

KCCI urges govt to formulate across-the-board incentive package

President KCCI Agha Shahab Ahmed Khan has urged the govt. to formulate an across-the-board incentive package encompassing all the sectors of trade and industry in order to stimulate the economy so as to minimize the impact of global recession and prevent massive unemployment in Pakistan. In a letter sent to PM Imran Khan, Agha Shahab gave numerous recommendations for the proposed across-the-board incentive package in which GST rates should be reduced from 17% to 9% while WHT on all supplies by manufacturers and traders must also be brought down from the current 4.5% to 2%. He said that the discretionary powers under Section 140 of Income Tax Ordinance to access the bank accounts of registered persons be withdrawn. He recommended that the policy rate has to be reduced to 7% in line with other countries to stimulate the economy whereas the deferred import bills which are due for payment through banks should be refinanced at 5% mark-up. *BR-Sun.*

Energy sector circular debt touches PKR 2Tn

Pakistan's energy sector circular debt has touched a whopping level of PKR 2Tn as failures are witnessed starting from generation, transmission distribution and recovery. According to Chairman Nepra, the stock of circular debt (payables to IPPs and Gencos) and debts parked in the books of PHPL stood at PKR 1.92Bn as of Feb'20. Freezing of monthly tariff adjustments for 5 months as per the decision of the federal cabinet, another PKR 70Bn was added to the circular debt. Additional monthly accumulation of circular debt of Feb'20 and Mar'20 was up to PKR 40Bn. *BR-Mon.*

Deferred sales tax refund claims: Exporters paying close attention to Razak's FBR visit

Exporters are confident that Advisor on Finance Abdul Razak Dawood, will take up the issue of deferred sales tax refund claims with the tax authorities today (13th Apr'20), during his visit to FBR. Approximately 30% of the total refund claims have been deferred by the FBR without assigning any reason to the exporters. These deferred claims are pending since 2009, which need to be processed by assigning specified reasons of deferment to the exporters. *BR-Mon.*

CPEC: Unit price of Chinese, Pakistani labourers needs to be rationalized: PC

The Planning Commission of Pakistan has identified huge disparity in unit prices of Chinese skilled labourers and that of Pakistani labourers in ML-I project in CPEC. The unit price has been calculated at the rate of \$ 59.65 and \$ 4.50 per man per day for Chinese and Pakistani labourers respectively. Moreover, the ratio of Chinese labourers to Pakistani labourers for different categories of work is 1:9, but in case of equipment installation and tunnel work, this ratio has been shown as 3:7 which needs to be reduced to an appropriate level for the purpose of cost rationalization, the Commission suggested. *BR-Sun.*

Budget FY21: There is no room for additional taxation: Pasha

A renowned economist, Dr. Hafeez Pasha, has said that there is no room for additional taxation in budget FY21 as an additional taxation of PKR 735Bn in FY20 has already ruined the economy. He said the govt. should immediately restore the zero-rating facility on exports if it has a cushion of PKR 100-150Bn in budget FY21, especially when the world markets are shut and export orders are being canceled one after the other. *BR-Sun.*

Growth to plummet, fiscal deficit to skyrocket: WB

The World Bank in its latest report has said that Pakistan is facing a sharp economic recession along with a skyrocketing fiscal deficit due to the global coronavirus pandemic. The country's external position will come under serious stress as remittances can see a significant fall while portfolio outflows continue and "non-traditional debt" from countries like Saudi Arabia and China has to be renegotiated. Growth will remain subdued all through 2021 as well. A worst-case scenario projects that if the lockdowns continue for 2-4 months, overall employment can decline by 2.4-9%. Sectors identified to bear the brunt include retail trade, land/water/air transportation and restaurants. *Dawn-Mon.*

UN report calls for debt payments suspension

UN's Financing for Sustainable Development Report 2020 (FSDR 2020) calls for preventing a debt crisis by immediately suspending debt payments from least-developed countries and other low-income countries that request forbearance. The report stressed that official bilateral creditors must lead and others should consider similar or equivalent steps to provide new finance. 44% of least developed and other low-income developing countries are currently at high risk or in debt distress. That's a doubling of debt risk in under-five years which was 22% in 2015. *Dawn-Sun.*

IMF to consider \$ 1.4Bn Pakistan grant on April 16

The IMF has called its executive board meeting on 16th Apr'20 to consider an extra loan of \$ 1.4Bn for Pakistan to boost forex reserves and extend budgetary support in the wake of the economic slowdown due to the coronavirus pandemic. *Tribune-Mon.*

