

Sindh to reopen markets, retail outlets today

Sindh CM Murad Ali Shah, in his meeting with Chairman BMG Siraj Kassem Teli and leaders of different organisations of the traders, has announced to open community markets/retail outlets, stand-alone/neighbourhood shops, excluding shops situated in Malls and Plazas from 6am to 4pm, from Monday to Thursday from today (11th May'20) morning under an SOP he shared with them. Siraj Kassem Teli while addressing the traders said that they have heard the SOP and if any of the traders have objection on any clause of the SOP he must point it out right here and right now. Once the SOP is implemented, everyone will be bound to abide by it, and in case of violation of the SOP by any trader, the administration will be authorised to take action accordingly and the KCCI will not support the delinquent, he said. *BR-Mon.*

Sectors earning high profits: FBR may suggest one-time taxation

FBR is planning to propose a one-time tax on sectors earning high profits in budget FY21. The board is also working on several other proposals to generate additional revenue to the tune of PKR 500-600Bn through taxation measures, documentation and effective monitoring, enforcement and administrative measures. The govt. is also considering expanding sales tax in the shape of value added tax (VAT) mode within the whole supply of value chain. The govt. is expected to set the FBR's revenue collection target within the range of PKR 5.0 - 5.103Tn. *BR-Sun.*

KPT offers extra space for storage of containers

Chairman Karachi Port Trust (KPT) Rear Admiral Jamil Akhtar has extended the offer to provide any extra space of KPT land for storage of containers if required by the terminal operators at no cost. Further he also assured the CEOs of private terminals to consider some concessions in rental subject to approval by the Board of Trustees, during the period of 10 extra free days to be allowed by private terminals to the importers. At a meeting Chairman BMG and Former President KCCI Siraj Kassam Teli, has urged that CEOs of Private Terminals to contribute their due share to revive Pakistan's economy and allow additional 10 days of free storage to consignees. *BR-Sun.*

Exporters for restoring zero-rating ST regime

Exporters have proposed to PM Imran Khan for restoration of sales tax zero-rating regime in budget FY21 following inability of Fully Automated Sales Tax e-Refund System (FASTER) to directly credit refunds into the exporters' bank accounts within 72 hours. They refuted govt.'s claim of issuing PKR 56Bn sales tax refunds post-zero-rating withdrawal. They are of the view that Faster system has not been working since 1st May'20 and the refund claims are still pending since Jan'20 or even before in many cases. *BR-Mon.*

Payment of wages: SBP may enhance limit of loans from PKR 500Mn to PKR 1Bn

SBP is likely to enhance the limit against loans from PKR 500Mn to PKR 1Bn to finance 3-month wages. The central bank is also considering to waive off the condition of 'no lay-off' to use this scheme. This facility will incentivize banks to extend loans to collateral deficient SMEs and small corporates with a sales turnover of up to PKR 2Bn to avail financing under SBP refinance scheme. *BR-Sun.*

KE requests SSGC to increase gas pressure

K-Electric (KE) has requested SSGC to increase the pressure of gas to operate three efficient gas-based power plants on full capacity to avoid load shedding in Karachi. The demand for electricity in Karachi has jumped up to 2,800 MW due to change in weather which may increase to 3,300MW with the opening of the industries. *Tribune-Mon.*

Mobile phones/devices: FBR eyeing PKR 56Bn revenue

FBR is expecting to generate PKR 56Bn of revenue on account of taxes/duties on commercial import of mobile phones/devices in FY20 i.e. 154% increase compared to PKR 22Bn during the same period of last year due to implementation of Device Identification Registration and Blocking System (DIRBS). This has been stated in "DIRBS Impact Case Study, Cleaning up Pakistan Mobile Ecosystem", conducted by PTA. *BR-Sun.*

Govt likely to unveil tax-free budget for 2020-21

FBR has drafted tax proposals for Budget FY21 mainly focusing on simplification of laws and removing tax anomalies. Unconfirmed reports are that the govt. is likely to announce a 'tax-free budget', for which a final decision will be taken after consulting with the IMF after Eidul Fitr. Meanwhile, Finance Adviser Abdul Hafeez Shaikh has termed the budget a 'corona-budget'. *Dawn-Sun.*

Divisible pool: FBR's failure deprives provinces of PKR 509Bn in nine months

The federal govt. had transferred PKR 1.93Tn to the 4 provinces from the divisible pool in 9MFY20, PKR 509Bn less than projected due to failure of FBR in meeting its tax collection target. *The Nation-Sun.*

