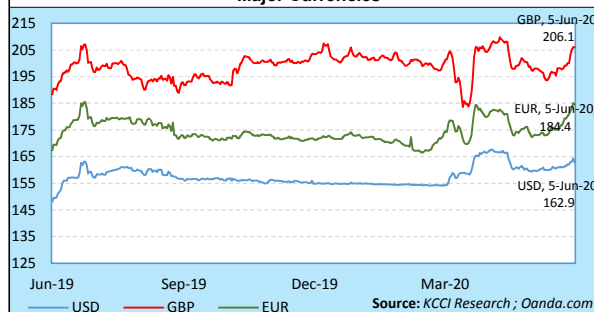


Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	5-Jun	PKR	163.30	-0.43%
USD-Open MKT	5-Jun	PKR	163.50	0.09%
KSE-100 index	5-Jun	Pts.	34,350	0.68%
FIPI	5-Jun	\$ Mn	-1.43	NM**
Crude (AP'19)	4-Jun	\$/bbl	36.64	0.00%
Gold (MA'19)	4-Jun	\$/oz	1,697.1	0.00%
Gold (10g) Local	5-Jun	PKR	88,390	0.00%
Silver (MA'19)	4-Jun	\$/oz	17.94	0.00%
Cotton(KHI)-40 kg	5-Jun	PKR	9,217	0.00%
Kibor-6M	5-Jun	%	7.97	0.00%
Forex Reserves	29-May	\$ Bn	16.92	-9.02%
FY20				YoY
Remittances	Jul-Apr 20	\$ Bn	18.78	5.51%
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	27.75%
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	May-20	%	8.00	

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

Major Currencies

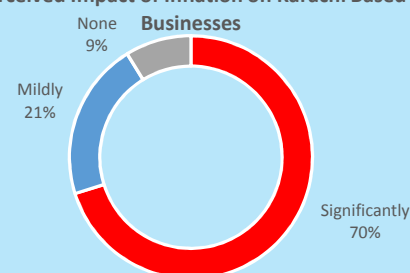


Quote of the Day

"Every problem is a gift, without problems we would not grow."

Anthony Robbins

Perceived Impact of Inflation on Karachi Based Businesses



*These findings pertain to the results of KCCI's Karachi Business Sentiment Survey available on <http://kcci.com.pk/research/>

Source: KCCI Research

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

PM rejects option of imposing another lockdown

PM Imran Khan has rejected an option of imposing another lockdown in the country and has urged people to follow the govt's SOPs for curbing the spread of coronavirus. He said that the govt. is preparing the FY21 budget in a way to generate more revenue and cut expenses as a shortfall of PKR 800Bn in total tax collection has already been witnessed due to Covid-19. *Down.*

Budget 2020-21: Govt may link NADRA data with FBR

In a major budget proposal, the govt. may integrate NADRA's databank with FBR aimed at unearthing hidden assets of citizens to enhance revenue collection. The proposal includes getting real-time access to data of provincial land and tax authorities, housing societies and telecommunication companies. A rationale behind the proposal is to increase the number of income tax returns and wealth statements being submitted annually by the taxpayers. *Tribune.*

GSP-Plus facility to continue till 2023, Senate told

Adviser on Commerce Abdul Razak Dawood has informed the Senate that EU has extended its GSP-Plus facility to Pakistan until 2023 allowing Pakistani products a duty-free access to EU on 91% tariff lines. Continued compliance with the 27 UN Conventions is mandatory for Pakistan to retain this status as GSP-Plus. He also said that Pakistan is negotiating a free-trade agreement with Turkey. *Tribune.*

Pak external financing requirement to jump to \$ 29.3Bn

The macroeconomic framework prepared by the Planning Commission and approved by the Annual Plan Coordination Committee has forecasted current account deficit, exports, imports and remittances for FY21 at \$ 4.4Bn, \$ 22.7Bn, \$ 42.42Bn and \$ 21.5Bn respectively. Pakistan's gross external financing requirement is expected to jump up from \$ 25Bn in outgoing FY20 to at least \$ 29.3Bn in FY21 while the debt repayment on account of total external debt and liabilities is estimated to consume \$ 13.8Bn in the coming budget FY21. *The News.*

