

IMF's EFF put on hold: China to contribute \$ 6.3Bn in financing over next 12 months

IMF has said that China will contribute \$ 6.3Bn in financing to Pakistan over the next 12 months with all key bilateral partners committing to maintaining their exposure throughout the Extended Fund Facility (EFF) program which would remain in effect. With the Covid-19 shock in Pakistan still unfolding and the full magnitude of its impact both in Pakistan and globally still unknown, it is premature at this time to set out a concrete timeline for the resumption of the EFF. *BR-Sun.*

IMF increases petroleum levy to PKR 489Bn

Under the revised fiscal framework, the IMF has prepared a strategy to bridge the gap of revenues through not fully passing on benefits of decreased POL prices into the international market with consumers. It is now projected that the petroleum levy will go up by PKR 60Bn in next budget FY21 as there were earlier projection to fetch PKR 429Bn into pre-COVID-19 scenario but now the IMF jacked up petroleum levy projection to PKR 489Bn because of FBR's inability to generate desired revenues and for meeting pressing fiscal requirements. *The News-Sun.*

GST, FED returns: FBR extends deadline

FBR has extended the date for payment and filing of sales tax and federal excise returns for tax period of Mar'20 till 27th Apr'20. *BR-Sun.*

Small traders ask govt. to evolve SOPs for markets

Small traders have asked the Sindh govt. to evolve SOPs for opening markets and help them scale back continuing financial losses amid Covid-19 spread. CM Sindh has constituted a committee, which the Commissioner Office will lead, to chalk out SOPs to allow markets to open on a different hourly basis during weekdays. So far traders lost PKR 24Bn in sales as business deals are at halt. They feared the economic situation will worsen for the small traders if SOPs did not take place. *BR-Sun.*

Zero-rated consumers: DISCOs charge GST, WHT instead of special tariff

The power distribution companies (DISCOs) have charged GST and WHT on the basis of notified tariff instead of special tariff for zero-rated industrial consumers for the month of Mar'20. The notified tariff for the industrial connections (B-3) comes around PKR 17/kWh with an additional burden of 17% GST and 5% WHT. But the industrial consumers were expecting charging of both GST and WHT on the basis of a special tariff of 7.5 cents (PKR 7.5)/kWh. *BR-Sun.*

FBR braces up for worst-ever tax performance in last quarter

Tax managers have estimated a massive 25% year-on-year decline in revenue collection to PKR 845Bn during the 4QFY20 from PKR 1.13Tn in 4QFY19 as the govt.-imposed lockdown has adversely upset economic activities, unleashing a fiscal turbulence in an already fragile economy. *The News-Sun.*

FBR system fails to process refund claims: Exporters of seasonal products unable to file Annexure-H

Despite tall claims of FBR for refund payments within 72 hours, exporters of seasonal products are still unable to file Annexure-H (stock statement) required for claiming speedy refunds under the FASTER system, resulting in blockage of exports. The FBR has confused the issue of exports of seasonal fruit with the exports made by five zero-rated sectors. According to exporters, the issue of rejected sales tax refund claims of kinnow/mango exporters due to objection of "higher value of packing materials" on the basis of consumption of packing material is not the same as it is related to the five zero-rated sectors. It is actually more than 5% of the export value. It is suggested that necessary changes may be incorporated in the FASTER/ERS system, so that it can identify this specific sector and hence does not restrict itself to 1% of export value. *BR-Mon.*

FBR to directly credit refunds into accounts

In order to ensure transparency and least human interaction of FBR's employees with the taxpayers, FBR has decided to stop the practice of issuance of refund cheques forthwith and directly credit the amount cheques of income tax refunds into the bank accounts of the taxpayers. For this purpose, FBR has enabled the IRIS profile for all taxpayers and therefore, they are requested to update IRIS profile with their IBAN Bank Account Number details, FBR added. *BR-Mon.*

Markets in Karachi divided into 13 sectors for reopening during lockdown

The business activities in Karachi's big markets have been divided into 13 different sectors for their reopening one after another on a rotational basis in different days during the COVID-19 lockdown, since the reopening of all shops at a time will be detrimental to the efforts in place to slow down the local transmission of coronavirus. This is part of the recommendations submitted to Sindh CM by a ministerial committee for devising a proper mechanism and SOPs for reopening of the markets that has also held negotiations with the representatives of the small traders at the office of Karachi Commissioner. *The News-Mon.*

Expired CNICs to be valid till June 30, 2020

Interior ministry has advised all passport-issuing authorities at home and abroad to entertain expired CNICs up to 30th Jun'20, and until further orders as Nadra has discontinued the process of renewal of CNICs. *The News-Mon.*

Sindh govt decides to allow 17 export mills to start working

The Sindh govt. has permitted 14 textile and 3 engineering mills to start working. The mills have been allowed to work due to their export orders. Furthermore, all of them are bound to follow the SOPs issued by the govt.. *The Nation-Sun.*

