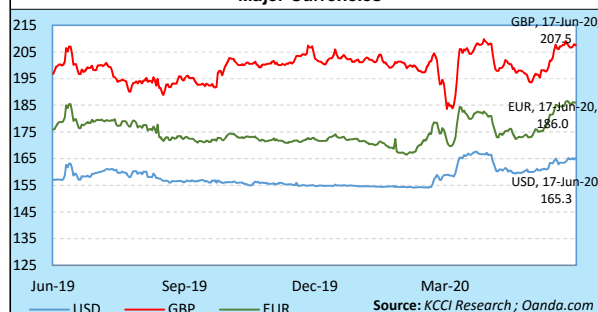


Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	17-Jun	PKR	165.95	0.61%
USD-Open MKT	17-Jun	PKR	165.25	0.15%
KSE-100 index	17-Jun	Pts.	33,849	-0.50%
FIPI	17-Jun	\$ Mn	-2.57	NM**
Crude (AP'19)	17-Jun	\$/bbl	38.02	2.54%
Gold (MA'19)	17-Jun	\$/oz	1,729.8	0.17%
Gold (10g) Local	17-Jun	PKR	91,820	0.00%
Silver (MA'19)	17-Jun	\$/oz	17.63	0.69%
Cotton(KHI)-40 kg	17-Jun	PKR	9,752	0.00%
Kibor-6M	17-Jun	%	7.87	-0.06%
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

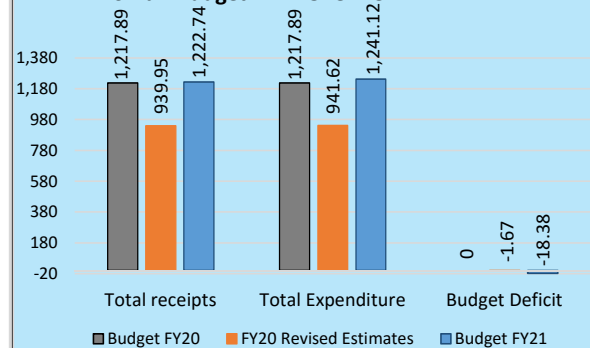


Quote of the Day

"Our incomes are like our shoes; if too small, they gall and pinch us; but if too large, they cause us to stumble and to trip."

John Locke

Sindh Budget FY21 Overview - PKR Bn



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

Budget 2020-21: No new taxes as Sindh presents PKR 1.24Tn budget

Sindh CM Syed Murad Ali Shah, presented a PKR 1,241.13Bn budget with a deficit of PKR 18.38Bn for FY21 in which development expenditure was estimated at PKR 232.94Bn, non-development expenditure at PKR 968.99Bn, and capital expenditure at PKR 39.19Bn. Total revenue receipts were estimated at PKR 1,222.75Bn, including federal receipts at PKR 760.30Bn (65%). *Dawn*.

BUDGET 2020-21: Sindh reduces ADP to PKR 232.9Bn

Due to low inflows from the centre, Sindh govt. has reduced its Annual Development Plan (ADP) to PKR 232.9Bn for FY21, allocating PKR 155Bn to provincial and PKR 15Bn to schemes. The provincial govt. also expects PKR 54.6Bn from Foreign Projects Assistance and PKR 8.3Bn from Federal PSDP for 10 schemes under execution by the Sindh administration. PKR 207.5Bn has been committed for Circular Railway Project to address the transport problem in Karachi. *Dawn*.

Province aims to collect PKR 313.4Bn in taxes

People living in Sindh will pay more in taxes to the provincial govt. for consuming electricity, buying and running vehicles, owning houses, using local infrastructure and for outing and entertainment. The provincial govt. has targeted hefty revenue collection from real estate and properties. The Sindh govt. would collect a massive 89% of revenue from indirect taxes and a mere 11% from direct taxes in FY21. *Tribune*.

PKR 1.94Bn earmarked for Karachi's mega projects in 2020-21 budget

The Govt. of Sindh has allocated PKR 1.94Bn for 18 ongoing and new mega development projects of Karachi for the upcoming FY21. These projects include the Greater Karachi Water Sewerage Project (S-III) and the Greater Karachi Water Supply Project (K-IV). Moreover, the mega Karachi Water & Sewerage Services Improvement Project for the KWSB has been approved at a total cost of PKR 3.4Bn with the financial assistance of the World Bank. *The News*.

Hundreds of uplift projects unfinished due to shortage of funds, says mayor

Karachi Mayor Wasim Akhtar has said that hundreds of uplift projects in the city could not be completed as the KMC has not been provided with total funds under the Annual Development Program since 2016. He said an amount was allocated for 700 uplift schemes in the last budget but most of them remained incomplete as the Sindh govt. did not release the required funds. *The News*.

