

### Unregistered buyers: Legal changes in CNIC condition likely

Some legal changes are expected in the condition of providing CNICs numbers of the unregistered buyers including enhancement of limit from PKR 50,000 to PKR 100,000 in budget FY21. The condition of the CNIC from the unregistered buyers was made applicable from 1<sup>st</sup> Feb'20 onwards, but not practically enforced by FBR. President KCCI has urged the govt. to immediately waive CNIC requirement for sale to unregistered persons and 3% Further Tax in order to revive the economic activities and business transactions. *BR.*

### In WEF address, PM Imran Khan seeks debt relief for poor countries

PM Imran Khan while addressing an online session of the World Economic Forum, has urged the developed countries to provide debt relief to poorer nations struggling to cope with the coronavirus crisis that had battered their economies. He said that the G20 has come up with a debt relief plan but it needs more details and work as many of the developing countries fiscal space has contracted and they are unable to cope with this challenge of health facilities because of their debt servicing. *The News.*

### MoU to get debt relief from G-20 countries ready

Adviser on Finance Dr. Abdul Hafeez Shaikh, while chairing a meeting of the ECC, has said that Pakistan had no intention to seek any kind of relief against repayment of its commercial loans or borrowings and will honor its commercial commitments. The committee allowed the Economic Affairs Division (EAD) to sign a MoU for availing itself of the G-20 relief initiative. However, this would be subject to the cabinet approval. *The News.*

### Bank holiday

SBP will remain closed from 22<sup>nd</sup> -27<sup>th</sup> May'20 on the occasion of Eid-ul-Fitr. Meanwhile, the SBP separately said that during the extended holidays on the occasion of Eid-ul-Fitr, it has been decided that banks and microfinance banks may open their selected branches on 27<sup>th</sup> May'20 at their own discretion in various commercial hubs, etc., across Pakistan. *The News.*

### Banks freeze PKR 432Bn loan repayments

As of 15<sup>th</sup> May'20, commercial banks have approved up to 1-year of moratorium from repayment of loans worth PKR 432Bn for various borrowers hit by coronavirus-related lockdown as part of the principal deferment scheme introduced by the SBP in collaboration with the Banks. Around 600,000 borrowers have benefitted from this scheme. Meanwhile, SBP has said that banks have sanctioned more than PKR 60Bn in loans to help companies pay salaries of their employees under a refinancing scheme announced to avert layoffs. 1,700 businesses applied to commercial banks to benefit from the rozgar refinance scheme for a total loan amount of PKR 120Bn and covering more than 1.1Mn employees. *The News.*

### ECC okays diversion of PKR 10Bn from Covid-19 relief fund to power sector debt repayments

ECC has allowed talks on extension of debt repayment period of power plants — in both public and private sector — from the existing 10-year period to 20 years for about 65 paisa/unit cut in average capacity tariff. It has also approved diversion of around PKR 10Bn from Corona Relief Package to power sector interest payments of Pakistan Energy Sukuk-II for a period of six months. ECC has also approved terms of reference for negotiations with independent power producers and generation companies to reduce capacity charges. *Dawn.*

### Gwadar has transshipment potential: Razak

Adviser on Commerce Razak Dawood has asked relevant stakeholders to reduce dwelling time of cargo handling at ports to facilitate trade. He said that there is a lot of potential for transshipment in Pakistan which can be exploited with the right policies and govt. support adding that Gwadar port can act as a sister port to a number of other important ports in the region, which can complement each other in transshipment activities. He further emphasized that Pakistan can reach its true potential of transshipment when China, Afghanistan and other Central Asian economies are connected with Gwadar through land routes. *Dawn.*

### T-bill yields drop

The govt. has raised PKR 167Bn — 50% less than the auction target — from treasury bills as investors were keen on parking their funds in longer tenors. Investors offered close to PKR 1Tn with massive PKR 508.8bn bids for 12-month papers, but the govt. accepted only PKR 90.5bn bids at a cut-off yield of 7.75%. It accepted bids of PKR 26.8bn for 3-month papers at 8.15% and PKR 50bn bids for 6-month papers at 7.8%. *Dawn.*

### SECP to conduct hearings online

SECP has decided to conduct appellate bench hearings through video conferencing to facilitate companies and ensure health and safety. The appellate bench of the SECP is a quasi-judicial forum, legally mandated to hear either appeals filed against the orders passed by a commissioner or any other authorized officer. *Dawn.*

