

PKR 96Bn disbursed under refinance scheme: SBP governor

Governor SBP, Reza Baqir, has said that so far a total of 1,320 companies have availed SBP's refinance scheme, and a sum of PKR 96Bn has been disbursed to the applicants during Apr, May and Jun'20. President KCCI, Agha Shahab Ahmed Khan, has urged SBP to publicize details of all the companies which had availed the SBP's refinance scheme with a view to making this scheme transparent otherwise it is likely that the banks would be accused of giving loans to their favorites. *BR.*

Stringent measures for non-filers in upcoming budget

The govt. is set to introduce higher tax rates for non-filers of sales tax and federal excise duty returns and additional rigorous procedures to improve tax compliance. The govt. will introduce a slightly higher tax rate than the standard 17% sales tax for non-registered individuals. Moreover, non-registered individuals will be unable to avail the input tax credit. Authorities are also working on abolishing almost 10 WHT in the budget, which generate less revenue and have no role in the documentation. *Dawn.*

NEC approves PKR 1,324Bn national development outlay

With special allocation of PKR 70Bn for COVID-19 pandemic response, the National Economic Council (NEC) under chairmanship of PM Imran Khan has approved the national development outlay of PKR 1,324Bn for budget FY21. The NEC approved federal PSDP of PKR 650Bn with foreign exchange component of PKR 72.5Bn and provincial annual development program (ADPs) of PKR 674Bn including foreign component of PKR 222.5Bn for upcoming budget. The NEC also approved macroeconomic framework and envisaged GDP growth rate at 2.1% and inflation at 6.5% FY21. *The News.*

State Bank proposes abolishing WHT on cash withdrawal

SBP has proposed to abolish WHT on cash withdrawal from banks in the upcoming budget. It has also asked for doing away with Super Tax on the banking sector. The SBP has proposed to align the corporate tax rate applicable on banks with that of other companies by reducing it from 35% to 29%. *The News.*

Govt may levy GST on more goods

The federal govt. may reduce tax rates on low-cost cigarettes but can increase the levy on expensive brands in the next budget. It also plans to increase income tax liabilities of higher income groups. Tax proposals also include imposing 17% GST at market prices on three-dozen more consumer goods while shifting away from calculating sales tax at factory prices. These proposals, if implemented, are likely to adversely impact the disposable income of people. *Tribune.*

FY20: Economic Survey envisages -0.4% growth

The country's Economic Survey 2019-20 envisages Pakistan's GDP growth at historical low level of -0.4% in FY20 - a projection 1.1% lower than made by IMF. Advisor on Finance, Dr. Abdul Hafeez Shaikh, will unveil Economic Survey today (11th Jun'20). The World Bank, however, has projected Pakistan's GDP growth at negative 2.6% in FY20. According to the Finance Ministry, some 3Mn jobs are expected to be lost and FBR's tax revenue may drop from PKR 4,800Bn to PKR 3,905Bn. *BR.*

ECC allows duty-free import of wheat

ECC has allowed tax and duty-free import of wheat. The committee has placed a complete ban on wheat export as the commodity's price in local markets shot up. *Dawn.*

ADB okays \$ 500Mn loan to Pakistan

ADB has approved a \$ 500Mn loan to Pakistan for social protection, health and fiscal stimulus for growth and job creation. The loan would deliver social protection programs to the poor and vulnerable, expand health sector capabilities, and deliver a pro-poor fiscal stimulus to boost growth and create jobs as the country fights the novel coronavirus. *Dawn.*

Virus to slice at least 6% off world economy: OECD

The Organization for Economic Co-operation and Development (OECD), in its latest outlook, entitled "World Economy on a Tightrope", said that the economy will contract at least 6% in 2020, with an unprecedented loss of income and "extraordinary uncertainty" caused by measures to contain the coronavirus outbreak taking a heavy toll. In the event of a 2nd wave of contagion later in 2020, economic output could even shrink by as much as 7.6%, it warned. GDP growth should resume in 2021, by 5.2% if the virus is contained, and 2.8% if there is another infection wave. *BR.*

Ethihad resumes flights from Pakistan

Ethihad Airways will start operation from Pakistan nearly two months after coronavirus-related lockdown, with flights scheduled from Karachi and Lahore on 13th Jun'20. *Dawn.*

Shops and markets violating SOPs to be sealed: CS

Sindh Chief Secretary Mumtaz Ali Shah has said that all shops and markets violating SOPs would be sealed. He further stated that all traders and trade associations have assured implementation of SOPs and have also submitted undertakings. It is their duty to strictly implement SOPs, he added. He said that there is an Epidemic Diseases Act and an Ordinance in the province for violating SOPs under which a fine of up to PKR 1Mn could be imposed on the spot. *BR.*

