



Big industry contracts 42% in April

Large scale manufacturing (LSM) lost almost its half during Apr'20 – an unprecedented industrial debacle in Pakistan's history, but this was widely expected in the market considering the coronavirus-associated lockdown. LSM contracted 42% year-on-year and 33 % month-on-month in Apr'20. The fall in LSM numbers was led by automobile sector that contracted 97%, followed by iron and steel products (89%), electronics (81%), textile (64%), coke and petroleum products (52%), food, beverages and tobacco (23.2%), and nonmetallic mineral products (17.4%). Only the fertilizer sector posted a 6.2% growth in Apr'20. *The News.*

'Anomalies' in Finance Bill identified

The Ministry of Commerce has reportedly received over two dozen requests from different associations and companies identifying "anomalies" in the Finance Bill 2020-21. The "anomalies" identified and received from APTMA and KCCI seek a meaningful reduction in the rate of GST, income tax/WHT and FED specially the rate of GST to be reduced by at least 3% (from 17% to 14%) to reduce the cost of doing business and improve cash flows which will provide stimulus to domestic economy. The govt. constituted a committee headed by Advisor on Commerce, Abdul Razak Dawood to evaluate the anomalies in the Finance bill and submit a report. *BR.*

'Smart lockdown' begins in Karachi

A two-week 'smart lockdown' has been implemented in various localities of Karachi identified as coronavirus hotspots. The move came as cases continue to spiral upwards in the port city. Localities will be sealed for two weeks, beginning 7pm on Thurs (18th Jun'20). Movement will be restricted and business activity suspended. Only grocery and pharmacy stores will be permitted to operate. Areas include parts of Korangi Town, Malir Town, Landhi, Shah Faisal Town, Cantt, Kharadar, Saddar, Lyari, DHA, Gulshan-e-Iqbal, PECHS, Gulistan-e-Johar, Gulshan-e-Maymar, Gulshan-e-Hadeed, Quaidabad, Gulberg and North Karachi, among others. *Tribune.*

Big stores, schools & hospitals: POS system being set up to monitor sales, taxes payment, Senate body told

The govt. has informed the senate committee on finance that the Points of Sale (POS) system of FBR would be linked with the big stores, schools and hospitals as part of automation and documentation to monitor their sales and payment of taxes. On the other hand, committee members, raised some serious points with regard to proposed changes in the income tax ordinances for incorporating incentive provided to the construction sector, and wanted that cut off date for completion of the project must be extended suggesting that the cut off date for small construction projects should be 31st Dec'20, and big projects Dec'25. *BR.*

AIB approves \$ 500Mn loan for response

The Asian Infrastructure Investment Bank (AIIB) has approved a loan of \$ 500Mn to help Pakistan battle the coronavirus pandemic. The loan is part of a \$ 10Bn funding facility the AIIB has announced to help public and private sectors fight the outbreak. *BR.*

Pakistan opens border with Iran to resume trade

The federal govt. has opened the country's border with Iran at Taftan to resume trade activities. The border will now remain open seven days a week. With this, export of Pakistani mangoes to Iran is now set to resume. Separately, PIA has announced a drastic cut in freight charges for export of mangoes to the UK and rest of Europe. *Dawn.*

Govt moves law to pass circular debt to consumers

The govt. has moved to secure the powers required to impose surcharges on consumer electricity tariff and special wheeling charges on industrial sector consumers in a bid to contain the runaway circular debt which is now close to PKR 1.8Tn. The Power Division has introduced a bill in the National Assembly for Amendments to Nepra Act 1997 for regaining the powers. This is crucial to reviving the \$ 6Bn IMF package. *Dawn.*

ADB sees 2% growth in Pakistan in FY2021

ADB has said that it expects Pakistan to grow by 2% in FY21, compared with a previous forecast of nearly 3.2%. *The News.*

PSX losses deepen as smart lockdown stokes slowdown fears

Stocks saw their losses deepening amid renewed fears of economic slowdown as parts of the country went under targeted lockdown, while the rest of sentimental damage was done by dismal manufacturing numbers for the month of Apr'20. PSX benchmark KSE-100 shares index lost 0.91% or 308.83 points to close at 33,539.85 points. *The News.*

Amazon asked to register 38 exporters from Pakistan

Ministry of Commerce has said that it has shared names of 38 exporters with international e-commerce platform Amazon for registration to promote trade and explore new markets for Pakistani exporters. *Dawn.*

PM Imran Khan on petrol shortage: Arrest culprits, cancel licences

A report on the petroleum crisis has been presented to PM Imran Khan who issued directives to initiate action against the 9 Oil Marketing Companies (OMCs) and those found responsible in the matter. He said that the licenses of the companies involved in petroleum crisis be suspended and revoked. *The News.*

