

Federal Cabinet okays easing of lockdown from May 9

The Federal Cabinet has approved easing of lockdown and restrictions imposed in the country to stem the spread of coronavirus from 9th May'20. The final decision would be taken today (6th May'20) in the meeting of the National Command and Control Centre. *BR.*

April exports decline 47.24% on MoM

Pakistan's exports on a month-on-month (MoM) basis have witnessed a 47.24% decline, from \$ 1.81Bn to \$ 957Mn, during Apr'20 against Mar'20. Imports also witnessed a decline of 6.88% from \$ 3.31Bn to \$ 3.08Bn. Pakistan's exports witnessed a decline of 3.92%, from \$ 19.16Bn in 10MFY19 to \$ 18.4Bn in 10MFY20 while Imports witnessed a decline of 16.5% from \$ 45.39Bn to \$ 37.9Bn. The balance of trade has improved by 25.68%, from \$ 26.23Bn to \$ 19.49Bn. *BR.*

Reduction in CGT rates for two years under study

Keeping in view the current stock market situation, SECP and FBR are working on a key budget proposal for reducing capital gains tax (CGT) rates for 2-years on disposal of listed securities in budget FY21. In due consultation with the stakeholders and detailed deliberations SECP has shared with FBR some key tax proposals considered to be critical for capital markets and corporate sectors. The proposal shared are only at a preliminary stage of discussion with FBR, none of them have been finalized or approved. *BR.*

PM urged to reduce power tariffs

Industrialists of Korangi have urged PM Imran Khan to reduce electricity tariff to 30% as oil prices have been reduced locally and internationally. They said that a large part of electricity generation in Pakistan depended on oil, and a significant reduction in the price of oil had occurred so domestic and industrial consumers should be given the benefit of the current fall in oil prices by reduction in electricity tariffs. *BR.*

Govt. set to finalize cash flow support plan for MSMEs

The federal govt. is set to finalize cash flow support plan for micro, small & medium enterprises (MSMEs) to disburse PKR 300Bn including PKR 1,2000 per head cash transfer to 6Mn daily wagers, payment of 6 months electricity bills, and release of soft loans and grants. The plan would be finalized by the end of May'20. At present, the ministry of industries is in consultation with the power division; distribution companies (DISCOs) and K-Electric. *BR.*

Govt clears documents to avail \$ 305Mn loan from ADB

The govt. has cleared documents to avail a \$ 305Mn loan from the Asian Development Bank (ADB) which will be used for providing relief to the vulnerable segments of the society through Benazir Income Support Program (BISP) and necessary medical equipment to hospitals through the National Disaster Management Authority (NDMA). *Dawn.*

ECC takes up power sector debt restructuring today

The ECC will today (6th May'20) consider a heavy agenda including more than PKR 1.1Tn worth of restructuring of the power sector debt. The most crucial topics are three issues of the Power Division, including conversion of more than PKR 800Bn Power Holding Company's debt to public debt in 2-3 years under the requirement of the IMF Program. A total of 15 subjects are expected for discussion. *Dawn.*

Locust invasion may cause PKR 600Bn loss to Pak economy: FAO

According to the UN's Food and Agriculture Organization (FAO) report released in Apr'20, the whole of Pakistan is under threat of an intense second-wave invasion of desert locusts if control measures fail to contain the upsurge of insects within the breeding regions in the west of the country, which may cause a loss of PKR 600Bn to Pakistani economy. *The News.*

FBR considers restoring zero-rated sales tax regime

FBR is mulling restoration of zero-rated sales tax regime from FY21 as businesses press the authorities for ways to get them rid of liquidity constraints on stuck refunds. FBR received budget proposals from the business community and majority of the chambers and associations and textile manufacturers demanded restoration of sales tax zero-rating. *The News.*

Govt 'tweaking' tariff structure to boost local production

Adviser on Commerce Abdul Razak Dawood has said that the Ministry of Commerce is aggressively working on making changes in the tariff structure for the FY21 budget to facilitate local production in a bid to decrease the import bill. He said that the govt. wants to increase customs duties instead of direct income tax and wants to document non-tax businesses. He said that the govt. might not change export tariffs and tax slabs in the budget. He added that coronavirus has changed the world and it's a golden opportunity for Pakistan to pursue the 'Make in Pakistan Policy'. *Tribune.*

