

#### KCCI's membership renewal date extended

The last date for renewal of KCCI's membership has further been extended to 15<sup>th</sup> Jun'20 due to the outbreak of coronavirus pandemic. No further extension will be granted. Members can get their membership renewed by visiting KCCI's membership department. Renewal fee can be paid online to account # 6-11-12-20311-714-206195 from any branch of Habib Metropolitan Bank (HMB) while a scanned copy of payment receipt along with proof of Income Tax Return and Sales Tax Return (If Applicable) for the preceding year are mandatory.

#### Complete lockdown on Saturdays, Sundays

The National Coordination Committee, chaired by PM Imran Khan has allowed the opening of businesses for 5 days until 7pm by strictly observing the SOPs with no trading on Saturday and Sunday. The committee also decided to devise a recommended list of businesses and commercial activities which would then be circulated to the industry allowing them to resume their activities. It was also decided to issue a negative list of businesses that would remain suspended in an effort to check further spread of the disease. *The News.*

#### Sindh, Balochistan extend lockdown amid rising Covid-19 cases

The provincial govts. of Sindh and Baluchistan have extended the coronavirus-induced restrictions in view of the increasing number of local-transmission of Covid-19 cases. In Sindh, the govt. has extended the lockdown till 30<sup>th</sup> Jun'20. Education institutions, marriage halls, sports clubs, training centers, beauty parlors, cinemas, theatres, clubs will remain closed. Business activities would be allowed from 6am-7pm. Decision to allow public transport to ply would be taken today (2<sup>nd</sup> Jun'20). *Tribune.*

#### Pakistan may end special tax system

Pakistan is considering ending preferential tax treatment for foreign companies working in the country aimed at bringing them on a par with domestic firms and getting an additional PKR 22Bn in revenues from them in FY21. However, no final decision has been taken yet. FBR has proposed that tax withheld from contractual payments to permanent establishments of non-resident companies should be treated as "minimum" WHT. *Tribune.*

#### Inflation drops to 8.2% in May

Inflation fell to 8.2% in May'20, from 8.5% in Apr'20 on back of a faster decline in oil prices for a fourth consecutive month. Average inflation in 11MFY20 stood at 10.94%, against 6.69% in 11MFY19. *Dawn.*

#### Sindh Revenue Board announces tax incentive package

Sindh Revenue Board (SRB) has announced a tax incentive package to provide relief to taxpayers, service providers and withholding agents in return for tax compliance, under the Sindh Sales Tax on Services Act, 2011. SRB has announced exemptions of up to 100% of the amount of default surcharge, total remission of penalties and immunity from arrest and prosecution if the taxpayer deposited the liability of the arrears of taxes outstanding as of 31<sup>st</sup> May'20. There will be no default surcharge if payment is made between 1<sup>st</sup>-15<sup>th</sup> Jun'20, 5% if paid between 16<sup>th</sup>-22<sup>nd</sup> Jun'20, and 10% if paid between 23<sup>rd</sup>-30<sup>th</sup> Jun'20. Meanwhile, in cases where there is no outstanding tax liability, but only the penalty or default surcharge is to be paid, SRB has allowed remission of 95% of the penalty and 90% of the default surcharge, if the balance is deposited by 30<sup>th</sup> Jun'20. *Tribune.*

#### Budget 2020-21: IMF to be asked to slash FBR target from PKR 5,103Bn to PKR 4,800Bn

While directing preparation of combating corona budget for FY21, PM Imran Khan has assigned Adviser to PM on Finance Dr Hafeez Shaikh for convincing the IMF for slashing down the FBR's tax collection target from PKR 5,103Bn to PKR 4,800Bn for FY21. The government wants to restrict the budget deficit at 6.6% of GDP in FY21 against a revised target of 9.6% for outgoing FY20. *The News.*

#### Taxes and duties collection: FBR witnesses growth of 7.7% in July-May

FBR has collected PKR 3.51Tn of revenue in 11MFY20, showing an increase of 7.7% compared with PKR 3.26Tn in 11MFY19. In May'20 it collected PKR 227Bn. FBR has managed to collect 90% of total revenue target of PKR 3.90Tn for FY20 despite coronavirus outbreak, slowdown in economy and impact of lockdown on businesses. *BR.*

#### FBR sets up unit

FBR has set up a Tax Information Processing Unit (TIPU) for effective use of information available at multiple databases for broadening the tax base. The FBR said there was an emerging need for transforming the existing raw data, available in multiple databases of FBR, into meaningful insight, through which actionable steps would be suggested to field formation regarding untapped revenue potential and potential leakages. *The News.*

#### PPEs, sanitizers & facemasks: Govt. is all set to allow export

The federal cabinet is all set to allow export of Personal Protective Equipments (PPEs), sanitizers and facemasks on the request of domestic industry this week. On 24<sup>th</sup> Mar'20, the govt. had imposed ban on export of PPE items on the recommendations of Ministry of National Health. Advisor on Commerce, Abdul Razak Dawood, has said that he had received information that some exporters have obtained large orders for facemasks from US, Canada and Europe. *BR.*

