



Pakistan's economy to contract only modestly

Moody's Investors Service has anticipated that Pakistan's economic growth will shrink much less than what the country's central bank, IMF and World Bank have projected in response to the coronavirus pandemic. It expects Pakistan's real GDP to contract modestly by 0.1-0.5% in FY20 which will be Pakistan's economic contraction in the past 68 years. *Tribune*.

Lenders' help lowers Pakistan's financing risks: Moody's

Moody's investors service has said that financial support from IMF and other multilaterals has lowered Pakistan's financing risks from the coronavirus-related economic shock even though its fiscal deficit may touch double digits, to 9.5-10% of GDP. It expects general govt. debt to rise to around 87% of GDP by Jun'20 from around 83% in Jun'19 and gradually decline in subsequent years. *Dawn*.

WB sees 23% cut in Pakistan's remittances

The World Bank says that remittances to Pakistan in 2020 are projected to decline by 23%, totaling about \$ 17Bn, compared with \$ 22.5Bn in 2019, in the wake of the economic crisis caused by the Covid-19 outbreak. *Dawn*.

FBR unveils new procedures to curb mispricing of cargoes

Tax authorities have unveiled new procedures to curb mispricing of cargoes under the Afghan transit trade after detecting tax revenue losses. Under the new mechanism, only authorized bonded carriers with their approved vehicles would be able to transport the transit cargoes. Under the new procedure, if a transport unit meets an accident or the transport carriers spend unusual time then trekker operation would generate an alert for comprehensive examination of the transport. Under the procedure for safe transportation, the sealing and unsealing of International Security Assistance Force's containers would be done through a customs machine readable seal in Karachi. *The News*.

Sindh gov't announces tax concessions

The Sindh gov't. has announced a 25% concession in professional tax, property tax, motor vehicle tax and entertainment tax from 1st Apr'20 - 30th Jun'20. The property tax concession will be applicable to all immovable property of all categories. Meanwhile, those who have already paid, will receive concessions in the following year. *Tribune*.

In Sindh, traders to go online for business

The Sindh gov't. and traders have come to an agreement to carry out online sales, instead of opening the markets, in order to minimize human interaction during the pandemic. The provincial gov't. has allowed them to carry out online sales, as well as opening shops from 9am to 3pm from Monday to Thursday to receive consignments and carry out home deliveries. The markets, however, will remain closed otherwise. *Tribune*.

Government finding it difficult to reach out to SMEs: PM

PM, Imran Khan, has said that the gov't. would unveil incentives in the 2nd phase for SMEs and incentives for the industries would increase incrementally in the days ahead. He said that SMEs were not registered and gov't. is finding it difficult to reach out to them. He further said that his effort is to further bring down the policy rate, adding that but there is also a concern that it might have an impact on the exchange rate. *BR*.

July-March CA deficit narrows down 73% YoY

Pakistan's Current Account Deficit (CAD) shrunk significantly, ie, 73% to \$ 2.76Bn during 9MFY20 compared with \$10.28Bn in 9MFY19, supported mainly by a steep decline in goods import bill along with encouraging receipts of home remittances. Pakistan import bill fell sharply 16% or \$ 6Bn. Month-on-month basis, CAD stood at \$ 6Mn in Mar'20 versus \$ 198Mn in Feb'20. *BR*.

Gov't stops releasing figures of monthly disbursements of loans, grants

After witnessing a massive decline in receiving monthly disbursements of loans and grants from international creditors, the gov't. has stopped releasing figures since Dec'19 as Islamabad could only fetch \$ 618.7Mn in pre-COVID-19 months in Jan'20 and Feb'20. *The News*.

Meeting on refineries' upgrade in Petroleum Division: All refineries in huge loss, seek bailout package for survival

In a new development, Pakistan's refineries have conveyed to the gov't. in plain words that they are left with no option but to shut down their operations because of the mammoth adverse impact of COVID-19 on oil industry across the world. The gov't. side headed by Nadeem Babar, has asked the refineries to come up with proposals for a bailout package on their own which is inevitable for their survival and bring them to the gov't. for brainstorming. *The News*.

SMEs fear to trim, close or switch line of work in one year

SMEDA has released a survey report highlighting the impact of Covid-19 on business activity. 40% of SMEs expect to downsize, close or switch the line of business in one year. Majority of enterprises (60%) expect to continue with their present line of business over the next one year, while 18% said they would downsize their business. Respondents reported that 73% of them completely stopped operating during the lockdown, while 27% have halted operations partially. *The News*.

