

### Business community disappointed as industries ignored

The business community has expressed disappointment over the federal budget FY21, which comes sans any incentives to spur industrial growth, and ignored the entire industrial sector's demand of restoring 'no tax no refund regime. BMG Chairman Siraj Kassam Teli has said that this could not be considered a relief budget. He said that it is true that no new taxes have been imposed, but some of the existing taxes have been increased and some are decreased. Teli said the budget did not announce any relief for the entire business community including SMEs, and small traders. KCCI President Agha Shahab Ahmed has said govt. set ambitious targets of GDP growth, revenue collection, industrial growth and agriculture growth, which would not be achieved. He said that the entire world is going through a recession and Pakistan is no exception. Govt. should have given a thought to this reality. General secretary of BMG AQ Khalil said that the govt. was proposed to cut the tax rates by 50% for one year in order to ensure economic recovery after losses due to coronavirus. Ibrahim Kasumbi, former senior vice president of KCCI said the chamber proposed reduction in sales tax to 8% from existing 17%. However, the sales tax rate was reduced to 12% from 14% only for taxpayers required to install a point of sale. *The News-Sun.*

### Virus cases may cross million mark by July 31: Asad

Minister for Planning Asad Umar has said that the tally of novel coronavirus cases across the country may double within next two weeks and can reach 1.2Mn cases by end-Jul'20. While rejecting the recommendation of a complete lockdown, PM Imran Khan has appealed to the masses to adopt all precautionary measures. *Dawn-Mon.*

### NA, Senate begin budget debate today

The National Assembly and the Senate are set to begin a general debate on the FY21 federal budget today (15<sup>th</sup> Jun'20). *Dawn-Mon.*

### Murad to present Sindh budget for 2020-21 on 17<sup>th</sup>

Sindh CM Syed Murad Ali Shah has announced that he would present the annual budget for FY21 on 17<sup>th</sup> Jun'20. He said that the water and sanitation sector, poverty reduction, development of the social sector and revival of the provincial economy would be given top priorities in the budget. *Dawn-Mon.*

### Gwadar Port to be highest GDP contributor by 2030: CEO COPH

CEO of China's Overseas Port Holding Company Zhang Baozhong, has said that Gwadar Port will be a new economic hub of Pakistan and the highest GDP contributor to its economy by 2030. He said that Gwadar port-related activities are progressing well as more than \$ 250Mn have been initially spent on its renovation with more investments in the pipeline. *The Nation-Mon.*

### PM likely to visit Karachi tomorrow

PM Imran Khan is likely to visit Karachi for an overnight visit. During his stay in Karachi, PM will meet the Governor and CM of Sindh and will get an update on the situation relating to coronavirus in the port city as well as Interior Sindh. *The Nation-Mon.*

### Balanced budget presented despite pandemic situation: Hammad

Minister for Industry Hammad Azhar has said that the govt. has presented a balanced budget despite the difficult situation of coronavirus. He said the govt. inherited a fragile economy from the previous govt. and secondly coronavirus badly impacted on it. *The Nation-Mon.*

### Sindh gets PKR 234Bn less in NFC award: Murtaza Wahab

Sindh govt. spokesperson Murtaza Wahab has objected to the Centre's slashing of the province's National Finance Commission (NFC) award in the federal budget FY21. He said that the PKR 234 Bn reduction would hurt the province's development. *The News-Sun.*

### Provinces free to act on own budget projections

While highlighting uncertainty about the federal budget and economic conditions ahead, the Centre has asked the provinces to formulate their budgets based on their own best assessments and the past performance of FBR. Adviser on Finance Dr. Hafeez Shaikh has asked provinces to reduce their costs, increase their own revenues and make forecasting the way they find better. *Dawn-Sun.*

**Amendments aim to increase tax compliance** The govt. has introduced a range of amendments to the tax laws through the Finance Bill 2020 to improve compliance through penalties for non-tax paying individuals and relaxation in some procedures to facilitate taxpayers. The amendments have been introduced to the Income Tax Ordinance, 2001, Sales Tax Act 1990 and Federal Excise Act. One major amendment states that profile filing is mandatory for taxpayers including non-profit organizations. *Dawn-Sun.*

### IT policy can boost exports, says World Bank

The World Bank has said that Pakistan needs IT and IT enabled services with a digital trade policy framework to embrace the evolving environment. The report, 'Digital Pakistan: A Business and Trade Assessment' said that ingredients for a successful reform strategy should include interventions in three policy areas: regulatory capabilities and governance, sector-specific policies and complementary supporting policies. *Dawn-Sun.*

