

### SBP's intervention sought to bankroll tax refund bonds

Traders have urged that the SBP needs to ensure acceptance of sales tax refund bonds as collaterals by the banks and financial institutions as this would help them meet financial needs amid liquidity crunch. KCCI President Agha Shahab Ahmed has said that the FBR has issued bonds to the tax refund claimants which are to be traded freely in the country's secondary markets and accepted by the banks as collateral under section 67-A of the Sales Tax Act 1990. However, despite specific directions in the relevant act, these bonds are neither being traded freely in the market nor being accepted by the banks, creating severe liquidity problems for the exporters who are unable to finish their export orders. In a letter to SBP Governor Reza Baqir, he said that almost a month has passed but so far but no relief has been provided to minimize the grievances being faced by exporters. Ahmed said the exporters are already going through the toughest time due to 'creative destruction', which has made many Pakistani products obsolete in the international markets whereas they are terribly suffering due to high cost of doing business, stagnant industrial activities, the highest ever inflation and many other issues particularly the stuck refunds. The issue needs to be resolved and the claimants must get their legitimate refunds on top priority. *The News-Sun.*

### PM Imran seeks suggestions to control prices of daily use items

PM Imran Khan has taken serious notice of price hike of essential commodities and has sought suggestions from various ministries to check this trend. He expressed dismay at increase in prices of sugar and flour and asked provinces, along with ministry of industries, to keep the prices stable and take action against profiteers and hoarders. The Chief Ministers of all provinces were asked to establish farmer markets to end the role of middlemen so that consumers get relief in prices of vegetables, fruits and perishable items. *The Nation-Sun.*

### PM arrives in Karachi today

PM Imran Khan is expected to arrive in Karachi today (21<sup>st</sup> Oct'19) on a day-long visit. A session will be summoned by the PM to make consultations over the issues of Karachi. He will also meet the business community during his visit. *BR-Mon.*

### Hafeez urges US firms to tap business opportunities in Pakistan

Adviser on Finance Dr.A.Hafeez Shaikh has said that Pakistan's economy is on the right path to stabilization, and has urged US businesses to benefit from investment opportunities available in the country. He made this statement while attending a roundtable discussion with senior executives of the US-Pakistan Business Council at the US Chamber of Commerce. The Adviser highlighted the govt.'s focus on improving the ease-of-doing-business and encouraged the US companies to expand their footprint in Pakistan. *The Nation-Mon.*

### IMF asks govt to carry out long-delayed structural reforms

IMF has asked Pakistan to address its longstanding issues through structural reforms and strengthening of institutions through legal framework to help economy be competitive. IMF's Middle East and Central Asia Region Director, Jihad Azour, said that the reform journey under IMF program had two important tracks. One is macro-stabilization for which there are a number of steps taken by SBP on financial and monetary side and also by finance ministry on fiscal side. The other and more important is structural reforms to allow economy to be more competitive. *Dawn-Mon.*

### Thousands of workers sent home amid plummeting sales, claim auto vendors

Auto vendors have shown exit doors to thousands of daily wage workers, outsource employees and contractual workers from Jul'19 until date following massive decline in sales in the overall auto sector. Feedback from 400 auto vendors across the country regarding layoffs of around 40,000 people has been received in view of the steep fall in parts procurement by car and other auto assemblers after massive sales drop. *Dawn-Sun.*

### FBR to evaluate imported auto parts on unit basis

FBR has agreed to evaluate imported automotive parts on unit basis for the purpose of charging customs duty and other taxes on these, replacing the current method of clearing the items on the basis of their weight. The decision was made after a delegation of auto part vendors met officials at the Directorate of Customs Evaluation in Karachi earlier in Oct'19. A final proposal for adoption of the new system will be completed by end of Oct'19. *Dawn-Sun.*

### Federal sales tax on restaurants: SRB terms FBR's decision unconstitutional

Sindh Revenue Board (SRB) has expressed serious concern over FBR proposed amendments in Chapter 98 (services) of the First Schedule to the Customs Act, 1969 without consulting provinces for collecting federal sales tax on services provided/rendered by restaurants. The SRB has requested FBR to review and withdraw its letter in question and advise its Chief (IR-Policy) to convene the meeting of the Committee constituted to discuss the issue of jurisdiction on restaurants and caterers and to submit its consensus report for joint consideration of the Heads of FBR and four Provincial Sales Tax Administrations. *BR-Mon.*