Govt. to finance rehabilitation of KCR phase-II mainly through local funding

The govt. will finance rehabilitation and idealization of Karachi Circular Railway (KCR) Phase-II mainly through local funding, relying least on foreign financial assistance. According to PC-1, the project has been approved recently at a cost of PKR 8.70Bn. The break-up of this cost showed that the local component of financing is PKR 7.38Bn whereas govt. would arrange PKR 1.31Bn. *BR.*

E-commerce platform launched

An e-commerce platform for B2B (Business-to-Business) matchmaking under the foreign direct investment head has been launched to develop export markets in China and across the globe for local firms and industries. Achasoda.com is a joint initiative of Badar Expo Solutions and the Orient Group that would benefit local SMEs by providing a single platform for the B2B matchmaking between manufacturing and processing industries in China, Pakistan and across the globe. *The News.*

Car sales plunge by 75% in May amid lockdown

Passenger car sales plunged by 75% to 3,800 units in May'20, as compared to 15,428 in May'19 due to disruption in sales amid lockdown against coronavirus. Passenger car sales in 11MFY20 dropped by 54% to 89,130 units, compared to 192,863 units sold 11MFY19. Automakers have written a letter to the govt. to express concern over reports of govt. relaxing policy for used car imports. *The News.*

EV 2-3 wheelers policy approved by ECC

ECC has approved 5 years Electric Vehicles (EV) 2-3 wheelers Policy, in principle, with substantial incentives. The incentives being offered on 2-3 wheelers will be GST at sales stage for 2-3 wheelers @ 1% for 5 years. Sales Tax at import stage to be waived off (0%) to avoid refunds. EV-specific parts of 2-3 wheelers to be imported at 1% Customs Duty (CD) for 5 years. *BR.*

Pakistan among latest countries to secure debt moratorium

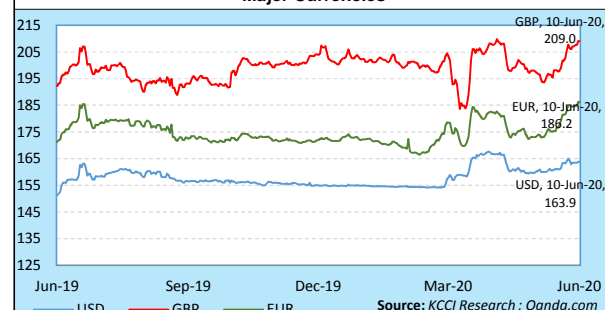
Paris Club Creditor Countries have accepted to provide to Pakistan a time-bound suspension of debt service due from 1st May'20 to 31st Dec'20. *BR.*

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	10-Jun	PKR	164.55	0.13%
USD-Open MKT	10-Jun	PKR	164.30	-0.42%
KSE-100 index	10-Jun	Pts.	35,065	0.75%
FIPI	10-Jun	\$ Mn	-0.50	NM**
Crude (AP'19)	10-Jun	\$/bbl	38.38	0.34%
Gold (MA'19)	10-Jun	\$/oz	1,716.4	0.95%
Gold (10g) Local	10-Jun	PKR	91,200	1.22%
Silver (MA'19)	10-Jun	\$/oz	17.76	-1.06%
Cotton(KHI) -40 kg	10-Jun	PKR	9,217	0.00%
Kibor-6M	10-Jun	%	7.96	0.00%
Forex Reserves	29-May FY20	\$ Bn	16.92	-9.02% YoY
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

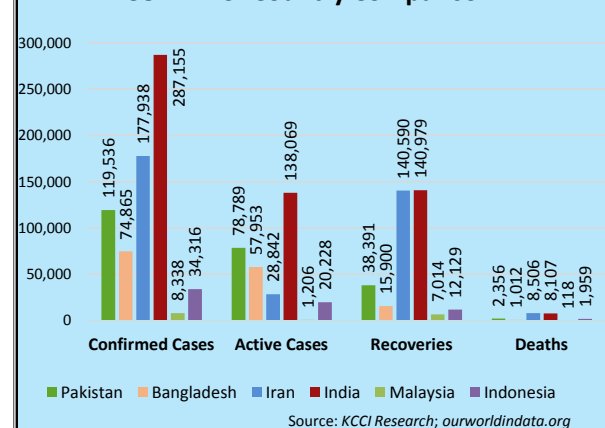


Quote of the Day

The golden rule for every business man is this: "Put yourself in your customer's place"

Orison Swett Marden

COVID-19: Country Comparison



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