Next budget to focus on COVID-19, not austerity

PM Imran Khan has directed Adviser on Finance Dr Hafeez Shaikh to make suitable increase in the federal budget FY21 to mitigate sufferings of govt. employees because of coronavirus. Budget FY21, expected to be announced in Jun'20, is being prepared in view of the coronavirus to minimize the impact of the deadly virus on various segments of society. Dr Sheikh said policies would be introduced, in consultation with provinces, to improve agriculture productivity, promote industry and exports. *The Nation.*

Govt asked to request development partners to diversify portfolio

Economic Affairs Division (EAD) has recommended the govt. that development partners should be requested to diversify their portfolio and more focus may be put on the projects in education, health, rural development and poverty reduction. *The Nation.*

Chinese province to host online fair, expo for Pakistan

The Department of Commerce of Zhejiang Province will be organizing an online 2020 Zhejiang Expo & Online Fair for Pakistan (Hardware & Electromechanical Products) from 12th-16th May'20. The event provides bilateral trade opportunities for Pakistan and Zhejiang related hardware enterprises through an accurate offline match and online negotiation. Nearly 100 high-quality Zhejiang companies will participate. *The Nation.*

China steps up testing to release world's first sovereign digital currency

China is gearing up to release the world's first sovereign digital currency - DCEP (short for Digital Currency/Electronic Payments) as it seeks significant financial autonomy and less dependency on America amid its trade war with Washington. The country has long sought to wean itself from the US-dollar dominated financial system. *The Nation.*

SECP discusses Covid-19 challenges

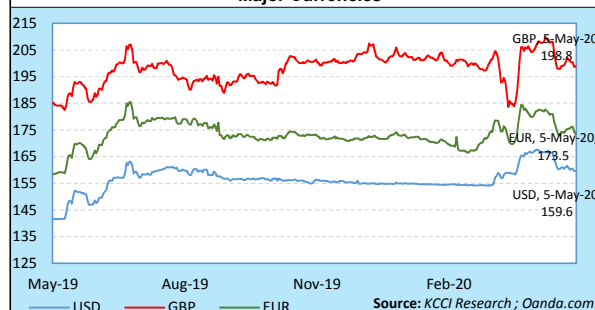
SECP has held a digital Non-bank Microfinance Companies Stakeholders Forum to collaborate on a strategic response to cope with challenges posed by the coronavirus. SECP Chairman Aamir Khan endorsed the formation of a working group consisting of nominees from the SECP, Pakistan Microfinance Network, Pakistan Microfinance Investment Company and Non-Bank Microfinance Company to further analyse the situation and take up matters with relevant forums including the Ministry of Finance. *Dawn.*

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	5-May	PKR	159.65	-0.32%
USD-Open MKT	5-May	PKR	160.00	0.63%
KSE-100 index	5-May	Pts.	33,993	0.22%
FIPI	5-May	\$ Mn	-2.11	NM**
Crude (AP'19)	5-May	\$/bbl	24.96	26.44%
Gold (MA'19)	5-May	\$/oz	1,715.2	0.36%
Gold (10g) Local	5-May	PKR	88,740	0.00%
Silver (MA'19)	5-May	\$/oz	15.08	0.33%
Cotton(KHI)-40 kg	5-May	PKR	9,324	0.00%
Kibor-6M	5-May	%	7.69	-0.01%
Forex Reserves	24-Apr	\$ Bn	18.46	6.72%
FY20				
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

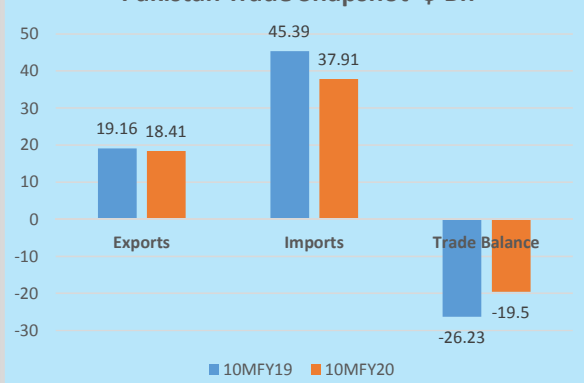


Quote of the Day

"You have everything you need to build something far bigger than yourself."

Seth Godin

Pakistan Trade Snapshot- \$ Bn



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