

PM's coronavirus package: There will be need for only PKR 519Bn extra funding: IMF

IMF has stated that there will be need for only PKR 519Bn extra funding in FY20 for PM's Relief Package of PKR 1.24Tn for corona-affected sector. This was in response to a query as to why as per IMF's Rapid Financing Instrument (RFI) documents a decline in post-Covid expenditure from pre-Covid estimate of PKR 10.2Tn to a projection of PKR 9.83Tn has been noted for FY20 despite the PKR 1.2Tn Corona relief package announced. IMF Resident Representative Teresa Daban Sanchez replied that the gov't's large fiscal package has not translated into a huge increase in expenditure. The reason she stated was that it will be implemented by reallocating budget funds from other less urgent uses, and from savings that appear during the year. *BR.*

Pakistan to seek \$ 2Bn in new loans

Pakistan plans to seek \$ 2Bn in six new foreign loans from World Bank and Asian Development Bank for activities like garbage collection, pension and fiscal reforms, and ending market distortion amid the rapid deterioration of public debt indicators. *Tribune.*

PTI govt prioritizing 'Make in Pakistan' policy

The govt. has prioritized the "Make in Pakistan" policy in the current challenging times following the emergence of Covid-19 pandemic in Pakistan in a bid to step up exports to international markets, remarked Adviser on Commerce Abdul Razak Dawood. He expects opportunities that will increase bilateral trade and strengthen linkages with potential markets including EU, China, Central Asian states, Middle East and African region. *Tribune.*

External inflows stand at \$ 7.38Bn in July-April

According to Economic Affairs Division (EAD) data, provisional external inflows from multiple financing sources were \$ 7.38Bn during 10MFY20 against the budgeted amount of \$ 12.95Bn which is around 57% of the budgeted amount. The external inflows during 10MFY19 were \$ 8.51Bn (88%) against the budgeted amount of \$ 9.69Bn. *BR.*

Moody's puts Pakistan's banks under review for rating downgrade

Moody's has linked any downgrade in ratings of Pakistan's 5 big banks with risks to their credit profiles emanating from the gov't.'s potentially weakening creditworthiness in case of default on its private debts. It placed on review for downgrade the B3 long-term local-currency deposit ratings of ABL, HBL, MCB, NBP and UBL. *The News.*

Illegal cigarettes deprive govt of PKR 50.9Bn revenue in 2018-19

Oxford Economics in its report, "The economics of illicit cigarettes in Pakistan" has said that cost of tax evasion from illicit cigarettes could be as much as PKR 77.3Bn FY20, from PKR 50.9Bn in FY19 which was nearly 42% of the total collected from legitimate sales. *The News.*

World Bank warns pandemic could push 60Mn into extreme poverty

The World Bank president, David Malpass, has warned that the coronavirus crisis threatens to push some 60Mn people into extreme poverty, wiping out the gains made over the past 3 years. WB is already financing aid programs in 100 countries, under its commitment to spend \$ 160Bn over the next 15 months. Malpass said the bank anticipates a 5% contraction in the world economy in 2020, with severe effects on the poorest countries. *BR.*

Malls crammed full of shoppers reopen across Karachi

After the apex court ordered the reopening of shopping malls and markets for the whole week all-over the country, buyers thronged malls of the city. The shopping malls in Karachi opened at around 8am as they were supposed to be closed by 5pm. Karachi Commissioner issued the SOPs for shopping malls, under which no one will be allowed to enter the mall without a face mask and without being scanned with thermal guns. The footfall shall be digitalised to monitor the social distancing of at least 3 feet amongst the customers. Anyone above the age of 55 and below the age of 12 is not allowed to enter the shopping malls. *The News.*

SC explains ruling regarding markets: Businesses opening order till Eid only

The Supreme Court has categorically said that its order with regard to the opening of shopping centres on Saturday and Sunday was in perspective of the impending Eid ul Fitr and the situation would be reviewed post-Eid. *The News.*

Health sector: ADB approves \$ 300Mn emergency aid loan

ADB has approved a \$ 300Mn emergency assistance loan to strengthen Pakistan's public health response to the Covid-19 pandemic and help meet the basic needs of the vulnerable and poor segments of the society. The project will support the purchase of medical supplies and personal protective equipment (PPE) for hospitals and their frontline health workers and upgrading of medical facilities. *BR.*

Eid holidays

The Ministry of Interior has notified that 22nd to 27th May'20 (Friday to Wednesday) have been declared as public holidays on the occasion of Eid-ul-Fitr. *BR.*

