

Policy rate cut to 8% on positive inflation outlook

The Monetary Policy Committee (MPC) of SBP has reduced the policy rate by 100 bps to 8% on positive inflation outlook, the fourth time it has cut rates since the coronavirus pandemic hit and cumulatively 525 bps cut in key policy rate. *BR.*

Deadline for payment, filing of returns extended

FBR has further extended the date for payment and filing of sales tax and federal excise returns for tax period of Mar'20. The payment date has been extended from 12th May'20 to 27th May'20 and submission date has been extended from 15th May'20 to 30th May'20. FBR has also extended the time limit for filing of Annex-H (stock statement) for the tax periods of Jul-Dec'19 up to 30th Jun'20. *BR.*

Developers, enterprises: Bol seeks extension in period of incentives for SEZs

The Board of Investment (BoI) has moved a summary to the Finance Division asking for extending incentives for the developers and enterprises for SEZs, which will expire in Jun'20. A summary is included in the agenda items of the ECC meeting, which has been scheduled for next week. *BR.*

PM urges nation to learn to live with pandemic

PM Imran Khan has said that the country could not afford an indefinite lockdown and the nation would have to learn to live with the pandemic. Pakistan will soon start production of antiviral Remdesivir that has shown promising results in treating Covid-19 patients in the US. Pakistani pharmaceutical firm, BF Bio-Sciences, would begin marketing of the drug in 6-8 weeks and export to 127 countries. Only six pharmaceutical companies have been given licences to manufacture Remdesivir. *Dawn.*

Virus may cost global economy \$ 8.8Tn

ADB has said that the coronavirus pandemic could cut up to 9.7% off the global economy, doubling its previous estimate as the virus stifles trade and leaves millions jobless. Global economic losses caused by the pandemic could be between \$ 5.8Tn and \$ 8.8Tn this year. Up to 242Mn jobs will be lost due to the virus, more than 7 times higher than the employment losses seen during the global financial crisis a decade ago. *The News.*

ECC allocates PKR 75Bn for labourers, daily wage earners

ECC has set aside PKR 75Bn for distribution among laborer's and daily wage earners through Benazir Income Support Program (BISP) as part of PM's Relief Package of PKR 200Bn that was earlier to be coordinated by Ministry of Industries through industries and business houses for not laying off workers. *Dawn.*

Governor gives assent to Covid-19 emergency relief ordinance

Sindh Governor Imran Ismail has signed the Sindh Covid19 Emergency Relief Ordinance 2020 after the provincial govt. amended the draft of the proposed relief following his objection that the Sindh govt. was trying to give relief in an area which does not fall within the legislative domain of the provinces. The ordinance, in place from Apr'20, addresses a range of relief to middle and lower income groups. *Dawn.*

Sindh govt refuses to lift ban on public transport, ride-hailing services

Despite an appeal from PM Imran Khan to standardize lifestyle while staying safe from the coronavirus pandemic, the Sindh govt. has made it clear that it is not going to lift the ban on public transport anytime soon as it believed that operation of buses and ride-hailing services could turn Karachi and other Sindh cities into Italy and Wuhan of China. *Dawn.*

Business community told: Intellectual property rights must be protected

The Competition Commission of Pakistan (CCP) has conveyed to the business community that the intellectual property rights must be protected and Section 10 (deceptive marketing practices) of the Competition Act must be enforced to protect consumers from anti-competitive behavior, and to make provisions to ensure free and fair competition in the market. However, in order to gain exclusive rights for their use, they have to be registered with the relevant authorities, such as the Intellectual Property Organization (IPO) of Pakistan. *BR.*

Regional excise offices reopen to facilitate public

Sindh Excise and Taxation & Narcotics Control has announced that it has opened its regional offices to facilitate the public. The motor registration wings at the regional headquarters level will be opened to facilitate the public in the registration and transfer of their vehicles. Any visitor can reserve a time-slot prior to visit for all operations pertaining to motor registration authorities across the province by visiting the web address: <http://taxportal.excise.gos.pk>. *The News.*

Nepra voices concern over Discos' performance, rising circular debt

Nepra has expressed serious concern over the deteriorating performance of the power distribution companies (Discos), increasing circular debt and worsening governance in the power sector. It has advised the gov. to immediately close down its power plants. In its flagship State of the Industry Report 2019, Nepra has questioned continuation of centralized control of day-to-day operations of public sector entities. It noted that receivables of all Discos increased to PKR 1.15Tn as of 30th Jun'19. *Dawn.*

