

Moody's scales down growth to 2-2.5%

Moody's has revised downward the GDP forecast for Pakistan from 2.9% to 2-2.5%. Consumption of services, which has underpinned growth in recent years, will be adversely affected by the movement restrictions. The textile sector, the country's key manufacturing sector which accounts for around 60% of exports, has also been hit by supply-chain disruptions and a decline or postponement of orders. The policy rate reduction to 11% follows will help maintain credit growth, which it expects will remain below nominal GDP growth, it added. BR.

PM to announce mega package for construction industry today

PM Imran Khan has said that a massive package for the construction industry will be announced on 3rd Apr'20 (today) to maintain the economic activity important to deal with the coronavirus challenge. He said that necessary incentives will be given to the construction industry in order to provide job opportunities to the people and it will also help uplift the industries allied with the construction. He said necessary SOPs will also be developed to ensure the safety of the workers at the workplace. The PM said that the commerce ministry has also framed a list of industries which can be opened in the current situation. *The Nation*.

Pandemic losses can reach PKR 2.5Tn: experts

Govt. has worked out the impact of losses of pandemic COVID-19 virus on some sectors of the national economy and shared the initial assessment that total losses stood at the whopping figure of PKR 2.5Tn. Employment losses are in the range of 12 to 20Mn. Monthly average losses of losing jobs stood at PKR 180Bn to PKR 260Bn, so in the worst case scenario basis, the estimated losses could go up to PKR 780Bn in the next three months. SECP shared information that so far PSX losses are to the tune of PKR 200 to 250Bn. FBR could also see a decrease in revenue/cash outflow of around PKR 600Bn alone in 4QFY20. Impact of trade contraction only on GDP could be up to 4.6% in the last quarter if combined imports and exports go down by 20%. *The News*.

Industrialists won't be able to pay salaries if lockdown continues: SAI chief

Industrialists of SITE have said that due to lockdown, industrial activities have come to a halt, and if this situation continue for the next 10 to 15 days, industrialists would be unable to pay workers their salaries. They urged the CM Sindh to provide funds from SESSI and Workers Welfare Fund to SITE Association, so that the association could compensate at least 500,000 workers' families and provide them free ration and medical facilities. BR.

FBR may hold back 30% refunds to deal with false claims: tax experts

Tax experts have said that FBR can hold back 30% refund claims to deal with the problem of false claims and release its 70% immediately. It may be noted that the federal govt. is pressing FBR to release refund claims immediately in the wake of COVID-19 pandemic in the country. However, FBR sources said that since 50% of the refund claims generally fall under the category of false claims, therefore, they are in a catch-22 situation to deal with the issue amidst a crisis-like situation. BR.

SBP rules, regulations: Government all set to incorporate changes

The govt. is all set to incorporate changes to SBP rules and regulations through the SBP (amendment) Bill 2020 meant to ensure the autonomy of Central Bank to promote collegial decision making in the bank to address the conflict of interest issues. According to the proposed amendments, the authorized capital of the Bank shall be of PKR 500Bn divided into 5Bn shares of PKR 100 each. BR.

World Bank approves PKR 33Bn to help Pakistan counter COVID-19

The World Bank has approved \$ 200Mn (PKR 33.31Bn) package to help Pakistan take effective and timely action to respond to the COVID-19 pandemic by strengthening the country's national healthcare systems and mitigating socio economic disruptions. The support would also draw an extra \$ 38Mn from eight existing projects for urgently needed medical equipment and supplies. *The News*.

Punjab may lose most jobs due to COVID-19: experts

Pakistan Institute of Development Economics (PIDE), an affiliate arm of the Planning Commission of Pakistan, has said that Punjab could be the worst hit by pandemic coronavirus among all the four provinces on account of losing jobs as 10-12Mn daily wagers might be laid-off, the highest from the neglected agriculture sector. Estimates for Sindh are 3.3 to 4.1Mn, 2Mn for KP and under a Million for Balochistan. It expected most layoffs to be in the agriculture sector, followed by services sector. *The News*.

Automakers want electric vehicles policy to be shelved

Automakers have accosted the govt. to put much-trumpeted electric/hybrid vehicles policy on hold for one year while they are involved in offsetting the impact of falling sales in the novel coronavirus outbreak. They also added that incentives should be the same for hybrid and electric vehicles as Hybrid vehicles are completely new and the industry would require huge fresh investments for its manufacturing. *The News*.

State Bank's forex reserves fall below \$ 12Bn

Forex reserves sharply fell 6.7% to \$ 11.19Bn - the lowest since Dec'19 - due to higher debt repayments and capital outflows from the country. The reserves of commercial banks, however, rose to \$ 6.20Bn from \$ 6.12Bn. Total liquid foreign reserves stood at \$ 17.39Bn, compared with \$ 18.12Bn in the previous week. *The News*.

