

### Hammad likely to present budget on June 12

Minister for Industries Hammad Azhar is likely to present federal budget FY21 in the National Assembly on 12<sup>th</sup> Jun'20. *BR-Mon.*

### Customs reforms in the works

The govt. has decided to introduce two major reforms to the Pakistan Customs in the FY21 budget for cross-border movement of goods under the Trade Facilitation Agreement (TFA) in line with WTO procedures. The deadline set for its implementation is 30<sup>th</sup> Sep'20. The govt. will introduce new rules for advance rulings. The second major reform is to implement Authorized Economic Operator (AEO) program which aims to facilitate secure trade supply chains through simplified procedures. *Dawn-Sun.*

### Revenue shortfall to be met through petroleum levy

The govt. has decided to increase its reliance on the petroleum levy to fetch additional PKR 194Bn revenue in the upcoming budget FY21. The overall collection of petroleum levy is expected to go up to Rs489 Bn in FY21 against revised estimates of PKR 295Bn in FY20 as the govt. finds it really hard to generate traditional taxes collected through the FBR. *The News-Mon.*

### Budget 2020-21: Hotel industry, airlines, poultry sector to be incentivized

While presenting next budget FY21 without net revenue measures, the govt. is considering different options to provide incentives to severely impacted sectors like hotel industry, airlines, retailers and poultry sector after outbreak of COVID-19 pandemic. The retailers for tier-1 tax are likely to be reduced, as efforts are underway to convince the IMF. The cement sector is also under consideration for provision of relief in the next budget. The govt. has also slashed all heads of non-development expenditure such as procuring vehicles, petrol, filling of vacancies and defense budget was also curtailed by PKR 50Bn than its initially envisaged demand. *The News-Mon.*

### Companies: Finance Bill 2020 may address min tax on turnover

Finance Bill 2020 is expected to address the issue of applicability of higher rate of minimum tax on turnover for companies as compared to the corporate income tax also charged from companies. Tax experts have proposed that the rate of 1.5% minimum tax ought to be reduced to 0.5% which was endorsed by the Supreme Court when the tax was levied in 1991. *BR-Mon.*

### Ban on inter-provincial movement lifted: Duties on wheat import abolished

The govt. has decided to lift ban on the inter-provincial transportation of wheat and abolish 6% and additional 2% duties on import of the commodity in order to ensure its sufficient availability in the country. *BR-Mon.*

### China starts importing frozen fish from Pakistan

China has started importing frozen fish from Pakistan as a standard sized container of silver croaker fish set off from Karachi Port via a cargo ship of COSCO Shipping Corporation Limited. *Daily Times-Sun.*

### Petrol pricing likely to be deregulated

Amid continuously aggravating petroleum shortage across the country, the govt. has decided in principle to "completely deregulate" petrol pricing and marketing and do away with uniform pricing mechanism. The decision comes at a time when oil marketing companies are under criticism for cartelization-like behavior. The govt. has also agreed with the oil industry that inland freight equalization margin (IFEM) mechanism would also be deregulated. *Dawn-Mon.*

### COVID-19 relief package: SBP provides liquidity of around PKR 1Tn

According to data issued by SBP, the bank has provided liquidity relief of over PKR 1Tn to various sectors affected by covid-19. Among others, under the Rozgar Scheme, 291,172 businesses with around 865,000 employees have so far been provided PKR 92Bn financing. It has also reduced the capital conservation buffer from its existing level of 2.5% to 1.5per cent that will enable banks to lend an additional amount of around PKR 800Bn. *The Nation-Mon.*

### World Bank projects -1% GDP growth for Pakistan in 2020-21

Contrary to the positive projection of GDP growth rate of 2.3% by Pakistan's economic managers, the World Bank has projected negative -1% GDP growth for Pakistan in FY21. *The News-Mon.*

### Senate set to debate key national issues today

The Senate is set to take up a heavy agenda, including debates on key national issues and some resolutions on sensitive matters when it meets after a two-day recess today (8<sup>th</sup> Jun'20). The 49-point agenda issued for the private member's day sitting also includes introduction of 10 bills and passage of another five bills which have already been approved. *Dawn-Mon.*

### Operation against violators of SOPs in full swing across country

The crackdown against violators of SOPs devised by the govt. to contain coronavirus spread in the country continued, with thousands of individuals, industrial units, transport vehicles, shops and markets fined over violation of safety guidelines. The govt. of Sindh arrested 80 drivers and fines of a total of 77,300 were imposed on 91 passenger vehicles for violations of SOPs issued by the provincial govt. *Daily Times-Sun.*

### Sindh collects PKR 68.94Bn taxes in 11 months

The Sindh Excise Department has collected taxes worth PKR 68.94Bn in 11MFY20. The province collected PKR 5.42Bn collected in the head of motor vehicle tax, PKR 56.81Bn in infrastructure cess and PKR 512.77Mn in professional tax, while PKR 203.48Mn were collected in cotton fee and property tax. In addition, PKR 1.82Bn was collected in entertainment duty and the rest in other taxes. Minister for Excise and Taxation has said that the Sindh govt. had given 25% exemption in property tax, professional tax, motor vehicle tax and entertainment duty, keeping in view the difficulties of the people. *The News-Sun.*