Pakistan ranked 4th G4 by ITU

Pakistan has been ranked as 4th Generation Regulator (G4) by the International Telecommunication Union (ITU) and has become the only country in South Asia to have achieved this goalpost. Out of 38 economies in Asia-Pacific, only 8% states have managed to achieve G4 status. Pakistan scored 88 out of 100, which means that Pakistan's ICT regulations are led by economic and social policy goals. Pakistan is also among the top 5 regulators in the entire Asia-Pacific region with a global rank of 48. *BR*.

SBP allows payment of dividends already approved by banks' BoD

SBP has allowed disbursement of dividend to those banks, who's Board of Directors (BoD) has approved dividends for the Mar'20 quarter before 22nd Apr'20. On Wednesday (22nd Apr'20), SBP asked the bank/DFI/MFB to suspend the distribution of dividends for Mar'20 and Jun'20 quarters. The SBP had taken this step with a view to conserving capital and further enhancing the lending and loss absorption capacity and accordingly bank/DFI/MFB were advised to suspend distribution of profits by way of declaring dividends in any manner (cash or stock). *BR*.

Avoidance of double taxation: Pakistan, Bulgaria enforce convention

Pakistan and Bulgaria have enforced the convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income to be applicable from 1st Jul'20. The convention was signed on 21st May'19 in Islamabad and now it has been enforced. *BR*.

SC gives ruling on delay in tax refunds

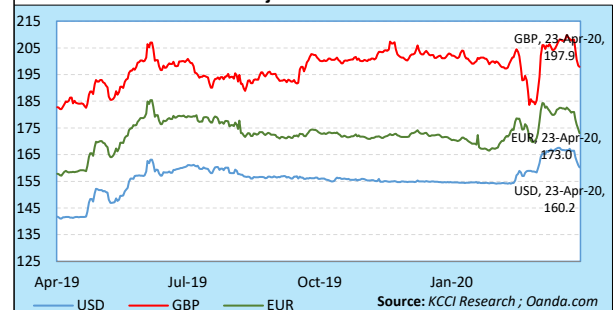
The Supreme Court of Pakistan has decided that compensation on delayed income tax refund payments can only be claimed from the date the tax authorities accept the refund claim – a judgement that will provide a huge monetary relief to the govt. of at least PKR 40Bn in compensation in just one year. The court dismissed a petition in which the taxpayer pleaded that FBR should pay him compensation on the delayed refunds from the date he filed the annual income tax returns. *Tribune*.

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	23-Apr	PKR	159.98	-0.24%
USD-Open MKT	23-Apr	PKR	160.50	-0.31%
KSE-100 index	23-Apr	Pts.	32,851	1.19%
FIPI	23-Apr	\$ Mn	-2.11	NM**
Crude (AP'19)	23-Apr	\$/bbl	17.08	19.44%
Gold (MA'19)	23-Apr	\$/oz	1,737.7	0.74%
Gold (10g) Local	23-Apr	PKR	88,740	0.29%
Silver (MA'19)	23-Apr	\$/oz	15.39	0.49%
Cotton(KHI)-40 kg	23-Apr	PKR	9,431	0.00%
Kibor-6M	23-Apr	%	7.77	-0.48%
Forex Reserves	17-Apr	\$ Bn	17.30	0.03%
FY20				YoY
Remittances	Jul-Mar 20	\$ Bn	16.99	5.37%
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-Mar 20	\$ Bn	-2.77	73.10%
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

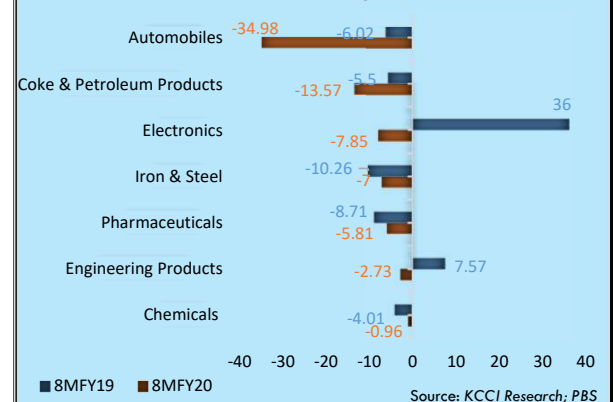


Quote of the Day

"Keep your eyes on the stars and your feet on the ground. ."

Theodore Roosevelt

Large Scale Manufacturing - Worst Performing Sectors (% Change)



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