

SBP to finance 100% of payroll up to PKR 500Mn

SBP under the banner of Rozgar Scheme will now finance up to 100% of payroll of businesses with an average 3-month wage bill of up to PKR 500Mn instead of the earlier PKR 200Mn. This can be used for the onward payment of wages and salaries for Apr-Jun'20. Similarly, for businesses with a 3-month wage bill exceeding PKR 500Mn, SBP will finance up to 75% with maximum financing of PKR 1Bn instead of the earlier \$ 500Mn. *Dawn*.

July-April remittances post nominal growth YoY

SBP has revealed that overseas Pakistani workers have remitted \$ 18.78Bn in 10MFY20 against the inflows of \$ 17.80Bn during 10MFY19, recording an increase of \$ 980.6Mn. On Month on Month basis, during Apr'20, inflows amounted to \$ 1.79Bn against \$ 1.89Bn inflows of Mar'20, depicting a slight decline of 5.5% or \$ 104Mn. *BR*.

MPS on 15th: Further cut in key policy rate being anticipated

SBP is expected to issue its monetary policy statement on Friday (15th May'20) with expectation of further cut in the key policy rate. *BR*.

Markets reopen: SOPs not being observed: Murad

CM Sindh Murad Ali Shah has said that the markets have reopened under SOPs but ironically most of the shops and markets were seen crowded and people had thronged these places in sheer violation of all norms and the SOPs. He hoped that people would understand the situation and would follow the SOPs. *BR*.

Supplies to unregistered persons: Reduction in rate of further ST under study

The govt. is planning to reduce the rate of further sales tax from existing 3% to 2 or 1% on supplies made to unregistered persons in budget FY21. FBR is also examining the possibility of restoring the reduced rate of sales tax on five export sectors, which were earlier zero-rated. It is analyzing the revenue implications of any move to reduce sales tax on textile and other export sectors from 17% to 5% or any other lower rate of sales tax. *BR*.

Zero-rated units: FBR to request DISCOs to continue concessionary tariff

FBR will request power distribution companies to grant extension up to 30th Jun'20 to zero-rated units of five export sectors for continuation of benefit of concessionary power tariff to the companies of erstwhile zero-rated sectors. FBR has received a letter from the Textile Division on the extension in zero-rating certificates. The zero-rating certificates have expired on 31st Mar'20. *BR*.

ISPA issue to be taken up with minister for power: PTI lawmaker

In a meeting with industrialists at Korangi, PTI MPA Haleem Adil Sheikh, has said that the issue of ISPA will be taken on priority and will also be discussed during a meeting with Umer Ayub, Federal Minister for Power. He assured that the PTI govt. fully supports the stance of business community on ISPA issue and said that this amount should not be charged, terming it "unjustified and uncalled for". Chairman Nepra responded that the matter is not in his knowledge and nobody contacted him in this regard. *BR*.

If raw material imports from India stopped: Drug manufacturers warn 30-35% medicine shortages in Pakistan

Pakistani drug manufacturers have claimed that somebody is misleading the federal cabinet about the import of medicines and its raw material from India, saying at the moment, only the necessary and vital drugs were being imported from the neighboring state, whose shortage could result in serious consequences for the people in Pakistan. They claimed that they tried to switch to China but initially the Chinese suppliers demanded exorbitant prices of raw material and later when they agreed, lockdown in China prevented its supply to Pakistan. *The News*.

Sindh govt issues amended advisory for working at offices

The Sindh govt. has issued a health advisory for offices regarding COVID-19 with some amendments. Among other things the advisory says the general administration will ensure effective disinfection of all the offices three times a week, especially the surfaces of installations, chairs, tables and doors. The administrative head of the department is to forward a list of symptomatic or suspect employees with details (name, age, designation, address and contact number) to coordinator, EOC Sindh at sindh.covid19@gmail.com for sampling and testing at their home. *The News*.

LTU Karachi's revenue falls 41% to PKR 21Bn in April

LTU Karachi saw revenue collection from domestic sources sharply fall 41% from PKR 35.71Bn in Apr'19 to PKR 21.03Bn in Apr'20 as the govt. imposed lockdown amid the coronavirus outbreak worsened the economic woes. Overall collection of LTU Karachi fell 15% to PKR 83Bn in Apr'20 compared with PKR 98Bn in Apr'19. *The News*.

