

Body finalises short-term strategic domains to boost economy

A 3rd meeting of a PM's formed think tank, to assess the emerging economic slowdown and its impact on business due to the Covid-19, has decided that fiscal proposals including changes in rates of sales tax from 17% to 15%, refunds etc would be deliberated with FBR in detail, so that budget FY21 addresses these burning concerns, which are essential to spur consumer spending. The forum selected six broad priority domains including boosting social safety nets (Ehsaas and allied initiatives), food security and safety of supply chains, boosting role of banks and financial institutions in appropriately designing incentives for market participants, kick-starting low and medium-cost housing projects, making the PSDP and Provincial ADPs responsive to labour intensive propositions, and business facilitation through fiscal interventions. *BR-Mon.*

GDP growth can decline to -3%

Governor SBP, Dr Reza Baqir, has reportedly projected GDP growth between -2% to -3% if lockdown continues for 60 days. He shared his projections for Q4FY20 and the projections for FY21 at a recent meeting held to discuss post Covid 19 effects on macroeconomic outlook. He informed the meeting that consumption has declined by 25-30% (based on credit card data) and commercial activities have declined by 50% as per Google analytics. *BR-Mon.*

SBP extends deadline for risk profiling

SBP has extended the deadline for risk profiling of customers and trade-related risk profiling till 30th Sep'20. According to the SBP, as per instruction of Framework for Managing Risks of Trade Based Money Laundering and Terrorist Financing, Authorized Dealers were required to complete the Risk Profiling of Customers and develop their distinct trade related Risk Profile by 30th Apr'20. *BR-Sun.*

PM launches relief scheme for those who lost jobs

PM Imran Khan has formally launched a cash assistance program for those who have become jobless due to the Covid-19 pandemic and prolonged lockdown. Speaking at the ceremony to launch a web portal for registration of jobless people for getting PKR 12,000 under Ehsaas Cash Program, he said that the govt. had decided to completely open the construction and other SMEs to save people from losing their jobs. *Dawn-Sun.*

PKR 30Bn SBP Refinance Scheme: Banks refusing to bail out SMEs on trivial grounds

Despite earmarking of PKR 30Bn by the federal govt. for absorbing default, the banks are refusing to rescue private firms under SBP's Refinance Scheme using different excuses. Contrary to the tall claims made by the SBP, the companies especially SMEs are facing immense difficulties as they are arranging collaterals and fulfilling other requirements of the banks but their loan applications are being rejected on grounds of weak audited accounts. Pakistan's banking sector has conventionally maintained a low advances to deposits ratio ADR and more so towards smaller businesses. *The News-Sun.*

IMF sees Pakistan's \$ 1.9Bn to fizzle out in 15 months

IMF has said that Pakistan's gross international reserves are likely to dip \$ 1.82Bn over the next 15 months as the pandemic is taking a toll on the country's exports, remittances and foreign inflows. IMF estimated gross international reserves to decline to \$ 11.9Bn till Jun'20, indicating a \$ 587Mn drop. *The News-Sun.*

Daraz launches Humqadam program to facilitate businesses

Daraz has launched the Humqadam program to lessen the financial pressure on SMEs during a period of economic instability caused by the outbreak of the COVID19 pandemic. With the Humqadam program, Daraz is offering a subsidy of PKR 4.5crore to SMEs and inviting them to establish their online ventures on the platform with the promise that they will not be charged commission for the months of May'20 and Jun'20. Daraz is encouraging all businesses that wish to transition online to reach out to the company in the following format: "Daraz" space "Name" to 7575. Alternatively, they can register on the platform's seller sign up page. *The News-Sat.*

Coronavirus can shut down 1Mn SMEs: Umar

Minister for Planning Asad Umar has expressed his concern that 18Mn people could lose their jobs and 1Mn SMEs could be shut down forever due to closure of businesses during ongoing lockdown owing to Covid-19. He said revenues decreased by PKR 119Bn in just one month and a massive decline in employment. Revenue collected by FBR has fallen to 37% in Apr'20 from Mar'20. If the lockdown is prolonged, it will increase the number of people living below the poverty line, added that a recent Gallup survey found that one in four Pakistanis saw a reduction in their diet because of the virus. *BR-Mon.*

Work on development projects halted because of frozen ADP funds

Work on almost all ongoing uplift projects and schemes across the province is learnt to have come to a halt as the provincial govt. has frozen all funds allocated for the current Annual Development Programme (ADP) in the wake of the coronavirus pandemic. Payment of over PKR 8Bn to over 800 govt. contractors was withheld due to freezing of the ADP funds. *Dawn-Mon.*