Broadening of tax base: Govt. decides to use data of Discos, telecom cos

The govt. has decided to use data of power distribution companies (DISCOs) and telecom companies for broadening of tax base by making a fully automated system operational from 1st Jul'20, for sales tax registration. Under the system unreadable evidence in the form of video would be obtained of the premises. The govt. would provide hardware and software to the DISCOs and mobile companies, and would ask them to provide complete information of their consumers. *BR*.

PKR 3.207Bn WWF wrongly shown as FBR's direct tax

The govt. has wrongly shown PKR 3.207Bn "Workers Welfare Fund (WWF)" as a federal direct tax of FBR, and part of FBR's tax projections for FY21. Tax experts said that the Supreme Court of Pakistan has held that the WWF contributions/payments do not constitute a tax. Moreover, the subject of "welfare of labour" has been devolved to the provinces under the 18th Constitutional Amendment Act of 2010, by way of omission of the Concurrent List of the Fourth Schedule to the Constitution. *BR*.

\$ 500Mn sought from World Bank for policy reforms

The govt. is seeking a loan of \$ 500Mn from the World Bank (WB) to enhance the policy and institutional framework for improving fiscal management and regulatory framework. WB is expected to approve the request in Jul'20. The proposed Resilient Institutions for Sustainable Economy (RISE) is aligned with the govt's Covid-19 crisis response program. *Dawn*.

PKR 52.61Bn supplementary grants approved

Just five days after the announcement of federal budget FY21, the govt. has approved around one and half a dozen supplementary grants involving a total financial estimate of PKR 52.61Bn. The ECC meeting also decided to handover Pakistan Machine Tool Factory (PMTF) to Strategic Plans Division (SPD). *Dawn*.

Covid-19 prompts over 16% increase in provincial health budget

In a bid to meet the challenge of Covid-19 in the province, the Sindh govt. has increased the allocation for health sector by 16.1% — from PKR 114.4Bn to PKR 132.88Bn — in the FY21 provincial budget. An additional PKR 7Bn has been allocated for nine vertical programs, including polio control, AIDS, TB, thus making the total allocation for the health sector PKR 139.17Bn. An amount of PKR 5Bn is allocated for Covid-19 response. *Dawn*.

SBP scheme aimed at preventing lay-offs approved by ECC

ECC has approved "Risk Sharing Facility for SBP Refinance Scheme" to support employment and prevent layoff of workers, and PKR 100Mn for locust control in Punjab. The scheme supports provision of credit at concessional rate to businesses that commit not to lay off workers till Sep'20 (earlier the cutoff date was 30th Jun'20), the loss coverage for the SME sector has been increased to 60% from the existing 40% to promote greater take-up at the smaller level of business. Under the new changes, borrowers having turnover of up to PKR 800Mn can avail benefit of the scheme, earlier, for the eligibility of the scheme, the turnover limit was up to PKR 2Bn. *BR*.

Pak-Afghan trade: 500 truckloads of goods to cross Torkham border on Monday

A 250 export-loaded vehicles and 250 import-loaded vehicles to be crossed in and out at Torkham border, to be functioned from Monday, 22nd Jun'20, decision made in a joint meeting of Pak and Afghan officials. *Daily Times*.

Lockdown means business in socially distanced Pakistan: Google survey

According to a survey by Google, lockdown-driven social distancing has catalyzed digital transition in Pakistan unfolding economic opportunities for people. Since the lockdown there has been a 162% growth in searches for food delivery apps. While in the ecommerce market with predominant cash-on-delivery preference, there has been a 1.5 times rise in searches for generic and brand-specific mobile wallet and 1.6 times growth in searches for specific online payment apps. Following the lockdown, there has also been a humongous 2,200% increase in searches for meeting apps with 1.8 times increase in searches for conference calls. *The News*.

Mobile phones import increases 63.17%

The import of mobile phones into the country has witnessed an increase of 63.17% to \$ 1,138.64Mn during 11MFY20 as compared to \$ 697.81Mn in 11MFY19. *The Nation*.

PKR 55.48Mn for up gradation of HDIP fuel testing labs in Karachi

The govt. would spend PKR 55.48Mn on up-gradation of fuel testing laboratories of Hydrocarbon Development Institute of Pakistan, operating in Karachi, to ensure provision of quality petroleum products across the country. Outlets, which were found involved in selling substandard fuel and less measuring, are penalized as per the law by imposing fine and sealing their premises. *The Nation*.