

Govt passes on relief; reduces petrol price by PKR 7.06 for June

Despite the global trend of increasing prices of petroleum products, the federal govt. has decided to reduce the price of petrol by PKR 7.06 per litre for the month of Jun'20 and the price has come down from PKR 81.58 to PKR 74.52/litre. However, the govt. has slightly increased the price of High-speed Diesel (HSD) from PKR 80.10 to PKR 80.15/litre and kerosene oil has been slashed from PKR 47.44 to PKR 35.56/litre. *Daily Times-Mon.*

FBR heading towards flat revenue growth after Covid-19

Lingering COVID-19 pandemic and slowing down of the economic activities all over the country has resulted in dismal performance of the FBR as its provisional collection in May'20 stands at just PKR 227Bn. FBR is heading towards flat growth in the last two years under the present govt. as the Board's collection is hovering around PKR 3,850Bn in outgoing FY20. It will be unique and the first time in the history of Pakistan when the FBR's revenue growth remained almost flat in the last two consecutive years. FY20 can be blamed to COVID-19 pandemic. *The News-Sun.*

State Bank of Pakistan says extended lockdown poses risks to economy

SBP, in the second video in the series explaining how vulnerable Pakistan's economy is in the face of Covid-19, has said that Pakistan's economy faces downside risks, stemming from the virus-induced lockdown due mainly to the country's multidimensional poverty, high consumption rate and informality in job market. It cited the UN and said that roughly four out of 10 people in Pakistan face multidimensional poverty which raises challenges of foods and social security in an extended lockdown scenario. *The News-Sun.*

Traders sign cotton contracts again after 10-week pause

Cotton traders have signed new contracts again after a gap of nearly two-and-a-half months of lockdown, though the market will gradually resume trade in the first week of Jun'20. The first deal of new crop FY21 was recorded at PKR 7,800/maund. Karachi Cotton Association kept the official spot rate intact at PKR 8,600/maund, while ginners are still waiting for buyers for their 500,000 bales. According to reports, the textile sector is again getting import orders from Europe and the US. Some buyers who had cancelled deals are again giving their orders to Pakistani exporters. *The News-Sun.*

FBR to release PKR 10Bn income tax refunds

The finance ministry has released PKR 10Bn for the payment of stuck up income tax refunds as part of govt.'s efforts to shore up lockdown-affected taxpayers. FBR has also decided to liquidate up to PKR 5Mn claims from the fund released by the finance ministry. Pending income tax refunds already prepared and kept in draft mode in Iris by the relevant officers. The tax departments had completed the process of verification of refund claims and total verified claims for income tax refunds amounted to PKR 62Bn. *The News-Sun.*

NCOC seeks market associations' help for implementing SOPs

The National Command and Operation Centre (NCOC) has sought to engage market associations for the implementation of COVID -19 guidelines and SOPs in letter and spirit. Minister for Planning Asad Umer has said that the shopkeepers should strictly implement "no mask, no service," policy. The forum suggested taking strict punitive action on violation of SOPs. It must be noted that NCOC is working to devise a long and short term strategy on COVID-19 titled "Living with the Pandemic". *Daily Times-Mon.*

Pak, WB to sign disaster resilience, ecosystem restoration pact

The World Bank (WB) has agreed to join hands with Pakistan to support the latter's disaster resilience and ecosystem restoration initiatives through more reliable and timely weather forecasting, improved disaster risk management services as well as help tackle growing environmental challenges. WB has conveyed its willingness to the govt. of Pakistan for providing funding support for an ambitious five-year \$ 188Mn 'Pakistan Hydromet and Ecosystem Restoration Services (PHERS)' project, which would conclude during the financial year 2024-25. *BR-Mon.*

KWSB launches crackdown against illegal structures

On the instructions of the Local Govt. Minister Nasir Hussain Shah, the Karachi Water and Sewerage Board (KWSB) has launched a crackdown against illegal structures on its land. KWSB in the Bin Qasim area demolished three illegally constructed houses on a conduit of the water board, and a shop was also razed which had been constructed over the same conduit. *The News-Sun.*

NCC meets today as Covid-19 situation worsens

As Pakistan is set to surpass China among the most affected pandemic-hit countries with a sudden rise in Covid-19 cases, a crucial meeting of the National Coordination Committee (NCC) to be presided over by PM Imran Khan will be held today (1st Jun'20) to decide future strategy though the federal govt. has already declared that the lockdown option is not under active consideration. *Dawn-Mon.*