Against mandatory stocks of 20 days, only 7 days' diesel reserves left in country

Against the mandatory stocks of 20 days' oil reserves by Oil Marketing Companies, the country is left with High Speed Diesel reserves of only 7 days. The Petroleum Division said that for the month of May'20 there is a total deficit of 276,013MT of HSD but to meet the deficit it has planned import of 394,000MT which will arrive in the next 5 days. *The News*.

\$ 1.8Bn debt servicing to G20 states under rescheduling process

The govt. has said that Pakistan's \$ 1.8Bn debt servicing, payable to 11 G20 countries during May'20 – Jun'21 is currently under the process of rescheduling as part of relief for the poor countries and that the govt. is not seeking rescheduling of any commercial loan. Pakistan's total debt payable to these nations stands at around \$ 20.7Bn under 155 loans. Around \$ 415Mn principal and interest is due to be paid in May-Jun'20. Total debt to be paid by Pakistan to 11 bilateral lenders between May'20- Jun'21 currently stands at \$ 2.58Bn. *Dawn*.

Survey shows plummeting business optimism

Business Optimism Index (BoI) for 1QCY20 by Dun & Bradstreet, an international company providing corporate analysis, insights, and analytics for businesses shows that lockdown restrictions enforced at the end of the third week of Mar'20 only intensified deterioration in the business sentiments and sped up the shift from optimism to pessimism. The lockdown saw sentiment plummet to 85.6 points from the benchmark neutral value of 100 points, indicating a shift in business sentiments to pessimism. *Dawn*.

Oil refineries seek bailout package

Claiming over PKR 31Bn inventory losses in two months and negative processing margins, the country's five oil refineries have sought a compensation / bailout package from the govt. to sail through difficult times. A joint letter by all five refiners to the ministry of petroleum has warned that otherwise it would result in massive unemployment in the refining and allied industry in addition to compromise on energy security of the country. *Dawn*.

Insurance companies asked to smoothen claims processing

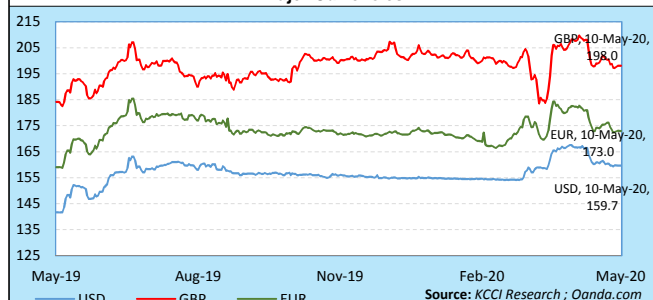
SECP has asked insurance companies to waive non-mandatory requirements for claims processing and use alternative methods for verifying their authenticity to facilitate insurance policyholders during the pandemic. SECP has also recommended insurance companies to grant one month free of cost extension in insurance coverage to all motor insurance policyholders. *Dawn*.

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	11-May	PKR	160.08	0.02%
USD-Open MKT	11-May	PKR	160.75	-0.16%
KSE-100 index	11-May	Pts.	33,284	0.05%
FIPI	11-May	\$ Mn	-1.88	NM**
Crude (AP'19)	11-May	\$/bbl	24.74	5.19%
Gold (MA'19)	11-May	\$/oz	1,706.2	-1.23%
Gold (10g) Local	11-May	PKR	87,300	-1.62%
Silver (MA'19)	11-May	\$/oz	15.69	0.65%
Cotton(KHI)-40 kg	11-May	PKR	9,217	0.00%
Kibor-6M	11-May	%	8.10	0.08%
Forex Reserves	30-Apr FY20	\$ Bn	18.76	1.58% 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-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

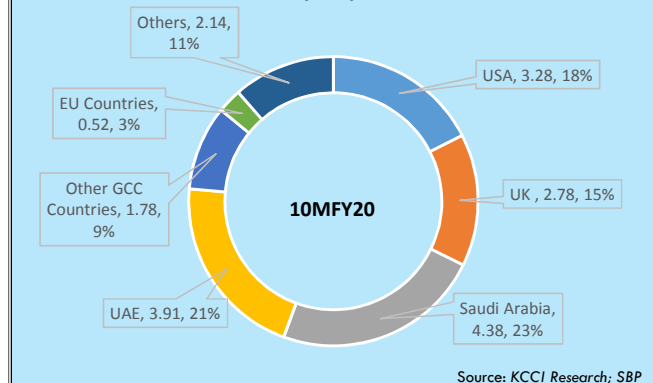


Quote of the Day

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

Jim Rohn

Country-wise Workers' Remittances to Pakistan (\$ Bn)



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