

NEC to approve 2.1% growth target today

National Economic Council (NEC) meeting is expected to approve today (10th Jun'20) a growth target of 2.1% for FY21. The meeting to be presided over by PM Imran Khan would also approve PKR 1.5Tn consolidated development outlay. The Planning commission had forecasted GDP growth for FY21 at 2.3% with contributions from agriculture (2.9%), industry (0.1%), and services (2.8%). Average inflation is projected at 6.5%, current account deficit is projected to be at 1.6% of the GDP with projected growth of exports and imports of 1.5%. *BR.*

Expenditure freeze, revenue target of PKR 4.95Tn agreed with IMF

An agreement seems to have been reached with the IMF to freeze the size and expenditures of the federal govt. in the FY21 budget to keep the IMF program on track. Austerity and belt tightening remain the focus of the upcoming budget. The two sides have also agreed on FBR's revenue target of about PKR 4.95Tn. Besides a tight lid on civil expenditures, subsidies would be targeted and reduced, debt would be smartly structured and cash disbursements for relief and stimulus would be linked to the availability of fiscal space. *Dawn.*

FBR seeks WHT on foreign currency

FBR has proposed introduction of 0.6% WHT on the purchase of foreign currency and has sought to squeeze various expense allowances that industrialists get before computing their taxable income. The proposals have been made to generate an additional PKR 40Bn in taxes from five measures during FY21. It has also recommended bringing more sectors under the scope of advance income. One key proposal is to introduce a half-year rule for depreciation of assets aimed at curtailing expenses of industrialists. *Tribune.*

2,000 tariff lines may see duty cuts

The govt. decided to reduce customs duty on approximately 2,000 tariff lines in the FY21 budget to reduce the cost of doing business. The Tariff Policy Board (TPB) has decided to abolish 2% additional customs duty on more than 1,600 tariff lines — raw materials and intermediate goods related only to industrial sector. The 2nd major relief to the industrial sector is reducing the slab of 11% on tariff lines to 3% or zero. *Dawn.*

Tobacco growers: FBR rejects proposal on raising advance FED

FBR has rejected the proposal of local and multinational companies to increase advance FED from PKR 10 to PKR 500 on tobacco growers with the consultation of a Special Committee on Agricultural Products. It was also decided that the FED on tobacco leaf will remain intact for FY21 at PKR 10. *BR.*

Provincial utilization of uplift funds remains low during FY 2019-20

The provincial utilization of allocated development funds has remained dismally low during the outgoing FY20 as un-utilized funds stood at over 40% as provinces have utilized development funds of PKR 540Bn against the allocated amount of PKR 912Bn. *The News.*

FBR resorts to strict measures to meet FY2020 revenue target

FBR has decided to take tough measures, including attachment of bank accounts and assets and arrests, for tax recovery in Jun'20. FBR is invoking recovery provisions in the law to achieve the revised revenue collection target for FY20. The FBR's offices have been given PKR 415.5Bn as the collection target in Jun'20 which may prove difficult due to adverse impact of lockdown following the COVID-19. *The News.*

Fuel pricing on quarterly basis sought

In a rapidly evolving situation, the Petroleum Division has moved another summary for immediate switching of fuel pricing to quarterly basis, with immediate effect from 16th Jun'20 with the first price increase of about PKR 9-10/litre. The fresh summary is expected to be taken up by the ECC today (10th Jun'20). *Dawn.*

Federal govt planning megaprojects for Sindh, meeting told

The federal govt. is in the process of conceiving mega development projects for major Sindh cities including Karachi, Hyderabad, Mirpurkhas, and some other districts with a view to bring the province at par with other 'developed' parts of the country. This emerged during a meeting of the Karachi Transformation Committee (KTC) and the Sindh Infrastructure Development Company Limited (SIDCL). *Dawn.*

WB suggests increase in retirement age to cut pension expenses

The World Bank has recommended an increase in retirement age to 65 for govt. servants to cut the growing pension cost of the country. The projected effect of increasing the retirement age from 60 to 63 would be to reduce pension costs by between 0.5% and 1% of fiscal revenues over the projection period. *The News.*

Govt allows export of hand sanitizers, protective equipment to fetch \$ 1Bn

Pakistan has allowed the export of personal protective equipment (PPEs) and hand sanitizers in order to fetch \$ 1Bn over the next 12 months in the aftermath of the COVID-19 pandemic. Advisor on Commerce Razak Dawood said notification allowing export of PPEs and hand sanitizer has been issued. *The News.*