### Provinces seek place in FBR Board-In-Council

The provinces have sought representation in FBR's Board-In-Council as well as its Pakistan Revenue Automation Limited (PRAL). They have also demanded that the board should move ahead with the decision agreed upon by all sides to appoint the chairpersons of all four provincial revenue authorities as members of the PRAL's board of directors and also make them ex-officio members of the FBR Board-In-Council. The FBR and the provincial revenue authorities had held a meeting to address the latter's reservations over a MoU about a single portal for filing tax returns and registration. *Tribune-Sun.*

### Extreme gas pressure hits pipeline structure again

Extreme gas pressure has again hit the pipeline structure, as the power sector has cut down on RLNG by 395mmcf. This is a quite dangerous situation, as the maximum capacity of pipeline to store gas stands at 4.2bcfd and when the line pack increases, the storage shoots up to 4.9bcfd that may damage the line. The sudden reduction in the RLNG use by the power sector has caused the gas system to suffer PKR 300Mn loss per day. *The News-Sun.*

### Factories fined PKR 150,000 in ICT for not complying with minimum wage act

The Islamabad Capital Territory (ICT) Administration has imposed a fine of PKR 150,000 on some factories operating in the federal capital over noncompliance of minimum wage act. Teams are paying visit to every factory and shop to check whether the workers are being paid according to the salary fixed by the administration. *The News-Mon.*

### China to help in turning Thar coal into diesel

China will help Pakistan turn Thar coal into diesel and to this effect, the Pakistani authorities have managed to contact Chinese Shenhua Ningxia Coal Industry Group, which is known for turning coal into liquid. Preliminary meetings took place when PM Imran Khan visited China on 8<sup>th</sup> Oct'19. *The News-Mon.*

### 30 foreign companies to exhibit furniture products in Interiors Expo

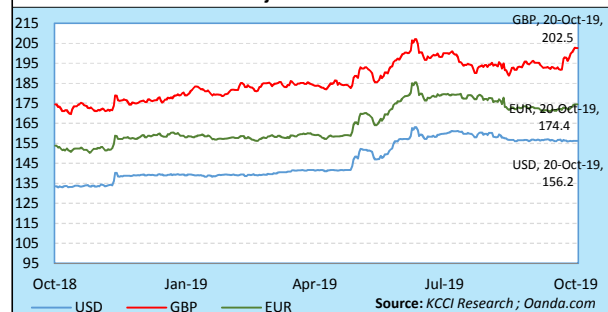
Over 30 foreign companies will showcase their furniture products in the 3-day 11<sup>th</sup> Interiors Pakistan Exhibition to be held from 22<sup>nd</sup> Nov at the Expo Center. Delegations from China, Italy, UK, Turkey, Hong Kong, Thailand and, Bangkok have confirmed their participation. More than 70 leading local companies and interior designers will display their products while as many as 200,000 to 250,000 visitors are expected to visit this exhibition. *The Nation-Mon.*

### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	18-Oct	PKR	155.91	0.01%
USD-Open MKT	18-Oct	PKR	155.60	0.00%
KSE-100 index	18-Oct	Pts.	33,870	-1.20%
FIPI	18-Oct	\$ Mn	0.24	NM**
Crude (AP'19)	18-Oct	\$/bbl	53.72	-0.54%
Gold (MA'19)	18-Oct	\$/oz	1,489.6	-0.15%
Gold (10g) Local	18-Oct	PKR	74,588	0.00%
Silver (MA'19)	18-Oct	\$/oz	17.52	-0.09%
Cotton(KHI) -40 kg	18-Oct	PKR	9,763	4.71%
Kibor-6M	18-Oct	%	13.54	-0.04%
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-Sep 19	\$ Bn	-1.55	63.89%
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



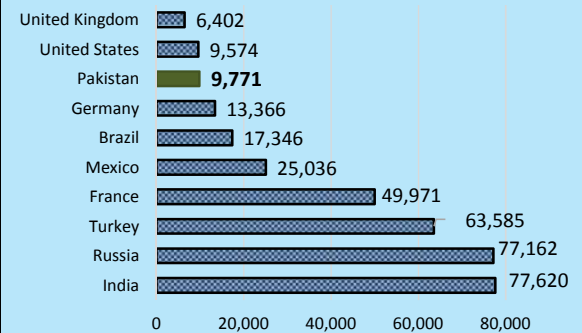
### Quote of the Day

*"As sure as the spring will follow the winter, prosperity and economic growth will follow recession."*

**Bo Bennett**

### Chart of the Day

#### Top 10 countries: Government Requests to Tech Giants to Remove Online Content



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