Ministry seeking tax waiver on key items' import

The Ministry of National Health Services has informed the Supreme Court that it is engaged with the FBR to seek tax waiver on import of essential medical equipment and supplies including ventilators, personal protective equipment (PPE), specialized masks and similar equipment. The report was furnished in line with an earlier directive of the SC to oversee efforts being taken by the govt. to combat the deadly Covid-19 pandemic. The case will now be taken up for hearing today (13th Apr'20) by the Supreme Court. *Dawn-Sun.*

Tax amnesty for construction sector: PKR 50 to 250 per foot tax on three categories

The govt. has prepared the Draft Tax Laws (Amendment) Ordinance 2020, to give tax benefits and to cushion the construction industry. Under the ordinance all areas of Pakistan have been distributed in three categories. Maximum fixed tax slabs have been made for the cities of Category I. The maximum fixed tax rate is PKR 250 per square foot and the minimum tax rate is PKR 50 per square foot for Category-III. This ordinance will be promulgated throughout the country with immediate effect. Under this draft ordinance, the builders and developers are bound to start their construction projects from 31st Dec'20 and complete their construction projects by 30th Sept'22. The draft ordinance also facilitates the investors, builders and developers not to show the source of their capital being used in their projects. *The News-Mon.*

Lockdown in Sindh has to be relaxed in a gradual manner, says governor

Sindh Governor Imran Ismail has said that prolonging the lockdown beyond 14th Apr'20 would further exacerbate the hardships of the masses. He said that any extension of the lockdown orders should be done in a strategic manner to restrict gatherings of people at certain public places. He said that the lockdown regime in the province has to be relaxed in a gradual manner by the govt., keeping in view the economic hardships of laborers and daily-wage earners. *The News-Sun.*

FBR to begin electronic registration, monitoring in 12 business fields

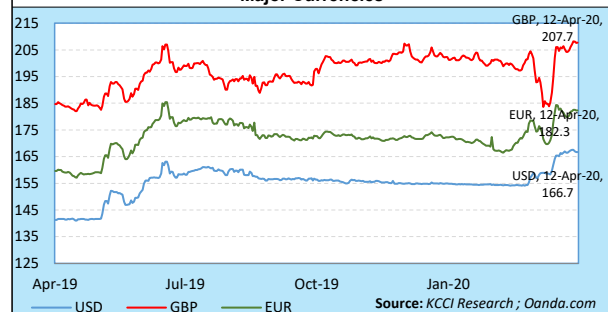
FBR has announced that it is beginning electronic registration and monitoring of businesses in over 12 fields. Restaurants, courier services, transport, hotels, beauty parlors, Private hospitals, medical practitioners, laboratories and pharmacies will be monitored online. Gyms, health clubs and fitness massage centers will be tracked through electronic registration systems. The process will begin in 8 big cities across the country, including Karachi, Lahore and Islamabad. *The Nation-Mon.*

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	11-Apr	PKR	166.79	-0.23%
USD-Open MKT	11-Apr	PKR	165.78	0.00%
KSE-100 index	11-Apr	Pts.	32,033	0.62%
FIPI	11-Apr	\$ Mn	-0.72	NM**
Crude (AP'19)	11-Apr	\$/bbl	23.24	-4.83%
Gold (MA'19)	11-Apr	\$/oz	1,722.9	3.16%
Gold (10g) Local	11-Apr	PKR	87,110	0.00%
Silver (MA'19)	11-Apr	\$/oz	15.82	3.42%
Cotton(KHI)-40 kg	11-Apr	PKR	9,431	0.00%
Kibor-6M	11-Apr	%	10.21	0.00%
Forex Reserves	3-Apr	\$ Bn	16.99	-2.31%
	FY20			YoY
Remittances	Jul-Mar 20	\$ Bn	16.99	5.99%
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	Mar-20	%	11.00	

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

Major Currencies

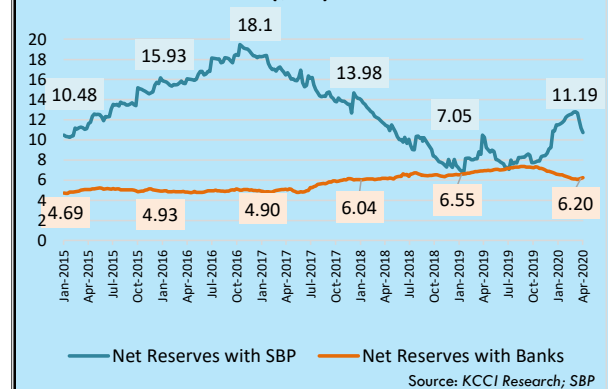


Quote of the Day

"Don't play games that you don't understand, even if you see lots of other people making money from them."

Tony Hsieh

Snapshot of Pakistan's Forex Reserves (\$ Bn)



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