Govt poised to hedge prices of 15-20% imported POL products

In a rare development, Pakistan for the first time in its history is all set to go for initiating the process to hedge the prices of 15-20% petroleum products of total annual imports of 68Mn barrels oil either for up to 2 years get the benefit of the low prices of POL products in international market because of COVID-19 pandemic. *The News-Mon.*

Customs duty collection falls 10% to PKR 32.9Bn in April

Govt. has collected PKR 32.85Bn in custom duties in Apr'20, down 10% from PKR 36.43Bn in Apr'19, as sinking imports dwarfed the advantage of relatively improving port activities during the last month. Import bill in Apr'20 was \$ 3.08Bn, compared to \$ 4.71Bn in Apr'19, showing a sharp decline of 35%. *The News-Sun.*

Fiscal deficit to surge, tax revenue to miss target: Hafeez

Adviser on Finance Dr Abdul Hafeez Sheikh has said that the country's fiscal deficit will surge to 9% in FY20 as the economy reels from the fallout of the coronavirus crisis. The expectation of deficit prior to the coronavirus was 7.6%. Now, after corona, it will touch 8-9%. The economy will also miss the tax revenue target agreed with the IMF by 19% at PKR 3.9Tn instead of PKR 4.8Tn. *Tribune-Sun.*

IMF more negative on global economic projections

The IMF has signaled a possible downward revision of global economic forecasts, and warned the US and China against rekindling a trade war that could weaken a recovery from the coronavirus pandemic. The IMF's Apr'20 projections for a 3% contraction of the global economy would mark the steepest downturn since the Great Depression of the 1930s. *The News-Sun.*

ECC urged to revisit cotton support price decision

Growers and industrialists have appealed to the ECC to revisit the decision of turning down the support price of cotton. They said growers in upper Sindh and Punjab were considering sowing other cash crops instead of cotton, as they were not receiving the due rates. *The News-Sun.*

SECP seeks relief for capital markets

SECP has asked FBR to extend critical relief towards the capital markets and corporate sector in the upcoming budget for FY21. It asked FBR to address anomaly created in the definition of 'security' for Computation of Capital Gains Tax (CGT) on listed securities. *Dawn-Sun.*

Covid-19 poses great trade challenge

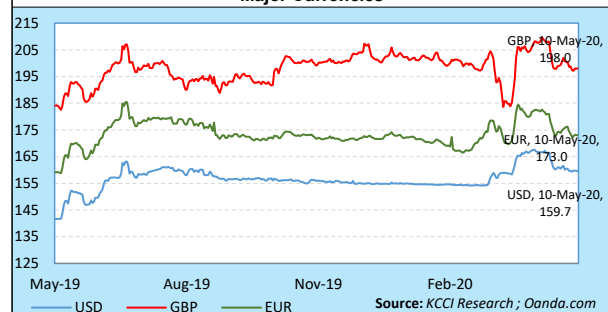
World Trade Organization in its recently released statement, expects world trade to plunge between 13-32% in 2020. This will be an unprecedented fall since the end of World War II. A recovery is expected in 2021 as countries kick-start their economies. It predicts that the hardest-hit economies will be the developed regions and Asia. *Tribune-Mon.*

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)	8-May	\$/bbl	23.52	-2.49%
Gold (MA'19)	8-May	\$/oz	1,727.4	2.47%
Gold (10g) Local	8-May	PKR	88,740	0.00%
Silver (MA'19)	8-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

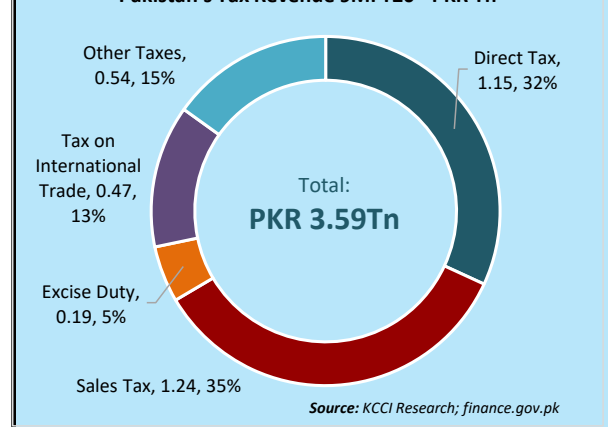


Quote of the Day

Fortunes are built during the down market and collected in the upmarket'

Jason Calacanis

Pakistan's Tax Revenue 9MFY20 - PKR Tn



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