

Lockdown to be eased; virus cases rise

The govt. has decided to soften the lockdown further from Saturday (9th May'20) in the 2nd phase where it decided to open allied industries of the construction sector, which included paint and pipe mills, tiles, electrical and industry and hardware units, and shops across the country. However, closure of educational institutes has been extended till 15th Jul'20, and all board exams have been cancelled. *BR.*

Government to provide cash flow assistance to MSMEs in three areas

The federal govt. is planning to provide cash flow assistance to Micro, Small & Medium Enterprises (MSMEs) in three types of areas – loss of investment, fixed assets and clearance of pending payments to restart businesses. According to a survey of the Ministry of Industries, the MSMEs have suffered a loss due to cancellation of orders, and the products have either become useless or have lost their value. *BR.*

Prices of RLNG slashed for May

Ogra has cut the prices of RLNG from \$ 9.58 to \$ 7.71 per mmbtu for SNGPL and \$ 9.55 to \$ 7.75 per mmbtu for end consumers of SSGC for May'20. *BR.*

Secured Transactions Registry launched

Advisor on Finance Dr Abdul Hafeez Shaikh has formally launched the Secured Transactions Registry (STR), saying that it would broaden the scope of assets and help banks to expand their lending portfolios. Speaking on the occasion, Shaikh highlighted that Micro, Small and Medium Enterprises (MSMEs) constitute approximately 90% of businesses in Pakistan, employ 80% of the non-agricultural labour force and contribute 40% in the country's annual GDP. *BR.*

International tourism to plunge up to 80% due to virus: UN

The World Tourism Organization has said that the number of international tourist arrivals could plunge by 60 to 80% in 2020 owing to the coronavirus. Widespread travel restrictions and the closure of airports and national borders to curb the spread of the virus had plunged international tourism into its worst crisis since records began in 1950. Tourist arrivals fell by 22% in 1QCY20, and by 57% in Mar'20 alone, with Asia and Europe suffering the biggest declines. *BR.*

China, US, EU step up funding to Pakistan

Foreign Office has said that China, EU, and the US have stepped up contributions in millions of dollars to help Pakistan combat covid-19. It said that the Chinese govt. has so far provided Pakistan with \$ 4Mn in cash donations in addition to 390 ventilators, 330,000 testing kits, 830,000 N95 masks, 5.8Mn surgical masks, 42,000 protective suits, and millions of other PPEs. EU has put together a PKR 24.5Bn covid package in support of Pakistan while the US has up till now committed nearly \$ 15Mn in new funding to the country. *The News.*

Budget 2020-2021: Ministries directed to only forward Covid-19 response projects for PSDP

In the wake of the limited resource envelope of PKR 530Bn development outlays for budget FY21, the Planning Commission directed all ministries and divisions to forward only approved projects and those aligned with the response of COVID-19 for inclusion into the Public Sector Development Program (PSDP). The directives also asked the ministries to allocate 20 to 25% funds for approved projects for listing into PSDP so that the projects could be accomplished in a timely manner. *The News.*

Adverse impact of Covid-19: Refineries seek deferment of monthly PDL payment for six months

Pakistan's 5 refineries have braved mammoth inventory losses of PKR 25.85Bn in just 2 months of Mar & Apr'20 due to Covid-19's adverse impact on oil industry across the world and more damage is also on the cards in the next two months of May & Jun'20. The refineries have told the govt. that if they were not compensated, their survival will be at stake. *The News.*

Tax rationalization for dairy industry under consideration

Advisor on Finance Hafeez Shaikh has assured the dairy industry of revisiting the tax structure, including restoration of zero-rated tax facility, in budget FY21. He said that the govt. shall consider the requests of the dairy industry with an open mind after reviewing all the facts and related data that could help in taking the best decision in favor of the economy and well-being of the people. *The News.*

Sales tax on services amounts to PKR 171Bn in nine months

Provincial authorities saw revenue collection from sales tax on services increase 20% to PKR 170.5Bn in 9MFY20 from PKR 142.34Bn in 9MFY19. Sindh posed 10.31% growth to PKR 73.18Bn in 9MFY20 compared to PKR 66.34Bn in 9MFY19. While the govt. announced a gradual return to the normal situation, the 2-month long lockdown is believed to have eroded 35% of the tax revenue. *The News.*

Auto sector seeks State Bank help

Automotive Parts and Accessories Manufacturers have asked SBP to help the auto vending industry survive the pandemic crisis through various facilitations, including short- and long-term financing. They said that the current loans should be converted to 8 years long-term financing with zero markup for the next 12 months. They also demanded a waiver of 100% cash margin on the opening letter of credit, import without LC be enhanced to \$ 25,000 and 15% export rebate on auto exports as provided by many economies. *The News.*

