

GST should be reduced to 14%: KCCI

President KCCI Agha Shahab Ahmed Khan has stressed that the rate of GST should be reduced by 3% to 14% from current 17% which will have a very positive impact on business sentiment and it would trigger demand in the domestic market, besides providing much needed relief to trade, industry and consumers. Highlighting Budget Anomalies identified by KCCI which have been submitted to the Anomalies Committee (Business & Technical), he said that it is unjust to force suppliers to provide CNIC of unregistered persons and pay 3% further tax at the same time. After getting unchecked access to the database of citizens, FBR should be made responsible to broaden the tax base and register all entities in the sales tax regime so that suppliers are not forced to sell to unregistered persons. President KCCI said that the phenomenal increase in the rate of FED from 13% to 25% on caffeinated energy drinks is unjust and discriminatory. *BR-Mon.*

Pakistan to save \$ 2.4Bn in 2020 debt relief: WB

The world's poorest countries can save over \$ 12Bn owed to sovereign and other creditors in 2020 through their participation in a debt-relief programme, with Angola alone saving some \$ 3.4Bn, according to estimates published in a new database from the World Bank. The second-largest saver among eligible DSSI countries would be Pakistan, with \$ 2.4Bn, followed by Kenya with \$ 802Mn. *Daily Times-Sun.*

Pakistan receives \$ 350Mn WB, ADB aid to boost anti-locust operations

The National Food Security Ministry is ensuring maximum financing for anti-locust operations across the country with foreign assistance of \$ 200Mn from the World Bank and \$ 150Mn from ADB under Locusts Emergency and Food Security Project (LEAFS). *Tribune-Mon.*

ADB signs \$ 359Mn loan agreements for Sindh projects

ADB and the govt. have signed two loan agreements amounting to \$ 359Mn relating to the Bus Rapid Transit (BRT) project in Karachi and the Sindh secondary education improvement project. For the development of 26.6km BRT Red Line corridor, ADB signed a financing agreement of \$ 284Mn. It committed to providing \$ 235Mn as loan while Green Climate Fund (GCF) will provide \$ 37.2Mn as loan and \$ 11.8Mn as grant for the BRT project. *Dawn-Sun.*

Covid-19: IMF deploys \$ 25Bn emergency financing for 70 countries

IMF has said it is expected to deploy emergency financing for 70 countries as the Covid-19 pandemic continues to ripple across the globe. It said that this emergency financing is very fast-disbursing, and countries will receive the money within days and it will not carry traditional IMF conditionality. The money is to be spent on paying for things like nurses' and doctors' salaries, and equipment, and medical equipment to deal with the crisis. *The News-Mon.*

Structural benchmark agreed with IMF: Nepra being empowered to pass on cost inefficiencies on to consumers

Ministry of Finance has reportedly clubbed amendments in Nepra Act with the Finance Bill 2020-21 to get it passed before 1st Jul'20 as per agreement with IMF aimed at empowering the regulator to pass on cost inefficiencies of power sector to the consumers through imposition of Debt Servicing Surcharge (DSS). In Jan'20, ECC had approved a proposal of the Power Division for issuance of notifications of quarterly and annual increases in tariffs. *BR-Mon.*

Pakistan uses tech to boost tax ratio

Pakistan's tax-to-GDP ratio has remained stagnant at around 11% for the past two decades. To overcome the chronic fiscal weakness, the govt. has decided to accelerate the unconventional drive of deploying technology like point of sales (POS) at retail outlets over the next six months. The govt. has targeted to deploy around 8,500 electronic devices like POS at retail outlets by end-Dec'20. *Tribune-Sun.*

Panel calls for mechanism to cut gas losses

PM's Inspection Commission (PMIC) has asked the govt. to introduce a proper mechanism for metering, measurement and quantification of gas supply including from domestic fields and imports to end consumers so as to minimize billions of rupees loss to the nation. PMIC said that Pakistan's gas losses officially ranged between 13-15% compared to 0.5-5% across the world. *Dawn-Mon.*

Oil major Eni looks to cash out lucrative Pakistan assets

Italy-based Eni SpA is seeking an exit from Pakistan's upstream sector that according to the company's own estimate embraces massive untapped potential, as its dizzying post-corona global losses make the oil giant to cash out its lucrative asset. As of 2019, Eni produces 37 Bn cubic feet of natural gas annually in Pakistan. *The News-Mon.*

Tax collection from debt investment up 85% to PKR 4.1Bn in July-May

FBR has pulled in PKR 4.15Bn on tax collection from banks' investment in govt. papers during the 11MFY20, depicting a significant 85% from PKR 2.25Bn in 11MFY19, due to higher tax rates. The govt., in the last budget, imposed 37.5% income tax on banks for making profits on their investment in govt. papers. *The News-Sun.*

