



### Corona may cost global economy PKR 682,650Bn

ADB has warned that the coronavirus pandemic could cost the global economy \$ 4.1Tn (PKR 682,650Bn) as it ravages the US, Europe and other major economies. Asia as a whole is forecast to grow just 2.2% this year, its slowest pace since a 1.7% expansion during the 1998 Asian financial crisis. *The News.*

### KCCI asks government to withdraw ISPA arrears for good

President KCCI Agha Shahab Ahmed Khan has urged the federal govt. to permanently withdraw Industrial Support Package Adjustment (ISPA) arrears which would provide some relief to the industries particularly in a very critical situation. He said their production has drastically gone down while on the other hand, they are facing additional costs of doing business by paying salaries and arranging food stuff etc. for their idle workers and daily wage earners. In a letter sent to Chairman of Cabinet Committee on Energy, Asad Umer, President KCCI said that although K-Electric deferred ISPA arrears till 30<sup>th</sup> Apr'20 on KCCI's intervention but the sword keeps on hanging over the business & industrial community as they will once again be facing the exorbitant electricity bills after the said date, he stressed, K-Electric should be directed not to charge ISPA arrears. *BR.*

### Trade deficit contracts 26.5% in July-March

Trade deficit narrowed sharply 26.5% to \$ 17.4Bn in 9MFY20 compared with \$ 23.6Bn in 9MFY19 as imports continued to fall and exports showed a little recovery. Exports amounted to \$ 17.5Bn compared with \$ 17.1Bn in 9MFY19, depicting a 2.2% growth. However, imports fell 14.4% to \$ 34.8Bn. *The News.*

### Incentives for construction sector unveiled

PM Imran Khan has announced a set of incentives for those investing in the construction sector. Giving the status of an "industry" to the construction sector, he said that the relief package would be implemented from 14th Apr'20 under which those investing this year would not be asked about their sources of income. He announced that: a fixed tax would be levied on construction activities, 90% taxes would be waived on construction of houses under Naya Pakistan Housing Program, withdrawal of Capital Gain Tax on sale/purchase of property and all construction material except steel and cement would be exempt from withholding tax. *Dawn.*

### ADB sees Pakistan's growth to slow at 2.6% in FY2020

ADB has said that the growth in Pakistan would plummet to 2.6% in 2020 as economic stabilization constrains domestic demand, cotton output stagnates, and COVID-19 takes its toll, before edging up to 3.2% in 2021 as presumed successful correction of macro imbalances restore confidence. *The News.*

### WB revises real GDP growth projection downward to 1.1%

The World Bank (WB) has revised the real GDP growth projection massively for Pakistan to 1.1% from an earlier projection of 2.4% for 2020 and 0.9% for 2021 from the earlier 3% on account of steep decline in economic activity since Mar'20. The country director, Illango Patchamuthu, said that WB is exploring options for providing \$ 650Mn to \$ 1Bn more assistance for enabling Islamabad to combat COVID-19. The drivers for the slowdown are the services and the manufacturing sectors that both contribute about 80% in Pakistan's GDP growth, he added. *BR.*

### State Bank allows one-year moratorium on refinancing schemes' loans

SBP has allowed borrowers, who took loans under concessional refinance schemes, to delay repayment of principal amounts for up to one year, extending its relief package amid the novel coronavirus outbreak. The borrowers will, however, continue servicing their mark-up during the period of principal deferment. Borrowers of the SBP's refinance schemes and their shariah-alternatives would benefit from the relaxation. *The News.*

### Govt. releases PKR 100Bn refunds to exporters

Govt. has released PKR 100Bn refunds to exporters as announced by the PM under a relief package of PKR 1,240Bn. All tax refunds as of 31<sup>st</sup> Mar'20 have now been cleared and the payments made include PKR 52Bn in GST refunds to Industry (other than export industry), PKR 10Bn released to the export industry through the FASTER system and PKR 15Bn in duty draw back payments. On top of these payments the govt. also released PKR 20.5Bn under the DLT scheme. During 9MFY20, the govt. has so far released PKR 163Bn in tax refunds to industry (under GST and income tax), which is a 61.4% increase from PKR 101Bn released in 9MFY19. *The News.*

### FBR tells shipping lines to withdraw charges

FBR has issued instructions to shipping lines and shipping agents to allow waiver of delay and detention charges during lockdown for the period from 25<sup>th</sup> Mar'20 to 16<sup>th</sup> Apr'20 in addition to free-days already allowed by shipping lines and their agents to contain the coronavirus. The waiver will help to clear the backlog at a faster pace. *The News.*