Key agencies will team up to curb smuggling: minister

Federal Minister for Law Farogh Naseem has said that besides the customs department, district administrations, FBR and civil and military intelligence agencies have been assigned special roles in the proposed anti-smuggling ordinance, expected to be enforced in a couple of days. According to the law, hoarding has been made a criminal offence and the culprits will face three years in jail along with heavy fines. *Dawn-Mon.*

Development budget likely to be further cut

Pakistan's development spending will be further cut during FY21 as part of a larger fiscal rearrangement to put IMF's \$ 6Bn Extended Fund Facility (EFF) back on track following \$ 1.4Bn additional emergency funding. IMF record suggests that Pakistan's consolidated development expenditure for FY20 would be down by 34% to PKR 953Bn, compared to the pre-virus estimate of PKR 1.44Tn. Major reduction of more than 45% would be in provincial annual development plans (ADPs) to PKR 461Bn against PKR 844Bn estimated before the Covid-19 outbreak. The federal govt's. PSDP will be down by 17% to PKR 488Bn from the pre-coronavirus estimate of PKR 588Bn. *Dawn-Mon.*

Finance ministry accuses SBP of causing PKR 6.5Bn loss to kitty

The Ministry of Finance (MoF) has said that SBP facilitated speculative behavior of commercial banks which caused a loss of PKR 6.5Bn to the national kitty in just the first five months, Jan-May'19, on account of additional borrowing cost. The federal govt's. non-tax revenues also took a hit due to the same reason. The MoF had proposed the SBP Board to take up this matter and order an investigation, however, it MoF did not receive any reply from the SBP. *Tribune-Sun.*

Jica provides PKR 784Mn to set up 'Business Park' at KFH

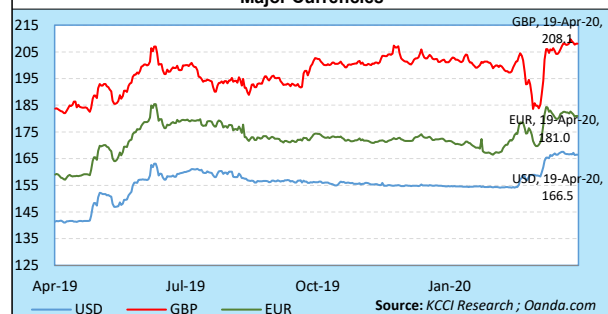
Japan International Cooperation Agency (Jica) has provided PKR 784Mn for establishment of "Business Park" at Korangi Fish Harbour (KFH), which would be completed in 3 years. The Business Park will be established on the 320 acres of land available within the boundary of harbour and will enhance harbour facilities which are spread over a developed area of about 50 acres where all land for the establishment of fish processing and allied facilities has already been leased out. *BR-Sun.*

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	17-Apr	PKR	163.58	-1.98%
USD-Open MKT	17-Apr	PKR	163.00	-2.54%
KSE-100 index	17-Apr	Pts.	32,832	4.80%
FIPI	17-Apr	\$ Mn	-6.62	NM**
Crude (AP'19)	16-Apr	\$/bbl	20.19	-2.93%
Gold (MA'19)	16-Apr	\$/oz	1,732.6	-0.73%
Gold (10g) Local	17-Apr	PKR	90,048	-1.69%
Silver (MA'19)	16-Apr	\$/oz	15.64	-2.54%
Cotton(KHI)-40 kg	17-Apr	PKR	9,431	0.00%
Kibor-6M	17-Apr	%	8.73	-1.30%
Forex Reserves	10-Apr	\$ Bn	17.30	1.81%
FY20 YoY				
Remittances	Jul-Mar 20	\$ Bn	16.99	5.99%
Exports*	Jul-Mar 20	\$ Bn	17.45	3.65%
Imports*	Jul-Mar 20	\$ Bn	34.81	-14.06%
Trade Balance*	Jul-Mar 20	\$ Bn	-17.36	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-Feb 20	%	-3.03	
Avg. CPI	Jul-Mar 20	%	11.53	
Discount Rate	Apr-20	%	9.00	

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

Major Currencies

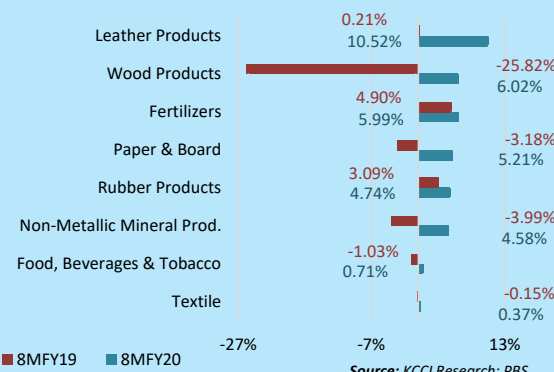


Quote of the Day

"The most common way people give up their power is by thinking they don't have any."

Alice Walker

Large Scale Manufacturing (Top Growing Sectors-% Change)



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