



### Govt. expects to avert FATF blacklisting

Backed by longtime ally China, Pakistan is confident that it will avert blacklisting over terrorism financing by FATF on Friday (18<sup>th</sup> Oct'19) but it will not be completely off the hook until it proves it is genuinely severing ties with Islamist militants. Pakistan's civil and military leadership secured a guarantee from Chinese leaders that Islamabad would not be placed on blacklist. China is presiding over the ongoing FATF plenary in France. *BR.*

### SBP signals extended pause on interest rate hikes

SBP Governor, Reza Baqir, in an interview with Bloomberg said that Pakistan must balance the risk of a slowing economy with its desire to lower the inflation rate. Signaling an extended pause in the interest rate-hike cycle, he said that the "balance of risks" is shifting as the pace of economic growth slows. The SBP in Sep'19 kept interest rates unchanged for the first time in more than a year, after inflation showed signs of steadying following a change in calculation methodology. *The News.*

### FBR becoming a liability for govt.: SC

The Supreme Court took FBR to task, remarking that the board was becoming a liability for the govt. Questioning the performance of the FBR, the Supreme Court remarked that why the board has not been able to meet its tax targets when it employed more than 22,000 people just to collect 20% of taxes and more than 80% of the taxes are indirect. *The Nation.*

### PM launches PKR 100Bn Kamyab Jawan Program

PM Imran Khan has inaugurated 1<sup>st</sup> phase of PKR 100Bn Kamyab Jawan Program to support country's youth through technical and financial assistance. Loans fewer than PKR 100,000 will be without interest and will be distributed on priority basis in 45 under-privileged districts. It was anticipated that the program will benefit 1Mn youth. 200 feasibilities have also been made available online to help assist the youth in working on business ideas. Under the program, PKR 10Bn will be spent on skills education and 100 smart laboratories will be established to impart modern skills to youth. A quota of 25% had been allocated for women to increase their share in the national economy. *The Nation.*

### Work on K4 water scheme for Karachi stopped: CM Sindh

Sindh CM dropped a bombshell for the Karachites telling them formally and finally that the most-sought- after K4 water scheme has been dropped. CM Murad Ali Shah said the provincial govt. has long been opposing the 650 MGD K4 water scheme on grounds of faulty planning. However, PM Imran Khan during his first ever visit to Karachi after becoming the PM on 16<sup>th</sup> Sep'18 was informed of the poor planning, following which the work was stopped. Shah claimed that the Sindh govt. is working on alternate projects that will supply 185 MGD to Karachi, adding that he will also try to resolve the K-4 Project. *The News.*

### Customs Authority on the cards to curb smuggling, says PM aide

The govt. has decided to establish a Customs Authority and develop a data bank to collect information about smuggling and similar mechanisms in order to curb inflow of non-duty paid items into the country. Pakistan faced annual loss of around \$ 6.94Bn, including \$ 3.47Bn in terms of revenue loss due to smuggling. The decision was taken by pm Imran Khan while chairing a high-level meeting to review and control smuggling. Almost everybody from coastguard which patrols the coast line to the customs department, civil and military intelligence agencies, etc, did not share their information and records with one another, with the result that effective control of smuggling was not possible. *Dawn.*

### FBR launches Urdu website

FBR Chairman Shabbar Zaidi has inaugurated the Urdu website of FBR to facilitate taxpayers. Urdu website offers online facilitation and services to the taxpayers about income and sales tax, customs and FBR Maloomaat. People can not only file their complaints in Urdu but can also seek responses of their queries in national language. *Dawn.*

### Provinces' poor response spoils drive against benami properties

Federal govt.'s much trumpeted drive against benami asset holders has received a setback in 1QFY20 due to lacklustre response from provinces. The deadline for getting the information from provinces was set at 30<sup>th</sup> Sep'19, which was largely missed by all four provinces. In Sindh, only three of 29 DCs have provided partial data while no response has been received from Balochistan. In case of Punjab, a new deadline of 31<sup>st</sup> Oct'19 has been given to DCs. *Dawn.*

### IMF team holds talks on revenue collection, C/A deficit

A Six-member technical team of IMF held extensive discussions with Advisor on Commerce Abdul Razak Dawood and his team on revenue collection, current account deficit, issues relating to growth and impact of reforms. IMF team maintained that growth will be witnessed at the end of the programme, adding that most of the time Pakistan abandoned programme half way due to which growth was not witnessed. The IMF team argued that Pakistan must first proceed with reforms in the taxation system, while growth is secondary. The issue of tax courts also came under discussion. The meeting also discussed National Tariff Policy (NTP) Sales Tax, Income Tax and Custom Duty and Commerce Division shared its views on areas of concern with the visiting team. *BR.*