Govt eases offshore shareholding law

The federal govt. has allowed Pakistani and dual nationals to keep secret their less than 10% shareholding in offshore companies. Under the Companies Act 2017, it was legally binding for people who have substantial shares in local companies or officers of local companies to disclose their stakes in offshore companies. However, the govt. promulgated a presidential ordinance on 4th May'20 to make the disclosure condition less stringent. *Tribune.*

Withholding tax collection falls 34% to PKR 6.4Bn in July-April

Withholding tax collection from non-cash banking transactions sharply fell 34% to PKR 6.41Bn in 10MFY20 from PKR 9.65Bn as taxpayers showed inclination to file returns to avoid punitive taxation. *The News.*

SECP extends time period

SECP has relaxed the time period for the renewal of license to facilitate not-for-profit companies in the wake of the ongoing pandemic. Companies whose licenses have expired in the months of Feb-May'20 and have not applied for its renewal would continue to carry on their work and their licenses would not be revoked till 30th Jun'20. *The News.*

Sindh collects PKR 64.418Bn taxes

Excise and Taxation Department of Sindh has collected PKR 64.42Bn in taxes in 10MFY20 as against PKR 60.55Bn collected during 10MFY19. Among others the department collected PKR 5.34Bn in motor vehicle tax, PKR 52.41Bn in infrastructure cess and PKR 487.17Mn in professional tax. *The News.*

Suspension of Int'l flights operations extended till 31st

Pakistan Civil Aviation Authority has further extended the suspension of international flights operations by 31st May'20 as part of Covid-19 precautionary measures. Meanwhile, PIA has announced to resume partial domestic operations from (16th May'20). *BR.*

PTA extends deadline on blocking mobile device IMEIs till June 3

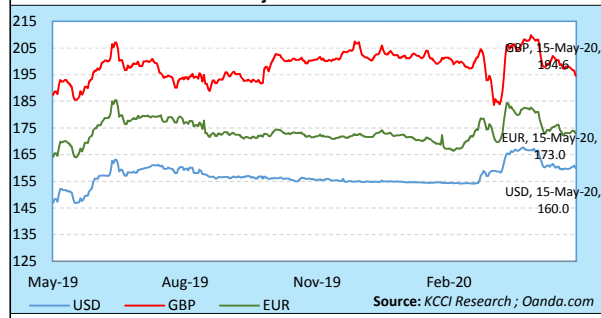
The Pakistan Telecommunication Authority (PTA) has further extended the deadline for blocking of mobile device IMEIs till 3rd Jun'20, for all GSM A valid IMEIs seen on mobile networks but currently not registered with the PTA. *BR.*

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	15-May	PKR	160.10	0.00%
USD-Open MKT	15-May	PKR	161.00	-0.31%
KSE-100 index	15-May	Pts.	34,008	0.60%
FIPI	15-May	\$ Mn	-3.49	NM**
Crude (AP'19)	14-May	\$/bbl	25.62	1.22%
Gold (MA'19)	14-May	\$/oz	1,723.0	1.06%
Gold (10g) Local	15-May	PKR	89,600	0.22%
Silver (MA'19)	14-May	\$/oz	15.74	0.98%
Cotton(KHI)-40 kg	15-May	PKR	9,217	0.00%
Kibor-6M	15-May	%	8.14	-0.02%
Forex Reserves	8-May	\$ Bn	18.74	-0.06%
FY20				YoY
Remittances	Jul-Apr 20	\$ Bn	18.78	5.51%
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-Mar 20	%	-5.40	
Avg. CPI	Jul-Apr 20	%	11.22	
Discount Rate	May-20	%	8.00	

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

Major Currencies

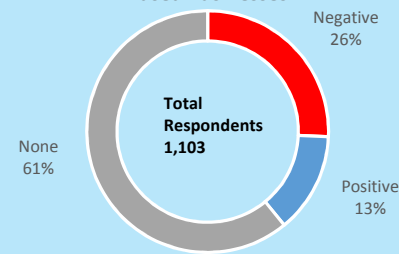


Quote of the Day

"Quality is never an accident. It is always the result of intelligent effort."

John Ruskin

Perceived Impact of FATF Restrictions 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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