 19    | \$ Bn  | 5.48    | -1.43%       |
| Exports*            | Jul-Sep 19    | \$ Bn  | 5.52    | 2.75%        |
| Imports*            | Jul-Sep 19    | \$ Bn  | 11.25   | -20.59%      |
| Trade Balance*      | Jul-Sep 19    | \$ Bn  | -5.73   | 34.85%       |
| 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



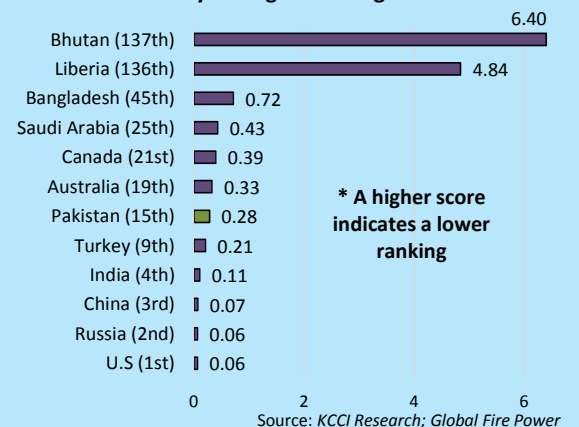
### Quote of the Day

*"The economy is the start and end of everything. You can't have successful education reform or any other reform if you don't have a strong economy."*

**David Cameron**

### Chart of the Day

#### Military Strength Ranking 2019



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