Economic losses evaluated

Adviser on Finance, Dr Abdul Hafeez Shaikh, has asked the international development partners and the govt. agencies to continue evaluating the losses suffered by the Pakistan economy due to the Covid-19 pandemic to help the govt. come up with a swift and robust policy response. Ministry of Planning Development and Reforms has informed the adviser that Pakistan economy suffered losses of around PKR 2.5Tn due to corona with the contraction of GDP from projected at PKR 44Tn before corona to PKR 41.5Tn after corona, and added that second round would be even more difficult with expected decline in remittances and slow recovery in growth, decline in exports. *BR.*

RLNG/electricity for textile sector: Government agrees on provision of PKR 20Bn

The govt. has reportedly agreed on provision of PKR 20Bn as subsidy on RLNG/electricity for the textile sector in the federal budget FY21. Restoration of zero-rating or reduction of sales tax rate to 5% across the value chain was shot down after Chairperson FBR expressed her opposition. Textile industry was of the view that GST on local production for exports and imported intermediate goods exempt from sales tax is through import for export schemes are big incentives for exporters; but this has negatively impacted domestic consumption. Sales tax exemption on imports through Bond, EOU and DTRE should be withdrawn immediately. *BR.*

3Mn jobs could be lost in 'initial round'

Finance Ministry has informed the Senate that initially, some 3Mn jobs are expected to be lost and FBR's tax revenue may drop from PKR 4.8Tn to PKR 3.905Tn with a revenue loss of PKR 700Bn to PKR 900Bn expected from Apr to Jun'20 as a result of the impact of coronavirus on Pakistan's economy. With a shortfall in revenues and an increase in public spending due to fiscal stimulus package, fiscal deficit is expected to exceed the target of 7.5% of GDP and may go up to 9.4% of GDP. *BR.*

Govt may provide relief to beverage industry

The govt. is contemplating to provide major relief to the beverage industry in budget FY21 by proposing reduction in FED from existing 13% to 9%, reflecting a reduction of 4%. Adviser on Finance Abdul Hafeez Shaikh had assured relief to the beverage industry in the coming budget. The industry has submitted two proposals to the govt. First, reduction in the FED from 13% up to 6.5% to pass on maximum price reduction to the general public and the FED on beverage concentrate should be reduced from 50 to 25% to avoid unabsorbed FED. This would not have any impact on the FBR's revenue. *BR.*

Pakistan, ADB sign \$ 300Mn loan agreement

ADB and Pakistan have signed a loan agreement of \$ 300Mn for strengthening public health response to coronavirus and helping the poor segments of the society. The ADB assistance will support Pakistan's social protection programme, Ehsaas, to continue providing emergency cash transfers to poor families and women. *The News.*

EFF second review: IMF remains closely engaged with Pakistan govt: Rice

Gerry Rice, Director Communication Department, IMF has said that IMF and Pakistani authorities remain closely engaged to bring the 2nd review of the Extended Fund Facility (EFF) to a positive conclusion, while taking into account new conditions the Fund is facing in Pakistan, and to ensure the programme delivers on its objectives. *BR.*

Pakistan tops ADB borrowers with \$ 12Bn outstanding in 2019

Pakistan was among the top 3 borrowers of ADB last year with the country's outstanding loan exceeding \$ 12Bn. ADB said the 3 largest borrowers— China, India, and Pakistan— represented 43% of the portfolio in 2019. *The News.*

Removal of vague regulatory regime processes assured

Adviser on Commerce Razak Dawood has emphasised the need to take the business community on board to remove vague and inefficient processes in the regulatory regime. The govt. last year formed a steering committee to ease the regulatory framework for businesses. The committee comprises secretary commerce, FBR and Presidents of Chambers including KCCI. Business firms in Pakistan face the challenge of complying with complex multi-tiered, costly, paper-based, inefficient and un-coordinated regulatory regime with over 40 regulatory agencies. *The News.*

Regulator orders OMCs to slash HOBC price

Ogra has found that Oil Marketing Companies (OMCs) are taking undue advantage of deregulation of high octane blending component (HOBC) fuel by charging higher prices and has ordered that prices should be immediately reduced in line with its actual cost, lest the Competition Commission of Pakistan (CCP) take notice of cartelization. *Tribune.*

PTA extends IMEI blocking deadline

Pakistan Telecommunication Authority (PTA) has extended the deadline third time for blocking the mobile device IMEIs till 3rd Jul'20 for all GSMA valid IMEIs seen on mobile networks but currently not registered with the PTA. *BR.*