### Anti-money laundering cell set up in NAB

An anti-money laundering and combating the financing of terrorism cell has been established at the NAB for monitoring, compliance, analysis and coordination with National FATF secretariat and relevant stakeholders. Director General, Operations, NAB Headquarters Zahir Shah, has been posted as head of the cell. *The Nation.*

### FDI falls 3.1% to \$ 542.1Mn in July-Sept

Foreign Direct Investment (FDI) marginally dropped 3.1% year-on-year to \$ 542.1Mn in 1QFY20 as compared with \$ 559.4Mn in 1QFY19 after downward trend in inflows from top sourcing destinations. Net FDI inflows from the country's major investor China showed a major decline to \$ 103Mn in 1QFY20 as compared with \$ 336.6Mn during 1QFY19. Sector wise, Pakistan received the biggest foreign direct investment in communications sector with \$ 255.1Mn in 1QFY20. Total foreign private investment increased to \$ 565Mn during 1QFY20 as compared with \$ 374Mn in 1QFY19. *The News.*

### Transit rules for cargo handling at Gwadar port implemented

Ministry of Commerce has implemented prerequisite transshipment and transit rules for bulk cargoes at Gwadar port, which is to pave way for its full-fledged operation and ease handling burden on two other ports in the country. *The News.*

### Pakistan's mobile ecosystem contributes \$ 16.7Bn to GDP

According to a research report launched by GSMA, an international trade body of mobile network operators, the mobile ecosystem in Pakistan is playing an increasingly important role, which is evident from its contribution to economic growth. The telecom system contributes around \$ 16.7Bn, 5.4% of GDP, to the economy. The report states that Pakistan is deriving socioeconomic benefits from digital transformation, however, its rapid population growth could increase pressure on the existing infrastructure. This may, in turn, hinder efforts to increase social development. *Tribune.*

### MoU signed to set up Pakistan-Egypt Joint Working Group on trade

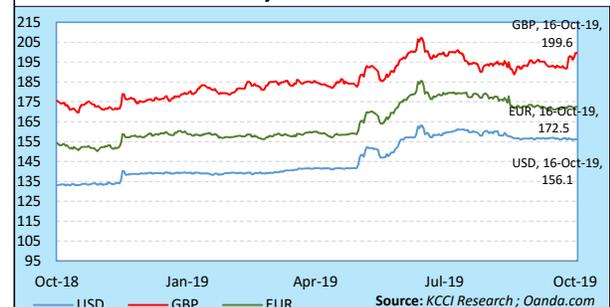
Ministry of Commerce and Egyptian Commercial Service have signed a MOU for establishment of Pakistan-Egypt Joint Working Group (JWG) on trade. 1<sup>st</sup> meeting of the JWG on Trade was held on the sidelines of the Pakistan-Egypt Trade Conference organized by Ministry of Commerce. It was the 1<sup>st</sup> of a series of such conferences planned with African countries under the 'Look Africa Policy' Initiative of Ministry of Commerce. *The Nation.*

### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	17-Oct	PKR	155.89	-0.08%
USD-Open MKT	17-Oct	PKR	155.60	-0.06%
KSE-100 index	17-Oct	Pts.	34,281	0.00%
FIPI	17-Oct	\$ Mn	0.33	NM**
Crude (AP'19)	17-Oct	\$/bbl	54.01	1.71%
Gold (MA'19)	17-Oct	\$/oz	1,491.9	0.15%
Gold (10g) Local	17-Oct	PKR	74,588	0.00%
Silver (MA'19)	17-Oct	\$/oz	17.53	0.98%
Cotton(KHI)-40 kg	17-Oct	PKR	9,324	0.00%
Kibor-6M	17-Oct	%	13.58	-0.01%
Forex Reserves	11-Oct	\$ Bn	15.14	1.00%
	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-Sep 19	\$ Bn	0.54	-3.09%
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

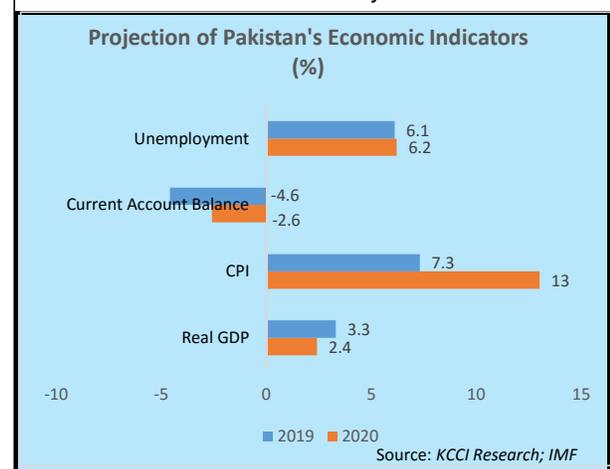


### Quote of the Day

*A strong economy begins with a strong, well-educated workforce.*

**David Cameron**

### Chart of the Day



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