Uzbekistan looks to Pakistani ports

Uzbekistan has formally sought Pakistan's support for accession to the Quadrilateral Traffic in Transit Agreement (QTTA) in a bid to utilize Karachi and Gwadar ports for its trade operations. The request was made by Uzbek Deputy PM during a video conference with Advisor on Commerce Razak Dawood. Dawood assured Pakistan's support for Uzbekistan in QTTA. Responding to another request, Dawood apprised that a MOU for Pakistan-Uzbekistan Joint Working Group on Trade and Investment will be ready for signing after seeking approval from the cabinet of Pakistan. *Dawn.*

Governor returns draft ordinance for providing relief to lockdown-hit people

Governor Imran Ismail has returned CM Murad Ali Shah's proposed draft for an ordinance with objections that the provincial administration is giving relief in the area which does not fall within the legislative domain of the provinces. Sindh govt's proposed draft of 'Sindh (Covid-19) Emergency Relief Ordinance' had aimed to provide equal relief to domestic residential and commercial tenants, employees and daily-wage workers; rent and utility charges. *Dawn.*

Govt issues post-lockdown guidelines

The federal govt. has issued more guidelines that citizens and industries need to follow to protect themselves against Covid-19 after the lockdown imposed to stem the spread of the disease comes to an end on 9th May'20. Directives for industry include suspending biometric attendance, ensuring availability of thermal guns and sanitisers and ensure minimum contact between workers and consumers. *Tribune.*

Pakistan added to UN coronavirus fund list

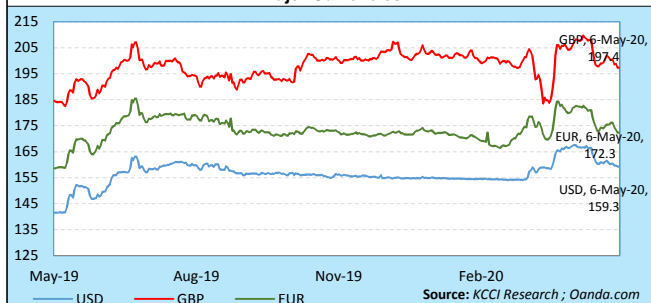
The UN has issued a new appeal for \$ 4.7Bn in funding to protect millions of lives and stem the spread of coronavirus in fragile countries. This is on top of the \$ 2Bn the UN already called for when it launched its global humanitarian response plan on 25th Mar'20. The new call for donations came as 9 more countries have been added to the list including Pakistan and Philippines. *Tribune.*

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	7-May	PKR	160.25	0.31%
USD-Open MKT	7-May	PKR	161.00	0.31%
KSE-100 index	7-May	Pts.	33,304	-1.26%
FIPI	7-May	\$ Mn	-3.96	NM**
Crude (AP'19)	7-May	\$/bbl	23.52	-2.49%
Gold (MA'19)	7-May	\$/oz	1,727.4	2.47%
Gold (10g) Local	7-May	PKR	88,740	0.00%
Silver (MA'19)	7-May	\$/oz	15.59	4.12%
Cotton(KHI)-40 kg	7-May	PKR	9,217	-1.15%
Kibor-6M	7-May	%	7.97	0.25%
Forex Reserves	30-Apr FY20	\$ Bn	18.76	1.58% YoY
Remittances	Jul-Mar 20	\$ Bn	16.99	5.37%
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	May-20	%	9.00	

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

Major Currencies

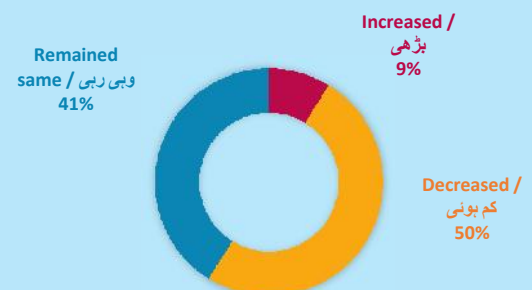


Quote of the Day

"If you are not willing to risk the usual you will have to settle for the ordinary."

Jim Rohn

Karachi Business Sentiment Survey - Employment in Karachi Based Businesses During 2019



Total no. of respondents = 1,103
Survey Link: <http://www.kcci.com.pk/research/wp-content/uploads/2020/04/KCCI-Karachi-Business->

Source: KCCI Research; KBSS Survey

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