### Govt. devised strategy for Export related industry to start operation in phased manner: Razak Dawood

Advisor on Commerce A. Razzaq Dawood has said that govt. has made a strategy to allow export related industry to start its operation in a phased-manner. He also asked various chambers to provide him a priority-wise list of 10 industrial units which could be opened subject to fulfillment of required safety measures. He said that govt. would also review to allow the SME and cottage industry to resume its operation after following the set SOPs. *The Nation.*

### Tax defaulters: Recovery to be made from money held in term deposits/Pos

To ensure recovery from tax defaulters, FBR has empowered Inland Revenue (IR) officials to recover tax from defaulters from money held in term deposits or pay orders, etc, which are due at a later stage. Where a person is liable to make a series of payments to the taxpayer, the commissioner may specify the amount to be paid out of each payment until tax due has been paid, the rules said. *BR.*

### \$ 200Mn pandemic response pact signed with WB

Pakistan and the World Bank has signed a \$ 200Mn 'Pandemic Response Effective Project' (PREP) that will help the poor and vulnerable cope with the immediate impact of the Covid-19 pandemic through social protection measures, food rations and remote learning education. The bank's support will also draw on extra \$ 38Mn from eight existing projects for urgently needed medical equipment and supplies. The project is financed from the International Development Association (IDA), the World Bank's concessional credit window for developing countries. *Dawn.*

### Bakeries allowed to open for limited hours

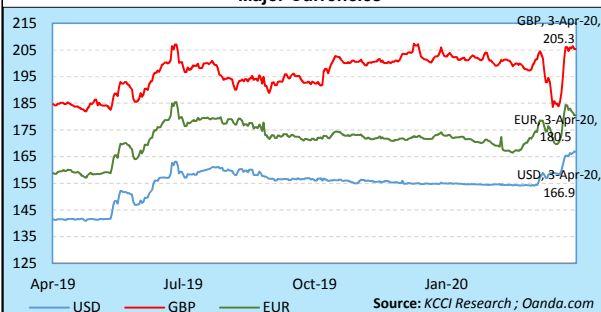
Karachi's administration has allowed bakeries to remain open from 8am to 5pm, while all sweet shops shall remain closed. No home delivery of any sort from restaurants or fast-food shops is allowed. All industries related to essential services, such as food, pharmacy, and related packaging, are allowed in the industrial zones of the city. Besides, only exporting manufacturers are allowed to process their manufactured goods out of their industry, while no new manufacturing of non-essential items is allowed during lockdown. *Dawn.*

### Economic Indicators

| List of Indicators  | Date / Period | Unit   | Value   | Change Daily |
|---------------------|---------------|--------|---------|--------------|
| USD-Interbank       | 3-Apr         | PKR    | 166.67  | -0.15%       |
| USD-Open MKT        | 3-Apr         | PKR    | 166.00  | -0.15%       |
| KSE-100 index       | 3-Apr         | Pts.   | 31,622  | 2.73%        |
| FIPI                | 3-Apr         | \$ Mn  | -8.68   | 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    | 3-Apr         | PKR    | 86,634  | 0.39%        |
| Silver (MA'19)      | 2-Apr         | \$/oz  | 14.65   | 4.12%        |
| Cotton(KHI)-40 kg   | 3-Apr         | PKR    | 9,431   | 0.00%        |
| Kibor-6M            | 3-Apr         | %      | 11.00   | -0.03        |
| Forex Reserves      | 27-Mar        | \$ Bn  | 17.39   | -3.99%       |
| <b>FY20</b>         |               |        |         | <b>YoY</b>   |
| Remittances         | Jul-Feb 20    | \$ Bn  | 15.13   | 5.37%        |
| Exports*            | Jul-Mar 20    | \$ Bn  | 17.45   | 2.23%        |
| Imports*            | Jul-Mar 20    | \$ Bn  | 34.81   | -14.42%      |
| Trade Balance*      | Jul-Mar 20    | \$ Bn  | -17.36  | -26.45%      |
| 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

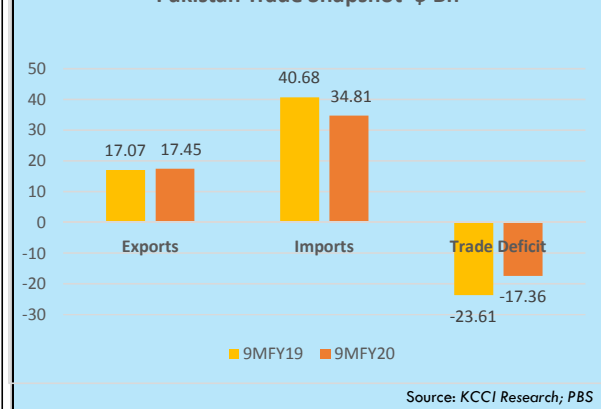


### Quote of the Day

*"Every problem is a gift- without problems we would not grow."*

**Anthony Robbins**

### Pakistan Trade Snapshot- \$ Bn



### Disclaimer

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