### GST, FED payments for April: Deadline extended till May 29

FBR has extended the date for payment/submission of sales tax and federal excise duty for the tax period of Apr'20 till 29<sup>th</sup> May'20. *BR.*

### CPEC: Wells reiterates criticism of China

Alice Wells, the Principal Deputy Assistant Secretary of State for South and Central Asia at the US Department of State, has reiterated US position on CPEC and hoped that China would renegotiate the "predatory, unsustainable and unfair" lending and create a "fair and transparent" deal for the people of Pakistan. However, both Pakistan and China, had rejected the US concerns when Ambassador Wells first publicly voiced the "concerns" of the US govt. in Nov'19. *BR.*

### Budget 2020-21: CGO 12 to be amended to dispose of seized cigarettes

To control the consumption of smuggled cigarettes, the govt. is planning to remove a major distortion in the customs laws during budget FY21, by amending a Customs General Order (CGO) 12 of 2002, which allows confiscated/seized smuggled cigarettes to be offered to the PIA/Duty Free Shops on appraised value with 25% discount. Another budget proposal under consideration is to raise the advance adjustable FED on unmanufactured tobacco from PKR 10/kg to at least PKR 500/kg. *BR.*

### Tax collection from debt investment surges 101% in July-April

FBR has pulled in PKR 4.07Bn of taxes from investment in govt. securities in 10MFY20, more than double compared to PKR 2.02Bn in 10MFY19. This has been due to imposition of higher tax rate on exposure of commercial banks in the govt. papers. In the last budget, the govt. imposed a 37.5% income tax on banks for making profits on their investment in govt. papers. *The News.*

### SSGC holds first Khulli Kachehri

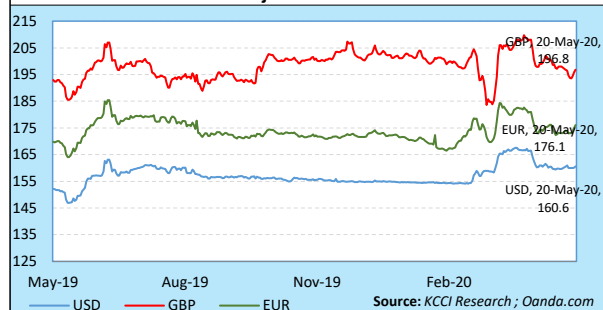
SSGC held its first Khulli Kachehri at its head office on 18<sup>th</sup> May'20. The hour-long Kachehri provided a platform for SSGC's Karachi based customers to share their issues and queries on gas related matters and a considerable number of customers called during the session. In the next phase, similar Khulli Kachehri shall be organized in other major regional stations of SSGC, including Hyderabad, Quetta. *The Nation.*

### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	20-May	PKR	160.77	0.02%
USD-Open MKT	20-May	PKR	162.00	0.31%
KSE-100 index	20-May	Pts.	33,933	-0.66%
FIPI	20-May	\$ Mn	-0.18	NM**
Crude (AP'19)	18-May	\$/bbl	32.27	8.25%
Gold (MA'19)	18-May	\$/oz	1,732.4	-1.31%
Gold (10g) Local	20-May	PKR	88,390	0.00%
Silver (MA'19)	18-May	\$/oz	17.33	1.63%
Cotton(KHI)-40 kg	20-May	PKR	9,217	0.00%
Kibor-6M	20-May	%	8.12	0.00%
Forex Reserves	8-May	\$ Bn	18.74	-0.06%
<b>FY20</b>				
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-Apr 20	\$ Bn		
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

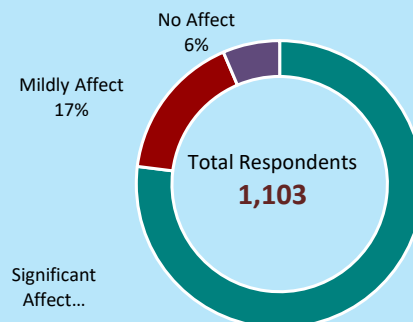


### Quote of the Day

*There are two types of people who will tell you that you cannot make a difference in this world: those who are afraid to try and those who are afraid you will succeed!*

**Ray Goforth**

### Affect of Increasing Utility and Fuel Cost on Karachi Based Businesses



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

### Disclaimer

*This report has been prepared by KCCI Research & Development Cell. The information contained herein have been compiled or arrived at based on information obtained from sources believed to be reliable and in good faith. Such information has not been independently verified.*

*icon represents the sole viewpoint of the KCCI R&D Cell, and is stated to enrich the readers' understanding of the news item. The*