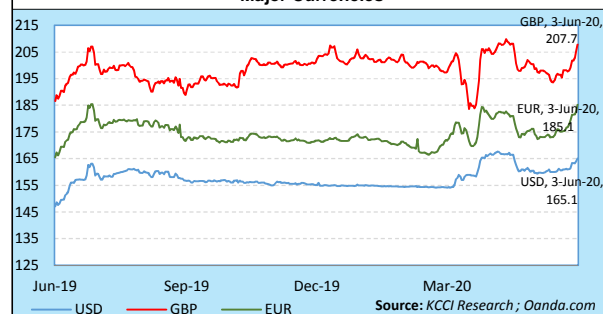


Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	3-Jun	PKR	164.25	-0.76%
USD-Open MKT	3-Jun	PKR	164.00	-0.73%
KSE-100 index	3-Jun	Pts.	34,401	-0.02%
FIPI	3-Jun	\$ Mn	-1.46	NM**
Crude (AP'19)	3-Jun	\$/bbl	36.64	-0.87%
Gold (MA'19)	3-Jun	\$/oz	1,697.1	-1.63%
Gold (10g) Local	3-Jun	PKR	88,390	0.00%
Silver (MA'19)	3-Jun	\$/oz	17.94	-2.34%
Cotton(KHI)-40 kg	3-Jun	PKR	9,217	0.00%
Kibor-6M	3-Jun	%	7.94	0.05%
Forex Reserves	21-May FY20	\$ Bn	18.60	-0.11%
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	126.78%
LSM Growth*	Jul-Mar 20	%	-5.40	
Avg. CPI	Jul-May 20	%	10.94	
Discount Rate	Jun-20	%	8.00	

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

Major Currencies

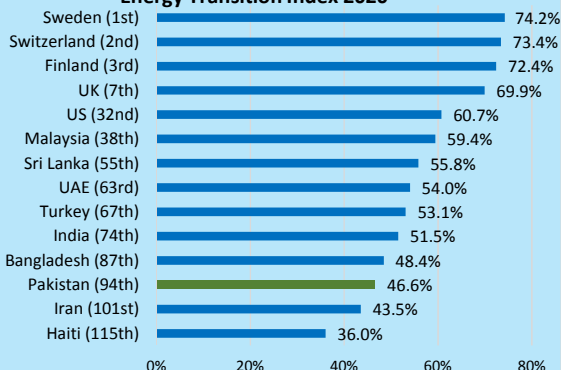


Quote of the Day

Nothing will work unless you do'

Maya Angelou

Energy Transition Index 2020



Disclaimer

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KCCI concerned over tax officials' seeking more powers

President KCCI Agha Shahab Ahmed Khan has expressed serious concern on reports that the Income Tax officials are seeking more powers to probe and reopen cases of taxpayers for as long as past 10 years. In their proposals for budget FY21, the officials of the tax department have recommended that they may be authorised to issue assessment orders for up to 10 years instead of 5 years Under Section 121 of the Income Tax Ordinance 2001. President KCCI pointed out that KCCI has contested for years to curtail discretionary powers of tax officials, which are a source of harassment to the taxpayers and have prevented a majority of business persons to register in the tax regime. Such powers are a deterrent to broadening the tax base which remains around 1% despite all kinds of coercive tactics. He said that contrary to stated goal of reforms in FBR and Taxation regime, the govt. is being misled into taking measures in the Budget FY21 which will further discourage documentation and result in misuse of discretionary powers. *BR.*

Strict lockdown if people continue SOPs violation: Shibli Faraz

Minister for Information Shibli Faraz has made an appeal to the people to strictly follow SOPs in the face of rising cases of coronavirus in the country or else the govt. would have no other option but to re-enforce the lockdown. He said that those shopping centers, shopkeepers and transporters who did not enforce SOPs, would face action/fin. *The News.*

Pak gets EU certificate to manufacture face shields

A Lahore based Pakistani company has successfully gotten EU"CE" certification for manufacturing most economical disposable international standard Face Shields specifically designed to protect doctors and paramedics treating the coronavirus patients across the country. *The Nation.*

FBR decides to introduce changes through Finance Bill

FBR has decided to introduce administrative and legal changes in the Income Tax Ordinance through Finance Bill, 2020, to allow assessing officers to also issue assessment orders to effectively deal with the issue of transfer pricing audit of multinational companies. FBR would amend Section 230E of the Income Tax Ordinance, 2001 to address the concerns of the UK tax authorities under a global "Tax Inspectors Without Borders" (TIWB) initiative. Presently, the commissioner issues the assessment orders on the basis of cases framed by the concerned assessing officer. It is proposed that the concerned assessing officer should also have the authority and power to make assessment of the case. *BR.*

