

KCCI pushes SBP to bring down policy rate to 4% in one go

In a letter sent to Governor SBP Dr Reza Baqi, President KCCI Agha Shahab Ahmed Khan has urged him to bring down the policy rate from 9% to 4%. While acknowledging the interest rates of 4% and 5% for filers and non-filers respectively in the SBP relief package, he suggested that in view of the special circumstances, the rate of interest should be zero to support the economy and sustain the industries at least for the next 1 year. He also requested SBP to formulate a rescue package specifically designed to support the MSMEs and disburse loans of the amounts ranging from PKR 100,000/- up to PKR 1.5Mn/- through commercial banks and that Banks should only require the CNIC of the owner and verify the address of premises at which business activity is conducted. *The Nation*.

Refinance scheme: SBP urged to provide urgent relief to importers

President KCCI, Agha Shahab Ahmed Khan, has urged the Governor SBP to provide urgent relief to all importers through a refinance scheme whereby the import bills which are due for payment which may be financed by SBP at the mark up rate of 4%, for up to a period of 1 year. The measures will enable importers to clear consignments held-up at the ports incurring heavy port charges. *BR*.

SBP offers more incentives for businesses to avoid layoffs

SBP has announced another incentive package, effective from today (23rd Apr'20) to help businesses avoid layoffs while directing banks to provide refinancing at 0%. Additional incentives include: relaxation in collateral requirements, further reduction in end-user rate, reimbursement of wages, special accounts for employees to receive wages, borrowing from banks other than maintaining payrolls, simplification of application form for SMEs and bank's exposure limits. SBP has allowed banks to provide financing against corporate guarantees of companies in value and supply chain relationships with the borrowers. Banks have also been encouraged to provide loans without any collateral i.e. taking clean exposure of up to PKR 5Mn. It has also enhanced incentives to active taxpaying businesses by reducing mark up rate for them to 3% from 4% earlier. *Dawn*.

More steps can be taken on interest rate: State Bank

SBP has hinted at taking more steps on the interest rate. It has also revised upward its projection for the country's escalating budget deficit to 9.2% of GDP equivalent to PKR 3,857Bn in post COVID-19 situation for FY20 against earlier projection of 7.2% or PKR 3,170Bn. SBP has projected that GDP growth might shrink to -1.5% for FY20. *The News*.

Violating lockdown Karachi traders attempting to resume business arrested

Police have arrested about half-a-dozen shopkeepers, including a trade organization's leader as they attempted to resume operations at the timber and iron market, violating the provincial govt.'s SOPs for the coronavirus pandemic. Trade leaders urged the govt. to devise a strategy under which the business community could resume operations. *The News*.

Pakistan receives \$ 1.39Bn from IMF to cope with coronavirus

Pakistan has received an emergency loan of \$ 1.39Bn under Rapid Financing Instrument (RFI) from IMF to cope with the coronavirus pandemic, pushing the country's forex reserves apparently to a one-month high above \$ 12Bn. *Tribune*.

World Bank to double Pakistan's loan size

The World Bank (WB) has agreed to double the size of its loan under Securing Human Investments to Foster Transformation (SHIFT) program from \$ 250Mn to \$ 500Mn to overcome emerging health and economic shocks. However, another policy credit of the WB worth \$ 500Mn, called the Resilient Institutions for Sustainable Economy (RISE) which was tentatively scheduled for WB's approval on 14th May'20, has again been delayed as the govt. has not yet fully implemented the prior conditions. *Tribune*.

World Bank warns remittance payments to plunge amid pandemic

The World Bank has said that developing countries are losing a key source of revenue as the coronavirus pandemic causes worldwide shutdowns, sharply reducing payments from workers living abroad. Remittances are expected to plunge by about 20% to \$ 445Bn globally in 2020 from \$ 554Bn in 2019, the biggest decline in recent history, as closures cause a global recession and job losses that prevent workers from sending money to their families back home. *The News*.

FBR to issue notices afresh to potential taxpayers

FBR would issue notices afresh to potential taxpayers, who were identified under broadening of tax base (BTB), as all proceedings have been stopped due to the ongoing lockdown. Since the notices issued had been time barred therefore fresh notices would be issued without imposing any fine or penalty on potential taxpayers for non-compliance. *The News*.

Revenue target of PKR 5.1Tn to be set for next Fiscal year: FBR

FBR has decided to set the revenue collection target at PKR 5.1Tn for upcoming FY21, keeping in consideration the existing and post COVID-19 CoronaVirus Pandemic situation. For FY20, it said that the downwardly revised revenue collection target of PKR 3, 908Bn would be achieved with the renewal of economic activities. *The Nation*.

