

Cut in power tariff urged

The SITE Association of Industry (SAI) has demanded the PM to order immediate reduction of 30% in the K-Electric tariff in the wake of lowest oil prices locally and internationally. SAI Patron-in-chief and Chairman BMG Siraj Kassam Teli, Patron Zubair Motiwala and President Suleman Chawla said K-Electric generated significant volume of thermal electricity and since petroleum products were now available in abundance on lowest prices, the benefit of reduction in oil prices must be passed on to all the consumers. *The News*.

Sindh gov't. won't lift lockdown on Monday

Sindh CM Murad Ali Shah has categorically said that Sindh is not ending the lockdown on Monday (11th May'20) and they are entering the 2nd phase of lockdown with some extra restrictions, particularly at hotspots. However, minor exemptions will be given to some sectors such as construction phase-II, and isolated shops in neighbourhoods will be allowed to operate under SOPs issued by the govt. He added that air, train and public transport would continue to remain closed. He also asked the federal govt. to immediately advance loans to shopkeepers on soft terms and conditions so that they could pay salaries to their employees and meet their other expenditures. *BR*.

SBP expands scope of facility for industry

SBP has allowed financing for Balancing, Modernization and Replacement (BMR) and expansion of existing projects under its Temporary Economic Relief Facility (TERF). As per TERF eligibility criteria, financing for BMR or expansion will only be available for purchase of new imported and locally manufactured plant and machinery against Letter of Credit (LC) and inland LC, respectively. The funding under the facility cannot be used for procurement of second-hand machinery, land or carrying out civil works. TERF will be available for one year only, requiring a LC to be opened by end-Mar'21. Under this scheme, the SBP decided to refinance banks for financing at a maximum end-user rate of 7% for 10 years for setting up of new industrial units. The total size of the scheme is PKR 100Bn, with a maximum loan size per project of PKR 5Bn. *BR*.

Banks sanction PKPR 23Bn loans to avoid layoffs

SBP has said that Banks have sanctioned more than PKR 23Bn in concessional loans to various companies for payment of wages and salaries to their workers and employees to prevent layoffs as a result of the coronavirus lockdown. It said that banks are further processing over PKR 90Bn worth of applications under its refinance scheme to support employment and avoid layoffs. The applications were filed from more than 1,100 companies and that will protect jobs of around 850,000 employees. The refinance scheme introduced by the central bank provides concessional loans at 3% to any company that commits not to lay off workers for the next three months. *The News*.

'Faster System': PKR 56Bn worth of ST refunds issued: Hafeez

Advisor on Finance Dr Abdul Hafeez Shaikh has said that the govt. had already issued sales tax refunds to exporters to the tune of PKR 56Bn through the "Faster System". The govt. is actively resolving the liquidity related issues of the business community by clearing all outstanding tax refunds on a fast-track basis and taking progressive measures for further ease of doing business and improving business environment, particularly for SMEs. *BR*.

IMF predicts gross financing need at 51.2% of GDP

IMF has projected Pakistan's gross financing need at 51.2% of the GDP in 2020. According to the IMF report Fiscal Monitor "Policies to Support People during the COVID-19 Pandemic," the country's debt to average maturity is estimated at 34.8% of the GDP in 2020. Further, an increase in government gross debt is projected by 1.9% to 85.4% of the GDP in 2020, against 83.5% in 2019. *BR*.

Assistance package: PM aide discusses relief for SMEs

Advisor on Finance Dr Abdul Hafeez Shaikh chaired a meeting to deliberate the contours of a financial assistance package for SMEs in the wake of coronavirus pandemic. The assistance package will explore possibilities of supporting those formal or informal SMEs, which have 5-30 employees and have suffered losses due to the lockdown. The main focus is to ensure that workers are not laid off because of unsustainability of the business. *Tribune*.

Govt documents almost all unregistered PKR 40,000 bearer bonds

Govt. has managed to almost complete the documentation of unregistered prize bonds with PKR 40,000 denomination, logging PKR 256Bn worth of certificates since a ban was imposed on such bonds in Jun'19. Due to the ongoing coronavirus lockdown the govt. has decided to extend the date for exchange of the bonds up to 30th Jun'20. *The News*.

SECP introduces concept of 'start-up companies'

SECP has introduced concept of "Start Up companies" to promote startup of new business relating innovation and technology through recently promulgated Companies (Amendment) Ordinance, 2020. According to the SECP, "Startup company" means a company that is in existence for not more than 10 years from the date of its incorporation or such other period or periods as may be specified, and has a turnover for any of the financial years since incorporation that is not greater than PKR 500 Mn or such other amount or amounts as may be specified. *BR*.