Policy focus now on growth, says SBP governor

SBP Governor Reza Baqir has said that savings from oil imports have more than compensated for the decline in exports and remittances. SBP has taken many policy decisions other than rate cuts, he said adding that around PKR 500Bn loans have been deferred and PKR 71Bn restructured. He said that SBP has very little concern on inflation and the policy emphasis can now shift towards promoting growth. *Dawn.*

With industry stagnant, govt aims for 2.3% growth next year

From a 0.4% economic contraction this year, the govt. is targeting the national economy to rebound with a 2.3% growth rate in FY21 despite a further dip in the industrial sector. The macroeconomic targets for FY21 would be formally approved by the Annual Plan Coordination Committee today (4th Jun'20) on the basis of around PKR 600Bn PSDP. Authorities expect the commodity producing sector to post a 1.9% growth in FY21 against -0.1% in FY20 while services sector would grow by 2.8% compared to -0.6% this year. *Dawn.*

Working group to develop Risk-based Capital regime

SECP has constituted a working group of actuaries to develop and implement a Risk-based Capital regime in the country. The existing solvency regime, despite taking into account the liquidity, credit, market, insurance risks etc. in calculation of solvency through admissibility of assets test, does not quantify various risks borne by insurers. Therefore, it does not deliberate on the adequacy of capital keeping in view the undertaken risks. *Dawn.*

K-Electric facing furnace oil shortfall

K-Electric has said that rise in temperatures and growing usage due to ease in lockdown has caused power demand to peak at 3,200MW. The power utility said that it is facing challenges on account of furnace oil shortfall. K-E's daily furnace oil requirement is close to 4,500 tons per day, while at present it is receiving only around 1,500 tons daily. *Dawn.*

Body set up to work on oil hedging options

ECC has approved a retrenchment plan for over 9,000 employees of the Pakistan Steel Mills (PSM) and has set up a body to explore various call options for oil hedging. The committee would explore call option for 15Mn barrels of oil for one or two years divided into 12 equal monthly amounts for different stock prices above current Brent as long as the fee is within "acceptable" range. *BR.*

Pakistan's unemployment rate is predicted to rise to 28% amid COVID-19 crisis

A recent survey by Gallup Pakistan reveals, more than 17Mn people could become unemployed in the future amid the COVID-19 crisis. The unemployment rate is predicted to surge to a whopping 28% according to the survey. *Daily Times.*

Officials begin to take notice as petrol shortage worsens

With shortage of major petroleum products aggravating with none of the 80+ oil companies maintaining mandatory stocks, authorities appear to be waking up to the situation as complaints have started reaching the PM's desk. Ogra has issued show-cause notices to six of the leading oil companies for violating petroleum rules that require at least 20 days of sales cover. *Dawn.*

Cement sales contract 38% in May as corona crisis aggravates downbeat demand

Domestic cement uptake has declined 38% to 2.27Mn tons compared with 3.64Mn tons in May'19. The decline in cement dispatches is mainly due to Ramzan, Covid-19 and Eid holidays which slowed the construction activity. *The News.*

Juice industry stares at 30% loss; fruit buying drops 75%

Several leading juice manufacturers including Nestle, Coke, Pepsi, Shakargunj, CitroPak, and Haleeb have written to the FBR about the adverse impact of FED. They said that the formal juice industry bears the brunt of FED in terms of 30% revenue loss, as off take of the informal sector surges, consequently harming the sales of fruit farmers by about 75%. They urged the govt. to withdraw 5% FED on the juices industry imposed in Jul'19, as it is negatively impacting business growth and consequently rural economy. *The News.*

FBR refunds PKR 5Bn to trader in one month instead of scheduled 10 years

FBR refunded PKR 5Bn to a trader in connection with export of food items during FY19. The money was to be paid over 10 years, but the payment was made in a single month. The issue was raised during a meeting of the Public Accounts Committee held in the Parliament House. *Dawn.*

Foreign firms repatriate \$ 1.19Bn in 10 months

Outflow of profits and dividends on foreign investments from the country dropped 3.47% to \$ 1.19Bn in 10MFY20 compared with \$ 1.24Bn, mainly owing to limited or stagnant economic activities under a COVID-19 pandemic-led lockdown. The slowdown in the profits and dividends from the foreign businesses is due to the squeeze in the profit margins of the various companies operating in Pakistan. *The News.*