### PTI govt. approves CPEC's \$ 7.2Bn strategic project

Pakistan Railways' Mainline-I Project of CPEC has been approved by CDWP at a cost of \$ 7.2Bn and has been recommended to the Executive Committee of National Economic Council (Ecne) for further approval. In total, CDWP approved 13 projects worth PKR 36.2Bn and recommended five projects worth PKR 1.3Tn to Ecne for consideration. *Dawn-Sun.*

### Opec, Russia extend record oil cuts to end of July

Opec, Russia and allies have agreed to extend record oil production cuts until end-Jul'20, prolonging a deal that has helped crude prices double in the past two months by withdrawing almost 10% of global supplies from the market. The group also demanded countries such as Nigeria and Iraq, which exceeded production quotas in May-Jun'20, compensate with extra cuts in Jul-Sep'20. *Dawn-Sun.*

### RLNG prices slashed by 19.09% for SSGC and 18.4% for SNGPL

The govt. has decreased the prices of RLNG by 19.09% for the consumers of SSGC and 18.40% for the consumers of SNGPL. The price of RLNG for SSGC had been set at \$ 6.27 per mmbtu for the ongoing month while for SNGPL the price would be 6.13 per mmbtu. *The Nation-Mon.*

### NCOC launches Covid-19 mobile App

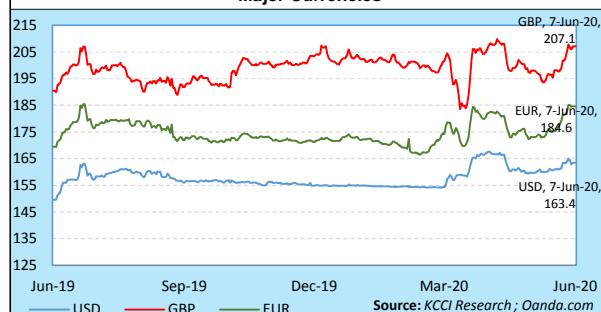
Minister for Planning Asad Umar has said that National Command and Operation Centre (NCOC) with the support of National Information Technology Board (NITB) has launched Pak Neghayban mobile Application. The App would allow users to see availability of beds ventilators, capacity and usage in real-time at various health centers across Pakistan. *BR-Mon.*

### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	5-Jun	PKR	163.30	-0.43%
USD-Open MKT	5-Jun	PKR	163.50	0.09%
KSE-100 index	5-Jun	Pts.	34,350	0.68%
FIPI	5-Jun	\$ Mn	-1.43	NM**
Crude (AP'19)	5-Jun	\$/bbl	37.33	1.88%
Gold (MA'19)	5-Jun	\$/oz	1,714.5	1.03%
Gold (10g) Local	5-Jun	PKR	88,390	0.00%
Silver (MA'19)	5-Jun	\$/oz	18.00	0.31%
Cotton(KHI) -40 kg	5-Jun	PKR	9,217	0.00%
Kibor-6M	5-Jun	%	7.97	0.00%
Forex Reserves	29-May FY20	\$ Bn	16.92	YoY -9.02%
Remittances	Jul-Apr 20	\$ Bn	18.78	5.51%
Exports*	Jul-May 20	\$ Bn	19.80	-6.87%
Imports*	Jul-May 20	\$ Bn	40.85	-18.96%
Trade Balance*	Jul-May 20	\$ Bn	-21.06	27.77%
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

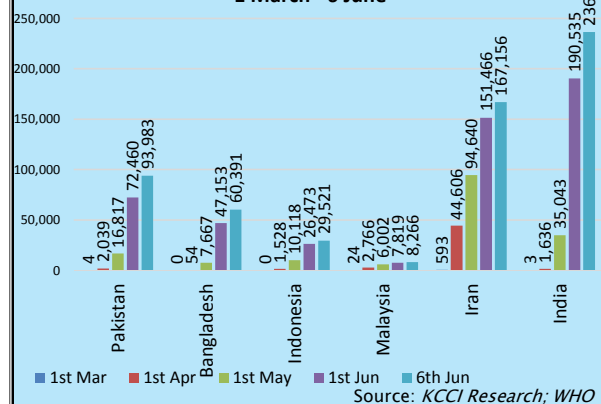


### Quote of the Day

"It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently."

Warren Buffett

### COVID-19: Country Comparison 1 March - 6 June



### Disclaimer

This report has been prepared by KCCI Research & Development Cell. The information contained herein have been compiled or arrived at based upon information obtained from sources believed to be reliable and in good faith. Such information has not been independently verified.

icon represents the sole viewpoint of the KCCI R&D Cell, and is stated to enrich the readers' understanding of the news item. The