Tier-1 retailers say FBR backtracked from tax concession

The top Tier-1 retailers of the country have held the FBR responsible for backtracking from a signed agreement where the tax machinery committed to slash down minimum tax from 1.5 to 1% and withholding tax on all supplies from 4.5% to 1% in the budget FY21. *The News.*

KTBA seeks payment extension in amnesty scheme

Karachi based tax practitioners have written a letter to the FBR to extend the date for making outstanding payment under the amnesty scheme till 31st Dec'20 without default surcharge. They said that the current pandemic has affected the life and business of every individual adversely and taxpayers were not an exception because of which it has become quite difficult for the taxpayers to make the payment of tax by 30th Jun'20. *The News.*

Pakistan ranked 4th as refugee host country

The latest report released by the UN Refugee Agency states that an unprecedented 79.5Mn people were displaced as of the end-2019, with Turkey hosting the highest number of people forced to leave their homes. Pakistan was ranked 4th. *Tribune.*

ECC approves PKR 19.5Bn supplementary budget

The federal govt. has approved PKR 19.5Bn worth of supplementary budget to meet its excess expenditures and pick the cost of bleeding enterprises including PIA that has been given an additional PKR 3.2Bn to remain afloat. Total supplementary budget, including technical grants, amounted to PKR 544.8Bn, higher by PKR 322.7Bn or 145% over previous year. *Tribune.*

Archroma, Liberty in PPE venture

Archroma, a global leader in color and specialty chemicals manufacturing, has joined hands with Liberty Textile Mill Limited, a leading producer in healthcare textiles, to produce high quality personal protective equipment (PPE). *The News.*

Reserves rise

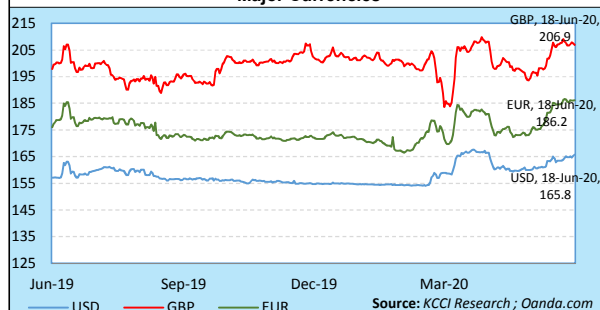
Forex reserves of SBP increased \$ 11Mn to \$ 10.11Bn during the week ended 12th Jun'20 whereas holdings of commercial banks rose by \$ 59Mn to a seven-month high of \$ 6.67Bn. These jumps took the country's overall foreign liquid reserves to \$ 16.78Bn. *Dawn.*

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	18-Jun	PKR	165.95	0.00%
USD-Open MKT	18-Jun	PKR	166.50	0.76%
KSE-100 index	18-Jun	Pts.	33,540	-0.91%
FIPI	18-Jun	\$ Mn	-0.95	NM**
Crude (AP'19)	18-Jun	\$/bbl	37.72	-0.79%
Gold (MA'19)	18-Jun	\$/oz	1,731.6	0.10%
Gold (10g) Local	18-Jun	PKR	91,820	0.00%
Silver (MA'19)	18-Jun	\$/oz	17.72	0.52%
Cotton(KHI)-40 kg	18-Jun	PKR	8,500	0.00%
Kibor-6M	18-Jun	%	7.65	-0.22%
Forex Reserves	12-Jun	\$ Bn	16.78	0.42%
FY20				
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-Apr 20	%	-8.96	
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

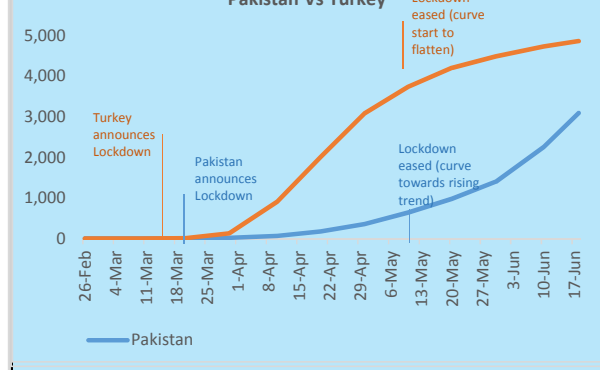


Quote of the Day

"To be successful, you have to have your heart in your business, and your business in your heart."

Thomas Watson Sr.

Country Comparison of No. of Covid-19 Deaths - Pakistan Vs Turkey



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