

Govt likely to allocate PKR 1,000Bn for Covid-19

The federal govt. has prepared a draft for PKR 7,570Bn Federal Budget FY21 which will be finalized in the first ten days of Jun'20 and sent to the federal cabinet for approval. The budget will be presented in the parliament on 12th Jun'20. PKR 1Tn is expected to be allocated for dealing with coronavirus pandemic and for providing relief to the business community. Tax rate on essential food items is likely to be reduced. *Tribune*.

International flights resume

According to NOTAM issued by Pakistan Civil Aviation Authority (PCAA), as per the decision taken by the Govt. of Pakistan, all national and foreign carriers are permitted to start scheduled/non-scheduled and charter operations for outbound passengers only from 29th May'20 from all international airports except Gwadar and Turbat airports. Meanwhile, the restrictions on inbound passenger operations into Pakistan shall continue however special permission is required from govt. by national & foreign carriers and charter operators for flights with inbound passengers on case to case basis. In addition, diplomatic, special and cargo flights to/from Pakistan shall also be permitted. *BR*.

Ogra recommends slashing of prices of petroleum products

Ogra has calculated an increase of 0.05 paisa in the price of high-speed diesel (HSD), but it recommended slashing of prices of other petroleum products by up to PKR 11.88/litre for Jun'20. It proposed to reduce the prices of petrol from PKR 81.58 to PKR 74.52/litre, kerosene from PKR 47.44 to PKR 35.56/litre and Light Speed Diesel from PKR 47.51 to PKR 38.14/litre. *BR*.

Govt may freeze oil prices till June 15

The govt. is likely to freeze petroleum product prices till 15th Jun'20 in a bid to minimize volatility risk for the oil industry and stave off heavy inventory losses. The ECC is set to take a decision in a meeting today (30th May'20). Therefore, the forthcoming petroleum price revision may be announced from 16th Jun'20 rather than 1st Jun'20. *Tribune*.

Pakistan begins transit trade to Afghanistan via Gwadar port

Pakistan's Commerce Ministry has operationalised the Gwadar Port for Afghan transit trade, marking a first in sea trade between the two countries. The trade business has commenced under the Afghanistan-Pakistan Transit Trade Agreement-2010 (APTAA). Advisor on Commerce Abdul Razak Dawood shared that a ship carrying 16,000 metric tonnes of urea and fertiliser for Afghanistan had arrived in Gwadar. The adviser further added that it was for the first time that the fertiliser will be locally packed. *BR*.

Pak fiscal deficit to be in range of 8 to 17% of GDP

According to a report of Planning Commission's research arm, fiscal losses faced by Pakistan so far have escalated to \$ 14Bn after outbreak of the coronavirus and Pakistan's fiscal deficit is projected to be in the range of 8 to 17% of GDP in the upcoming FY21 depending upon the duration of lockdown period. The study titled "Post-COVID-19 scenario for Pakistan's Economy" predicts that in the worst-case scenario, layoffs could increase to 18Mn thereby pushing 87Mn people into poverty. The expected annualized growth for FY20 could range between 0.62% and -1.36%. *The News*.

FBR mulls online feature to show WHT deduction

FBR has said that it is mulling a new online feature from FY21 to help taxpayers view their taxes withheld to facilitate refunds settlement and adjustments. Presently, a taxpayer is unable to verify his amount of withholding tax on the FBR's portal, which results in hassle related to adjustment and refund claims. *The News*.

Pakistan's growth prospects bank on IMF-backed reforms: ADB

ADB has ascribed Pakistan's growth prospects with ongoing IMF-backed reforms aimed at fiscal consolidation and development initiatives to uphold economic stability. It further said that projects under Central Asia Regional Economic Cooperation Program, CPEC, and other development initiatives will continue to influence Pakistan's growth prospects. ADB said that it will continue to support Pakistan through investments outlined in the country operations business plan, 2020-2022. *The News*.

Industry calls for resolving liquidity issues of export sector in budget

Advisor on Commerce, A. Razak Dawood held a video meeting with leading industrialists from various sectors. The objective of the meeting was to explore out-of-box ideas and formulate strategies to reduce the adverse effects of the evolving COVID-19 situation on Pakistan's exports. Industry representatives proposed that the facilitation measures for decreasing the cost of doing business should be accompanied with steps to address the liquidity issues of the industry, especially the export sector, in the upcoming budget for FY21. *The Nation*.