FBR extends POS integration deadline for retailers to April 30

FBR has further extended the deadline for big retailers to digitally integrate their trade transactions with the real-time point of sale system of the tax authority up to 30th Apr'20. However, the extended date could only be availed by retailers who submit their intention of integration to a concerned tax office by 20th Apr'20. *The News*.

Govt, IPPs gear up for crucial capacity payment talks

Faced with increasing liabilities in the energy sector, a cabinet committee has decided to engage with private investors in LNG terminals and power projects to renegotiate terms of their capacity payments, return on equity and exchange rate indexation. The Cabinet Committee on Energy (CCoE) has directed the FBR to charge GST on actual collection of electricity bills instead of billing to bring down circular debt by over PKR 250Bn that currently stands at PKR 2Tn. The panel directed an immediate summary to the federal cabinet for formal approval. *Dawn*.

Pakistan's debt management structure to undergo drastic changes

The debt management structure of the country is set to undergo its first drastic change in 15 years, as the govt. plans to abolish the existing 'fragmented set-up' to meet the condition of the World Bank (WB) for availing a \$ 500Mn loan. A WB Board is scheduled to consider the approval on 14th May'20 which will also mark restoration of budgetary support after almost 3 years by WB. *Tribune*.

PSX seeks investment from state units

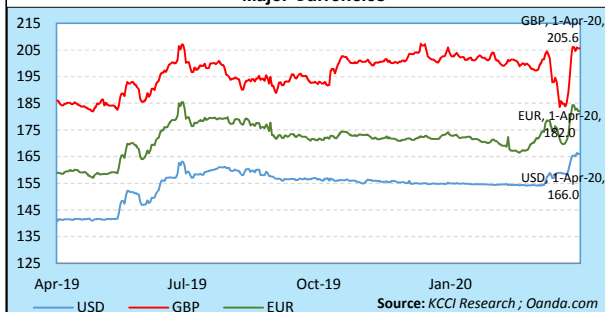
PSX has sought long-term investment from state-owned financial institutions in the larger interest of their clients and to prop up the bourse where stock prices have dropped to multi-year lows and are providing an excellent investment opportunity. PSX has termed it a win-win situation for everyone. *Tribune*.

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	2-Apr	PKR	166.92	0.05%
USD-Open MKT	2-Apr	PKR	166.25	0.45%
KSE-100 index	2-Apr	Pts.	30,783	4.33%
FIPI	2-Apr	\$ Mn	-11.26	NM**
Crude (AP'19)	2-Apr	\$/bbl	24.80	15.35%
Gold (MA'19)	2-Apr	\$/oz	1,630.7	2.14%
Gold (10g) Local	2-Apr	PKR	86,300	2.08%
Silver (MA'19)	2-Apr	\$/oz	14.65	4.12%
Cotton(KHI)-40 kg	2-Apr	PKR	9,431	0.00%
Kibor-6M	2-Apr	%	11.03	-5.00%
Forex Reserves	27-Mar	\$ Bn	17.39	-3.99%
FY20				YoY
Remittances	Jul-Feb 20	\$ Bn	15.13	5.37%
Exports*	Jul-Feb 20	\$ Bn	15.65	3.65%
Imports*	Jul-Feb 20	\$ Bn	31.42	-14.06%
Trade Balance*	Jul-Feb 20	\$ Bn	-15.77	26.72%
Current Account	Jul-Feb 20	\$ Bn	-2.84	71.04%
Foreign Direct Inv.	Jul-Feb 20	\$ Bn	1.85	184.81%
LSM Growth*	Jul-Jan 20	%	-3.37	
Avg. CPI	Jul-Mar 20	%	11.53	
Discount Rate	Nov-19	%	11.00	

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

Major Currencies

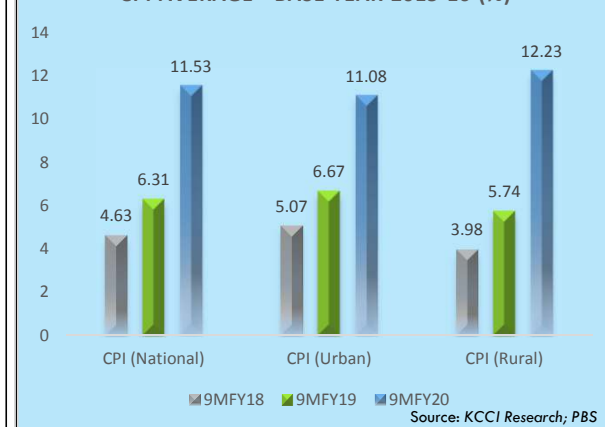


Quote of the Day

"Believe you can and you're halfway there.."

Theodore Roosevelt

CPI AVERAGE - BASE YEAR 2015-16 (%)



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