ISPA adjustment charges: NKATI warns it will close factories in protest against KE

Traders of North Karachi have warned K-Electric to stop harassing and not to enforcing Industrial Support Programme (ISPA) adjustment charges till 30th Apr'20, otherwise industrialists will lockdown their factories as a protest, and workers will be left unemployed for which KE will be responsible of industries shutdown and workers' unemployment. They said that industries have received supplementary bills in the name of ISP adjustment but due to coronavirus threats and lockdown, it's impossible for industries to pay bills. *BR*.

Industries in Sindh to be opened gradually: CS

Chief Secretary Sindh Mumtaz Ali Shah has said that the Sindh govt. is cognizant about the economic impact of closure of factories and is committed to allow the industries to function gradually. However, industrialists have to give an undertaking that all prescribed SOPs would be followed in letter and spirit as the govt. is seriously determined to control COVID-19. He in his response to the suggestion that utility bills from SSGC and KE and contributions to SSSI and EOBI be suspended for one year, assured the businessmen that the Federal govt. would be contacted to facilitate the industries because it is a genuine demand when industries are facing a financial crunch. *BR*.

Oil hits lowest this century as coronavirus hammers demand

Oil slumped to less than \$ 16/barrel on Wed (22nd Apr'20), hitting its lowest since 1999, with the market awash with excess supply as the economic fallout from the coronavirus pandemic hammers demand for fuels. *Tribune*.

ECC approves disbursement of PKR 75Bn among labourers

The ECC has approved disbursement of PKR 75Bn out of the PM's PKR 200Bn relief package as targeted payments to low-income groups, especially laborers and daily wage earners who have been severely affected by the coronavirus-related lockdown. It also approved notification of the Export Policy Order, 2020 and Import Policy Order, 2020 in a consolidated form as per the Law Division's recommendations for the convenience of the business community. *Dawn*.

Regulator okays first IPO of this year

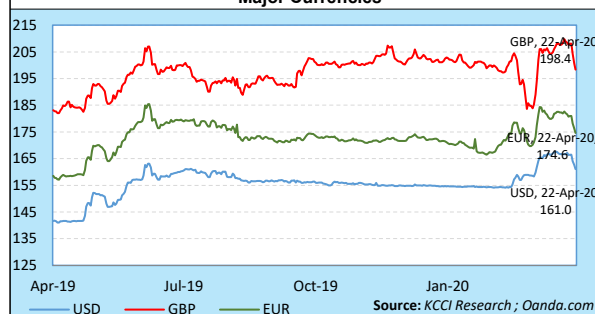
The 1st IPO of 2020 has been granted by SECP with the approval of application by M/s Organic Meat Company Limited which is a halal meat processor and exporter intending to raise PKR 720Mn at floor price of PKR 18/share. *Dawn*.

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	22-Apr	PKR	160.36	-0.48%
USD-Open MKT	22-Apr	PKR	161.00	-1.23%
KSE-100 index	22-Apr	Pts.	32,464	0.13%
FIPI	22-Apr	\$ Mn	-1.25	NM**
Crude (AP'19)	22-Apr	\$/bbl	14.30	9.16%
Gold (MA'19)	22-Apr	\$/oz	1,724.9	2.01%
Gold (10g) Local	22-Apr	PKR	88,480	0.00%
Silver (MA'19)	22-Apr	\$/oz	15.31	5.64%
Cotton(KHI)-40 kg	22-Apr	PKR	9,431	0.00%
Kibor-6M	22-Apr	%	8.25	-0.25%
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	2.23%
Imports*	Jul-Mar 20	\$ Bn	34.81	-14.41%
Trade Balance*	Jul-Mar 20	\$ Bn	-17.36	26.44%
Current Account	Jul-Feb 20	\$ Bn	-2.84	71.04%
Foreign Direct Inv.	Jul-Mar 20	\$ Bn	2.15	137.30%
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

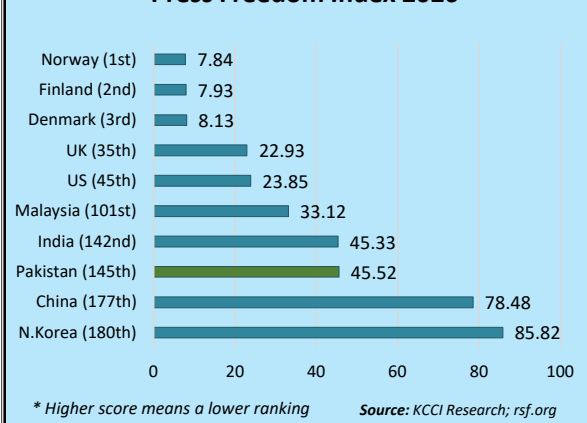


Quote of the Day

"Success or failure in business is caused more by the mental attitude even than by mental capacities."

Walter Scott

Press Freedom Index 2020



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