#### CDWP approves \$9.25Bn for ML-1 project tomorrow

The govt. is mulling over different options to fix governance issues of cash-bleeding Pakistan Railways while approving modernization of rail mainline project with an estimated cost of \$ 9.25 Bn under CPEC. The Central Development Working Party is scheduled to meet on 3<sup>rd</sup> Jun '20 just ahead of the Annual Plan Coordination Committee because the govt. wants to make ML-1 as part of the FY21 PSDP for FY21. *The News.*

#### Govt fears massive hoarding of POL products by OMCs

The govt. has feared massive hoarding of POL products particularly Petrol by Oil Marketing Companies anticipating that they are going to curtail the supply of petroleum products to their retail outlets to have financial gains of expected price hike in POL products to be effective from 1<sup>st</sup> Jul'20, which may result in massive shortage of products across the country. Ogra has been told to deploy vigilance teams across the country to verify OMCs stocks at depots, terminals and retail outlets physically so that uninterrupted supplies to retail outlets are ensured. *The News.*

#### Qatar refuses to invest in Pakistan's three major airports

The Qatar Investment Authority (QIA) has excused itself from investing in Pakistan airports mainly because of deviation from the model of 2017 by authorities concerned in Pakistan under which they don't want to hand over airport operations to professional management. Qatar wanted govt. of Pakistan to transfer the ownership of three airports, including Jinnah International Airport, Karachi through purchasing the stakes of the govt. owned company up to 40%. *The News.*

#### Private sector credit drops 53% to PKR 265Bn in July-May

Private sector credit sharply fell 53.3% to PKR 265Bn in almost 11 months as high interest rates made funds largely unattractive amid downside risks to growth. *The News.*

#### Rupee depreciation far less than comparable economies: State Bank

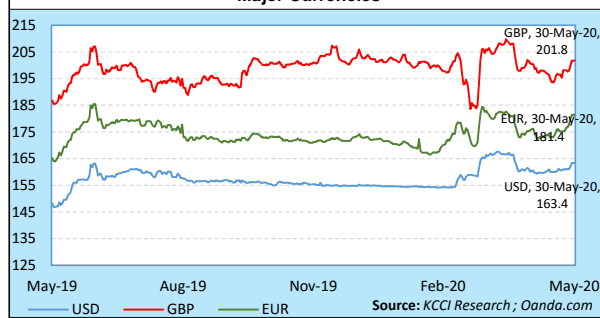
SBP has said that PKR has escaped the shockwaves hit to the developing economies as a result of global market selloff amid the pandemic. PKR experienced a 3.3% slide against the USD between 20<sup>th</sup> Jan'20 and 4<sup>th</sup> May'20 while the South African Rand fell 21.6%, Turkish Lira 16.5%, while Indian Rupee was down 6.2%. *The News.*

#### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	1-Jun	PKR	164.25	0.70%
USD-Open MKT	1-Jun	PKR	164.50	0.30%
KSE-100 index	1-Jun	Pts.	34,022	0.27%
FIPI	1-Jun	\$ Mn	-1.89	NM**
Crude (AP'19)	1-Jun	\$/bbl	35.66	1.25%
Gold (MA'19)	1-Jun	\$/oz	1,741.4	0.28%
Gold (10g) Local	1-Jun	PKR	88,390	-2.55%
Silver (MA'19)	1-Jun	\$/oz	18.80	1.88%
Cotton(KHI)-40 kg	1-Jun	PKR	9,217	0.00%
Kibor-6M	1-Jun	%	7.89	1.00%
Forex Reserves	21-May	\$ Bn	18.60	-0.11%
	FY20			YoY
Remittances	Jul-Apr 20	\$ Bn	18.78	5.51%
Exports*	Jul-Apr 20	\$ Bn	18.41	-3.92%
Imports*	Jul-Apr 20	\$ Bn	37.91	-16.50%
Trade Balance*	Jul-Apr 20	\$ Bn	-19.50	25.68%
Current Account	Jul-Apr 20	\$ Bn	-3.34	-70.80%
Foreign Direct Inv.	Jul-Apr 20	\$ Bn	2.28	127.00%
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

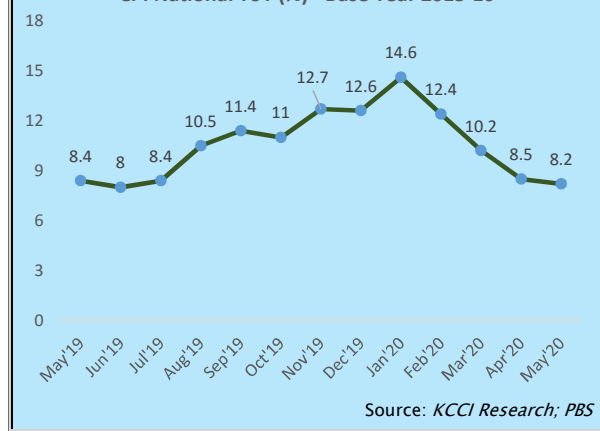


#### Quote of the Day

"Respect is how you treat everyone, not just those you want to impress."

Richard Branson

#### CPI National YoY (%) - Base Year 2015-16



#### Disclaimer

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