Govt launches three initiatives today to mitigate suffering of virus-hit people

The govt. is launching three initiatives today (22nd Jun'20) to mitigate the suffering of people affected by the coronavirus and its adverse impact on economy. The 1st assistance will be extended under the Ehsaas Roshan (ration) Portal. Secondly, a beta version of the Ehsaas Langar and Panahgah App will be launched to map locations of welfare organizations for better coordination of relief efforts. Third, PM's Covid-19 Fund website will be opened to provide a range of donation options. *Dawn-Mon.*

Privatisation of 2 RLNG power plants, HEC on cards, to contribute PKR 100Bn

Govt. has said that privatization transactions of Heavy Electrical Complex, Heavy Bahadur Shah and Balloki RLNG power plants are likely to be completed in 2QFY21. The Finance Bill for FY21 has incorporated PKR 100Bn privatization proceeds as part of the 'Non-Tax Revenue Receipts'. Due diligence for various entities is in the final stage, likewise the procurement process for appointment of Financial Advisors is also at advance stages for certain entities. *The Nation-Mon.*

\$ 10Bn TAPI gas pipeline project fails to achieve financial closure

TAPI gas pipeline project of worth \$ 10Bn even after the lapse of 4 years has so far failed to achieve financial closure as earlier it was scheduled to be attained in Dec'16. Turkmenistan Gas Company is now tasked to complete the financial closure in next year 2021 which is why the project will come on stream in 2023 which was earlier due to be operational in 2020 under its original plan. Pakistan has also said that it will not be responsible for any gas loss during transit through territory of Afghanistan which is also holding up the project. *The News-Mon.*

Hours-long power outages test patience of Karachiites

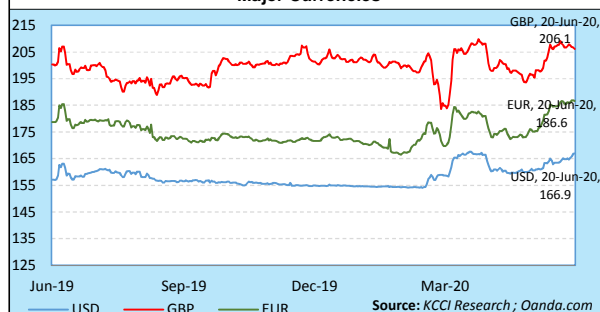
Karachi's sole power supplier K-Electric has practically begun testing the already depleting patience of the city's people — especially the COVID-19 patients observing self-isolation, those in quarantine and those living in novel coronavirus hotspot areas under smart lockdown — due to intermittent and unannounced power disconnections over the past few days. Sindh Energy Minister Intiaz Sheikh said that in a meeting with KE today he would make sure that it agrees not to carry out load-shedding in the areas where the govt. has imposed smart lockdown. *The News-Sun.*

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	19-Jun	PKR	167.00	0.63%
USD-Open MKT	19-Jun	PKR	167.50	0.60%
KSE-100 index	19-Jun	Pts.	33,439	-0.30%
FIPI	19-Jun	\$ Mn	-0.79	NM**
Crude (AP'19)	19-Jun	\$/bbl	39.10	3.66%
Gold (MA'19)	19-Jun	\$/oz	1,725.7	-0.34%
Gold (10g) Local	19-Jun	PKR	91,820	0.00%
Silver (MA'19)	19-Jun	\$/oz	17.51	-1.21%
Cotton(KHI)-40 kg	19-Jun	PKR	8,574	0.87%
Kibor-6M	19-Jun	%	7.67	0.02%
Forex Reserves	12-Jun	\$ Bn	16.78	0.45%
	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-May 20	\$ Bn	2.40	90.60%
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

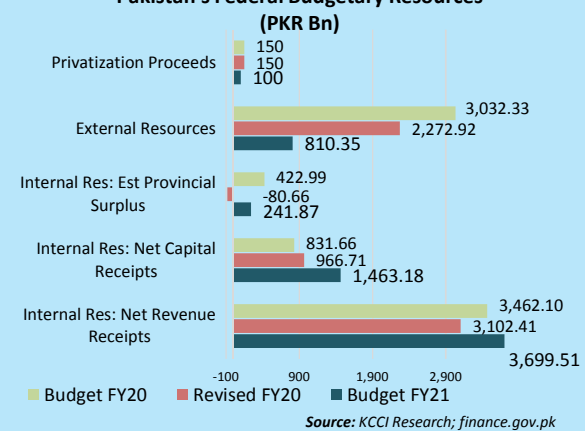


Quote of the Day

"In this world nothing can be said to be certain, except death and taxes"

Benjamin Franklin

Pakistan's Federal Budgetary Resources



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