Honda Atlas, Indus Motors resume operations

Honda Atlas Cars and Indus Motor Company have resumed operations after the govt. eased the nationwide lockdown imposed to check the spread of novel coronavirus COVID-19 in the country. Sazgar, the maker of auto rickshaws also commenced operations after seeking approvals from Punjab and Sindh govt.'s. *The News.*

Daraz, HBL enter deal to fuel growth in SME sector

Daraz and HBL have signed a strategic partnership agreement to enable the growth of SMEs by inviting SMEs to set up online shops on Daraz, and avail HBL's extensive banking solutions to meet their financial needs. HBL is Pakistan's largest bank and a leader in the SME segment while Daraz is the country's leading e-commerce platform. *BR.*

NA to hold marathon session to fulfil constitutional requirement

The govt. has decided to hold a marathon session of the National Assembly spread over 10 weeks from 5th Jun'20 in order to meet the constitutional requirement of remaining in session for a minimum of 130 days during a parliamentary year. During the session, the govt. will present the Federal Budget FY21, besides taking up pending legislative work. *Dawn.*

PKR 200Bn raised from power sukuk issue

The govt. has obtained long-term borrowing at minus 0.10% for six months Kibor due to a significant interest from investors in the Power Energy Sukuk-II (PES). The PKR 200Bn sukuk was oversubscribed to PKR 339Bn, around 70% above the target offer. However PHL, a state-owned enterprise, approved the 10-year govt. guaranteed debt instrument with semi-annual profit payments for investors amounting to PKR 199.96Bn only. This is the first time ever that the govt. has been able to borrow long term at less than Kibor. *Dawn.*

7 projects worth PKR 41Bn approved

The Central Development Working Party (CDWP) has cleared seven projects with a total estimated cost of PKR 41.34Bn related to health, higher education, industries and production and IT sectors. Establishment of Hub Special Economic Zone worth PKR 2.3Bn was given a go ahead. *Dawn.*

FBR issues guidelines

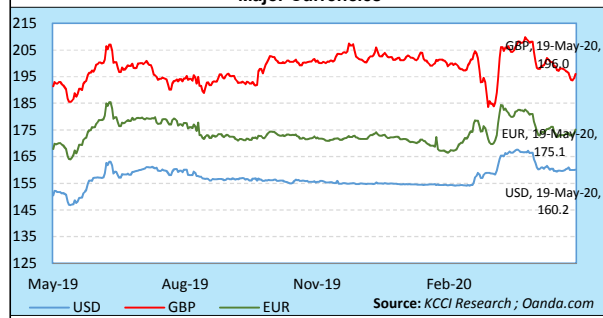
FBR has restrained the field offices from taking unilateral decision to close offices, while dealing with COVID-19 outbreak in the country as this leads to interruption in service delivery of the organization. *The News.*

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	19-May	PKR	160.08	0.00%
USD-Open MKT	19-May	PKR	161.50	0.31%
KSE-100 index	19-May	Pts.	34,159	1.05%
FIPI	19-May	\$ Mn	-2.94	NM**
Crude (AP'19)	19-May	\$/bbl	32.27	8.25%
Gold (MA'19)	19-May	\$/oz	1,732.4	-1.31%
Gold (10g) Local	19-May	PKR	88,390	0.00%
Silver (MA'19)	19-May	\$/oz	17.33	1.63%
Cotton(KHI)-40 kg	19-May	PKR	9,217	0.00%
Kibor-6M	19-May	%	8.12	0.03%
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-Apr 20	\$ Bn	2.28	127.00%
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

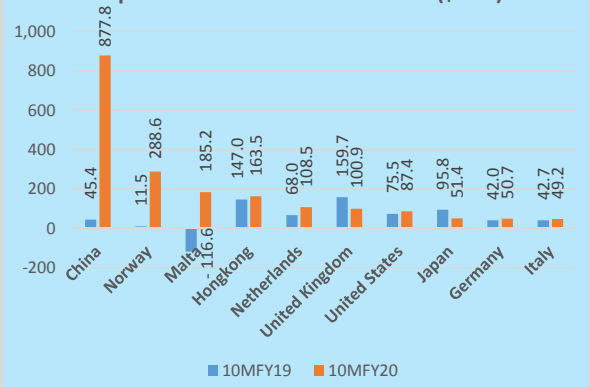


Quote of the Day

"Everything you want is on the other side of fear."

Jack Canfield

Top Net FDI Sources For Pakistan- (\$ Mn)



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