Pakistan seeks \$ 15Bn loans in FY21

Pakistan plans to seek \$ 15Bn gross foreign loans in FY21 aimed at servicing its maturing external public debt and building official forex reserves in the absence of non-debt creating inflows. Nearly two-thirds or \$ 10Bn would be used to return the maturing loans, excluding interest payments while the remaining will become part of the external public debt that has already increased to \$ 86.4Bn as of end-Mar'20. *Tribune-Sun.*

FBR collection falls 31% in May

Tax collection by FBR slumped by 31.2% or PKR 103Bn to PKR 227Bn in May'20 as compared to May'19 due to partial suspension of economic activities, resulting into missing the downward revised target. May'20's three time downward-revised tax collection target was PKR 250Bn, which the FBR missed by a margin of PKR 23Bn. *Tribune-Sun.*

Karachi transporters delay reopening

A day after announcing that transporters would resume intra-city services from today, they have postponed reopening public transport after a meeting with the Karachi commissioner. The commissioner assured that he would arrange a meeting between transporters and Sindh CM. *Dawn-Sun.*

PTI govt to pass on benefit of oil price cut to consumers

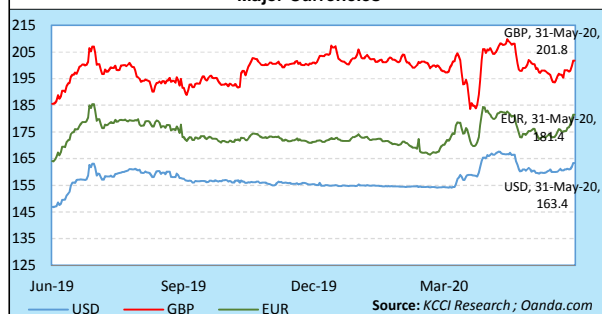
The federal govt. on Saturday (30th May'20) decided to pass the benefit of reduction in oil prices to consumers while turning down a proposal to give advantage of the reduced prices to oil refineries. Headed by Adviser on Finance Dr. Abdul Hafeez Shaikh, the ECC also approved the criteria for disbursement of PKR 200Bn in power sector received through Islamic Sukuk. *Tribune-Sun.*

Economic Indicators

| List of Indicators | Date / Period | Unit | Value | Change Daily |
|---------------------|---------------|--------|---------|--------------|
| USD-Interbank | 29-May | PKR | 163.10 | 1.43% |
| USD-Open MKT | 29-May | PKR | 164.00 | 1.55% |
| KSE-100 index | 29-May | Pts. | 33,931 | 0.70% |
| FIPI | 29-May | \$ Mn | 0.47 | NM** |
| Crude (AP'19) | 29-May | \$/bbl | 35.22 | 4.63% |
| Gold (MA'19) | 29-May | \$/oz | 1,736.6 | 0.78% |
| Gold (10g) Local | 29-May | PKR | 90,700 | 2.14% |
| Silver (MA'19) | 29-May | \$/oz | 18.45 | 2.97% |
| Cotton(KHI) -40 kg | 29-May | PKR | 9,217 | 0.00% |
| Kibor-6M | 29-May | % | 7.88 | -0.02% |
| 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-Apr 20 | % | 11.22 | |
| Discount Rate | May-20 | % | 8.00 | |

Sources: KCCI Research, PMEX, NCCPL, KSE, SBP, PBS*
** Not Meaningful on week;

Major Currencies

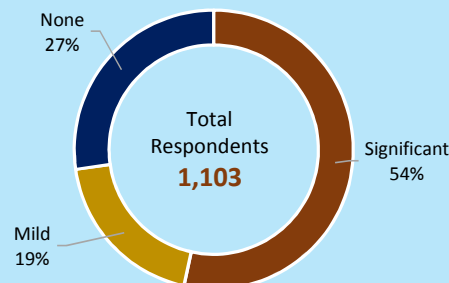


Quote of the Day

The majority of men meet with failure because of their lack of persistence in creating new plans to take the place of those which fail.

Napoleon Hill

Effect of Smuggling on Karachi Based Businesses



This chart represents findings of the KCCI Business Sentiment Survey available at <http://www.kcci.com.pk/research/kcci-surveys/>

Source: KCCI Research

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