### Sindh govt warns of stricter measures to halt Covid-19 spread

The Sindh govt. has warned that the pace of spread of coronavirus in the province, particularly in Karachi, has left few options for the administration and if any decision would be made this time to save lives of the people, "it would be tougher and stricter than the previous ones. The provincial govt. has also accused traders and the business community of backing out from their commitment about implementation of SOPs while running operations. *Dawn-Sun.*

### Salaried class not required to submit 'Taxpayer's profile' to FBR

The salaried class is not required to submit "Taxpayer's profile" to FBR under the Finance Bill 2020. The new condition for submission of the "Taxpayer's profiles" covers certain categories of taxpayers i.e. persons applying for registration, persons deriving income chargeable to tax under the head, "income from business"; income subject to final taxation; non-profit organizations, and any trust or welfare institution. *BR-Sun.*

### POL supply crisis exposes PSO to losses of Rs17 bn

The state owned PSO has suffered loss of PKR 16-17Bn in the ongoing POL availability crisis in the country because of refusal by other oil marketing companies to share the losses. The OMCs denied bringing the POL products in the market to avoid the inventory losses when ECC refused to maintain the POL prices and instead reduce the price triggering the availability crisis in the country. *The News-Mon.*

### KE seeks to recover PKR 2.26Bn from consumers under FCA

K-Electric Limited is seeking to collect an additional PKR 2.26Bn against fuel charges adjustment from its consumers, as the fuel cost in Jan, Feb and Mar'20 was higher this year. K-Electric has proposed a reduction of 11.5 paisas/kWh for Oct-Dec'19, and an increase of 23.3 paisas/kWh for Jan-Mar'20. The new impact increase of 11.8 paisas/kWh would be collected from the consumers in addition to fuel cost adjustment. *The News-Sun.*

**Locusts to cause up to PKR 2,451Bn loss** The govt. has estimated that the damage to food security will be in the range from PKR 490Bn to PKR 2,451Bn under various scenarios on account of the ongoing locust attack on crops. *The News-Mon.*

### Fate of Karachi's annual sacrificial animal markets falls into confusion

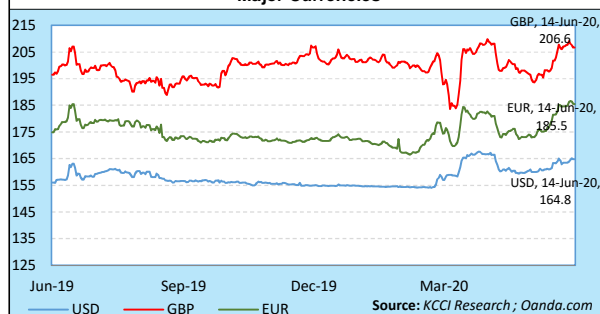
The fate of Karachi's annual sacrificial animal markets has fallen into confusion after the Sindh Local Govt. & Town Planning Department issued a withdrawal notification for the request of opening cattle markets and dry animal markets under SOPs. *The News-Mon.*

### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	12-Jun	PKR	164.26	-0.20%
USD-Open MKT	12-Jun	PKR	165.00	0.30%
KSE-100 index	12-Jun	Pts.	34,611	-1.47%
FIPI	12-Jun	\$ Mn	-0.79	NM**
Crude (AP'19)	12-Jun	\$/bbl	35.98	-7.89%
Gold (MA'19)	12-Jun	\$/oz	1,729.8	-0.57%
Gold (10g) Local	12-Jun	PKR	91,800	0.66%
Silver (MA'19)	12-Jun	\$/oz	17.76	-3.04%
Cotton(KHI)-40 kg	12-Jun	PKR	9,217	0.00%
Kibor-6M	12-Jun	%	7.95	0.00%
Forex Reserves	5-Jun	\$ Bn	16.71	-1.27%
	FY20			YoY
Remittances	Jul-May 20	\$ Bn	20.65	2.74%
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

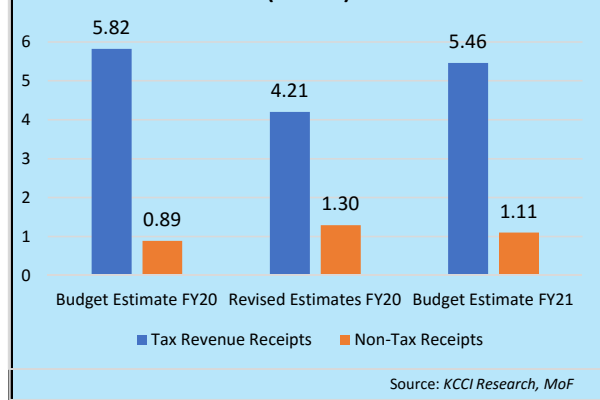


### Quote of the Day

"Beware of little expenses. A small leak will sink a great ship."

Benjamin Franklin

### Total Budgeted Revenue Receipts (PKR Tn)



### 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