Exporters urge ministry to extend deadline of mango export

Exporters have requested the Ministry of Commerce to extend the date of export of mango of 20th May'20 by further 12 days fixing it at 1st Jun'20 as the climatic change and lockdown have severely affected the mango crops. Since the mango crop is still not ready for harvesting and if the date of export of 20th May is followed, the exporters would ship immature and unsuitable mango. While, Pakistan had sustained huge financial losses in 2019 due to export of unsuitable mango. *BR*.

Amendment in Secured Transaction Act-2016 to enhance easy access to credit by SMEs

Advisor on Commerce A. Razak Dawood has said that the recent amendment in the Secured Transaction Act-2016 would help in operationalizing e-registry of movable and immovable assets which would in turn enhance easy access to credit particularly by SME. These amendments would also be instrumental in improving Pakistan's ranking in "getting credit" indicator by more than 20 positions in the World Bank's ease of doing business report. *The Nation*.

Ogra powers to grow under new rules

The govt. is set to promulgate Pakistan Petroleum (Downstream Oil Sector) Rules, 2020 to transfer all oil and gas related regulatory functions and powers to Ogra, currently being exercised by a subordinate department of the Petroleum Division. The decision was taken following an advice from the law ministry which pointed out that after promulgation of Ogra Law of 2002, powers being exercised by the directorate general (DG) oil of the Petroleum Division are in violation of law. *Dawn*.

1.6Bn informal workers hit by lockdowns: ILO

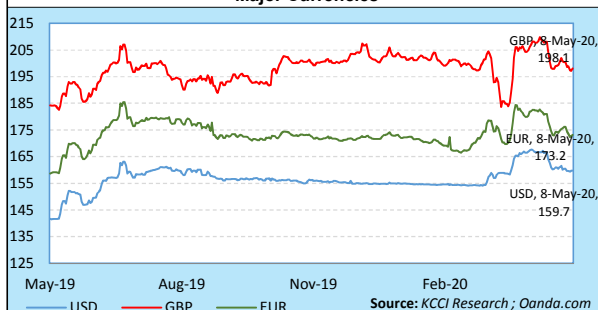
A new briefing paper issued by the International Labor Organization (ILO) states that as many as 1.6Bn of the world's 2Bn informal economy workers are affected by Covid-19 lockdown and containment measures. These measures threaten to increase relative poverty levels among the world's informal economy workers by as much as 56% in low-income countries. For the world's 67Mn domestic workers, 75% of whom are informal, unemployment has become as threatening as the virus itself. *Dawn*.

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	8-May	PKR	160.05	-0.12%
USD-Open MKT	8-May	PKR	161.00	0.00%
KSE-100 index	8-May	Pts.	33,268	-0.11%
FIPI	8-May	\$ Mn	-2.03	NM**
Crude (AP'19)	7-May	\$/bbl	23.52	-2.49%
Gold (MA'19)	7-May	\$/oz	1,727.4	2.47%
Gold (10g) Local	8-May	PKR	88,740	0.00%
Silver (MA'19)	7-May	\$/oz	15.59	4.12%
Cotton(KHI)-40 kg	8-May	PKR	9,217	0.00%
Kibor-6M	8-May	%	8.02	0.05%
Forex Reserves	30-Apr	\$ Bn	18.76	1.58%
FY20				YoY
Remittances	Jul-Mar 20	\$ Bn	16.99	5.99%
Exports*	Jul-Apr 20	\$ Bn	18.41	-3.92%
Imports*	Jul-Apr 20	\$ Bn	37.91	-16.50%
Trade Balance*	Jul-Apr 20	\$ Bn	-19.50	25.68%
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-Apr 20	%	11.22	
Discount Rate	Apr-20	%	9.00	

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

Major Currencies

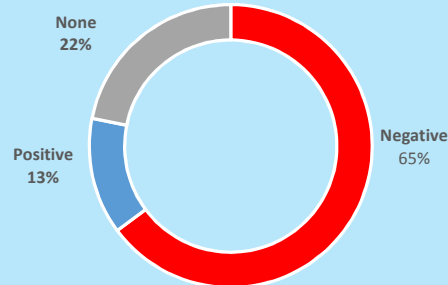


Quote of the Day

"Never say never because limits like fears, are often just illusions."

Micheal Jordan

Effect of High Import Duties on Karachi Based Businesses



*These findings pertain to the results of KCCI's Karachi Business Sentiment Survey available on <http://kcci.com.pk/research/>

Source: KCCI Research

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