PM orders proper petrol supplies within 48-72 hours

PM Imran Khan has directed that maximum punitive action must be taken against all those responsible for artificial shortage of petrol in the country and ordered authorities concerned to ensure regular supplies within 48-72 hours. The PM further directed the Minister of Petroleum and OGRA to ensure that every Oil Marketing Company maintains 21 days stock to meet its license conditions. *The Nation.*

WHO questions lockdown lifting as 105 more die in a day

The World Health Organization (WHO) has said that Pakistan didn't meet any prerequisite condition for ending the lockdown, while an intermittent lockdown across the country and increased number of testing is required to mitigate the outbreak of COVID-19. The WHO has recommended two weeks on and off intermittent lockdown across the country and an increase in the testing capacity beyond 50,000 tests per day. The country has reported 105 more deaths of coronavirus patients during the last 24 hours. *The Nation.*

Economic Survey to be released on Thursday

The federal govt. will release the Economic Survey 2019-20 on Thur (11th Jun'20), one day before the presentation of the FY21 federal budget. The Economic Survey provides the data about the national economy and its performance during the year. *Tribune.*

Pakistan's lucrative mango exports to Iran seriously jeopardized

Pakistan's lucrative mango exports to Iran have been seriously jeopardized this year mainly because mango consignments are stuck on the Pakistan-Iran border for the last 4 days. It is feared that this year only around 800 tons of mango will be exported to Iran against the estimated 15,000 tons export under normal circumstances. *BR.*

Only 3% Pakistanis clear-headed about coronavirus disease: survey

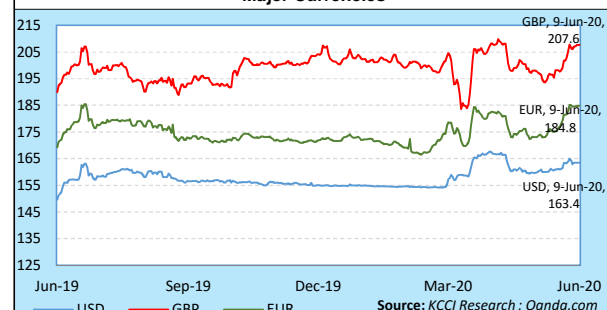
As Pakistan witnessed its highest coronavirus-related death tally of 150 in a day, a survey by Ipsos, a global market research, reveals that only 3% Pakistanis are clear-headed about the disease, with no misconceptions about its prevention, spread and cure. The poll depicted that one in three Pakistanis believed in conspiracy theories related to the coronavirus with 42% terming it a foreign conspiracy, 33% calling it a laboratory-made virus spread in the world on purpose and 42% having misconception that it affects only the people above 55 years of age. *Daily Times.*

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	9-Jun	PKR	164.34	0.44%
USD-Open MKT	9-Jun	PKR	165.00	0.30%
KSE-100 index	9-Jun	Pts.	34,804	0.16%
FIPI	9-Jun	\$ Mn	-3.07	NM**
Crude (AP'19)	9-Jun	\$/bbl	38.25	-2.12%
Gold (MA'19)	9-Jun	\$/oz	1,700.3	0.99%
Gold (10g) Local	9-Jun	PKR	90,100	1.24%
Silver (MA'19)	9-Jun	\$/oz	17.95	2.24%
Cotton(KHI) -40 kg	9-Jun	PKR	9,217	0.00%
Kibor-6M	9-Jun	%	7.96	-0.01%
Forex Reserves	29-May FY20	\$ Bn	16.92	WoW -9.02%
Remittances	Jul-Apr 20	\$ Bn	18.78	YoY 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

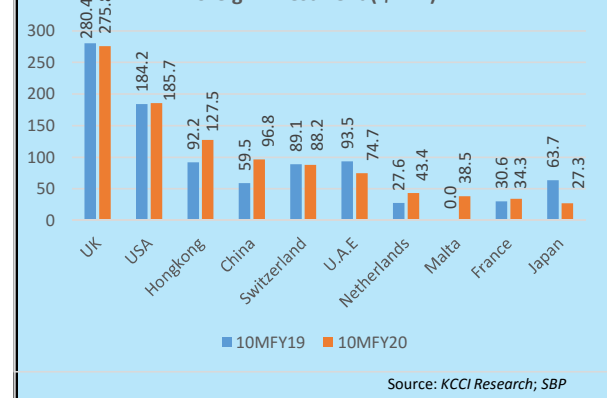


Quote of the Day

"A journey of a thousand miles begins with a single step."

Lao Tzu

Repatriation of Profit / Dividend by Country on Foreign Investment (\$ Mn)



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