Registration of projects: FBR unveils declaration for builders and developers

FBR has issued declaration for developers and builders for registration of their new and ongoing projects in the real estate sector with the Iris portal of the bureau. The developers and builders across the country can easily access the FBR website and get themselves registered with the Iris system to avail tax incentives such as fixed tax regime under Tax Laws (Amendment) Ordinance, 2020. *BR*.

Adjustable FED on unmanufactured tobacco likely to go up

The govt. is likely to increase the advance adjustable Federal Excise Duty (FED) on unmanufactured tobacco from PKR 10/kg to PKR 500/kg in budget FY21. Further, rate of adjustable advance income tax, currently 5%, likely to be increased to 10%. *BR*.

PKR 200Bn summary sent back to Power Division

ECC has rejected a move by the Power Division for payment of PKR 200Bn to various public and private sector entities without a well-defined and written criterion. Adviser on Finance Dr. Abdul Hafeez Shaikh, directed the Power Division to set some principles and criterion in writing for payment of PKR 200Bn to various power sector entities affected by over PKR 2Tn circular debt and come back for approval on Saturday (30th May'20). *Dawn*.

Drug firm Searle to import antiviral Remdesivir from Bangladesh

Pharmaceutical firm, Searle has partnered with Beximco Pharmaceuticals of Bangladesh to provide an immediate supply of Remdesivir at an affordable price in Pakistan, helping healthcare providers in Pakistan to treat hospitalised COVID-19 patients. Earlier, Pakistan's Ferozsons Laboratories through its subsidiary BF Biosciences has successfully concluded a non-exclusive license agreement with Gilead Sciences for the manufacturing of the same drug. *The News*.

OMCs warned of action for failure to furnish storage data

Ogra has warned oil marketing companies of legal action if they couldn't turn up monthly sales and stock data of motor gasoline and diesel for the past 3 months as it accelerated drive to confirm sufficient availability of oil in the country. *The News*.

Thar coal power plants could cause 29,000 deaths from pollution, says new study

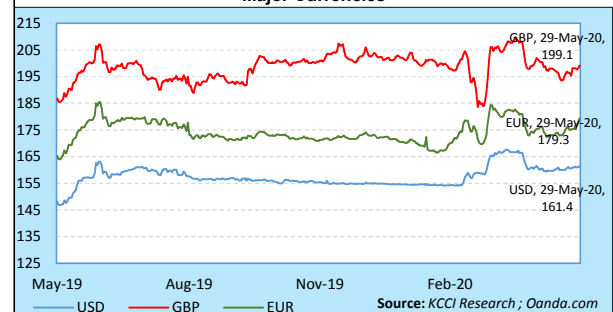
Centre for Research on Energy and Clean Air (CREA) in a new report has said that a cluster of coal-fired power plants in the Thar desert, some of which are already operational, could expose around 100,000 people to harmful acidic gases and 29,000 people could die from air pollution related causes over the 30-year operating life of the plants. *Dawn*.

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	29-May	PKR	163.10	1.43%
USD-Open MKT	29-May	PKR	164.00	1.55%
KSE-100 index	29-May	Pts.	33,931	0.70%
FIPI	29-May	\$ Mn	0.47	NM**
Crude (AP'19)	28-May	\$/bbl	33.66	4.31%
Gold (MA'19)	28-May	\$/oz	1,723.2	-0.53%
Gold (10g) Local	29-May	PKR	90,700	2.14%
Silver (MA'19)	28-May	\$/oz	17.92	3.42%
Cotton(KHI)-40 kg	29-May	PKR	9,217	0.00%
Kibor-6M	29-May	%	7.88	-0.02%
Forex Reserves	21-May	\$ Bn	18.60	-0.11%
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-Apr 20	\$ Bn	-3.34	-70.80%
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

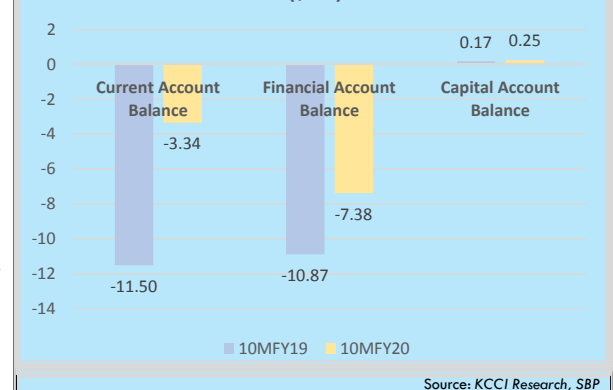


Quote of the Day

"I find that the harder I work, the more luck I seem to have."

Thomas Jefferson

Pakistan's Balance of Payment Snapshot (\$ Bn)



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