World Bank prepares \$ 247.5Mn PREP to help Pakistan fight virus

The World Bank (WB) has said that it has prepared a \$ 247.5Mn program to support Pakistan's frontline healthcare staff and those whose lives have been affected by the novel coronavirus pandemic. It said that WB's Pakistan team stepped up to handle the challenge by preparing the Pandemic Response Effectiveness in Pakistan (PREP) project which progressed from inception to implementation in just 10 days. *Tribune-Mon.*

Govt moves to offset remittances shortfall

Expecting a shortfall in the amount of money sent back to the country by migrant workers because of the Covid-19 pandemic, the govt. has decided to offer an incentive package to overseas Pakistanis to encourage them to use banking channels to transfer remittances. The package — to be effective from the start of FY21— includes tax exemptions and other incentives under a special loyalty program. *Tribune-Sun.*

Price stability: spanner in the works

Pakistanis distribute Zakat and are generous in helping the less fortunate in the absence of a social security net. However, their religiosity does not stop them from indulging in profiteering during Ramadan. Former KCCI chief Haroon Agar has said that in the current crisis, big retailers are charging 100% margins on certain basic kitchen items, up from 15-20% profits earned some years ago. *Dawn-Mon.*

Home department issues SOPs for registration of documents

Sindh Home Department has issued SOPs for the registration of documents. The offices of sub-registrars will start functioning from 4th May'20, 10am daily on all working days and close at 4pm during Ramadan. Each aspirant for registration of document will contact the sub-registrar concerned through one of the messaging services (SMS/WhatsApp) to get an appointment of a fixed time reserved for the execution of his or her document. *The News-Mon.*

Petroleum price cuts cost PKR 20Bn to FBR in two months

FBR has estimated around PKR 20Bn in revenue losses from petroleum products alone in two months due to falling oil prices and lacklustre consumer demand for fuels amid the virus lockdown. *The News-Sun.*

CPEC Western Corridor's completion next year to boost economy of remote areas

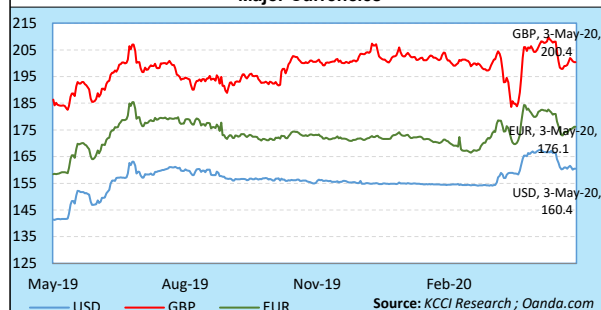
CPEC Chairman Lt-Gen (R) Asim Bajwa has said that 69% of work on a key leg of the PKR 212Bn CPEC's Western Corridor is complete. He said that the 292km long mega Western Corridor project will help usher an era of economic prosperity in some of the country's most underdeveloped regions. *The News-Mon.*

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	30-Apr	PKR	160.18	-0.89%
USD-Open MKT	30-Apr	PKR	160.00	-0.62%
KSE-100 index	30-Apr	Pts.	34,112	2.87%
FIPI	30-Apr	\$ Mn	-6.64	NM**
Crude (AP'19)	1-May	\$/bbl	19.74	2.44%
Gold (MA'19)	1-May	\$/oz	1,709.0	1.14%
Gold (10g) Local	30-Apr	PKR	87,600	-1.46%
Silver (MA'19)	1-May	\$/oz	15.03	0.25%
Cotton(KHI)-40 kg	30-Apr	PKR	9,431	0.00%
Kibor-6M	30-Apr	%	7.69	-0.02%
Forex Reserves	24-Apr	\$ Bn	18.46	6.72%
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-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

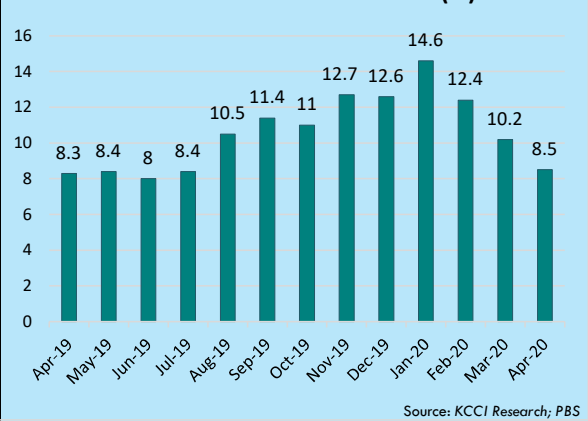


Quote of the Day

If you are going to be in business, you must learn about money: how it works, how it flows, and how to put it to work for you.'

Idowu Koyenikan

General Inflation Year on Year (%)



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