

### Industrialists urge govt to end KE's monopoly

Keeping in view the prolonged hours of load-shedding endured by industries in Karachi, Businessmen Group (BMG) Chairman Siraj Kassam Teli has urged the govt. to end the monopoly of K-Electric (KE) in 2023 when its contract is scheduled to be renewed. He pointed out that the power supplier's agreement is set to expire in 2023. Meanwhile, KCCI President Agha Shahab Ahmed Khan said that due to the poor performance of the company, almost all the localities of Karachi, including seven industrial zones, suffer unannounced power cuts every day for prolonged hours. *Tribune*.

### KE allowed increase in tariff

ECC has allowed an average PKR 2.89 per unit increase in tariff to Karachi Electric (KE) from 1<sup>st</sup> Jul'20, and asked OGRA to evolve a mechanism for the recovery of PKR 73.84Bn revenue shortfall suffered by the regulator due to supply of RLNG to domestic consumers in winters. It also approved PKR 29.72Bn for cash assistance of PKR 12,000 per beneficiary to 3.72Mn applicants under the Ehsaas Emergency Cash Program. *BR*.

### Covid-19 financial relief package: Banks defer PKR 566Bn principal loan payments

Under the SBP's relief package, banks and DFIs have accepted over 1Mn application for loan deferment and restructuring and overall some PKR 566Bn worth of principal loan payments have been deferred by 1 year to provide financial relief to the businesses during the COVID-19 pandemic. *BR*.

### Taxpayers waiting for new WHT (Rates Card)

Taxpayers are desperately waiting for the new Withholding Income Tax Regime (WHT Rates Card) to be applicable from 1<sup>st</sup> Jul'20 to ensure non-deduction of 9 different types of withholding taxes abolished in the budget through Finance Act, 2020. On the FBR website, the FBR is still displaying Withholding Income Tax Regime Guideline for the Taxpayers, Tax Collectors and Withholding Tax Agents. There are apprehensions that many withholding agents may continue to collect taxes on the said provisions, which were deleted in budget FY21. *BR*.

### Power outages continue as electricity shortfall reaches 3,350 megawatts

Life has come to a standstill in parts of the country due to electricity load shedding as the power shortfall has reached 3,350 megawatts. According to details, frequent power outages in cities including Islamabad, Lahore, Rawalpindi, Peshawar, Karachi and other have pushed millions of residents into a 'dark age'. *Daily Times*.

### More hotspots sealed in Karachi

Identifying the new Covid-19 hotspots in different parts of Karachi, the district administrations have imposed two weeks' 'strict lockdown' in different localities of the city. The sealed areas include: Gulshan-e-Maymar Blocks X, Y and Z, Clifton Blocks 4 and 5 and Bath Island in Civil Lines, Khayaban-e-Rahat and other areas of district South, West and Malir. *BR*.

### Funds not released for several development projects in Karachi

The release of funds for development projects in Karachi from the Centre remained a mixed story during FY20 as some of the projects received full amount, but others were left out completely. According to the data released by the federal government, construction of road from Dumlottee Wells up to Link Road adjacent to Education City in District Malir, construction of road over Malir Bund from Dadabhoj Town/Expressway up to the limits of PNS Mehran, District East, Karachi, and Greenline BRTS operations projects didn't receive any funds in the year. Similarly, construction of flyover on Jinnah Avenue M-9 didn't receive any funds, which is included in the Karachi Package. Roundabout along Sher Shah Suri Road, re-construction of Mangho Pir Road from Jam Chakro to Banaras, re-construction of Nishtar Road and Mangho Pir Road and rehabilitation of existing fire fighting system of KMC received the allocated amount in PSDP completely. *BR*.

### Emirates resumes flights to Karachi, Lahore, Islamabad

Emirates has resumed services to Pakistan's three main cities – Karachi, Lahore and Islamabad – after a temporary suspension. Passengers, however, will be required to carry a negative Covid-19 report from an approved laboratory issued within 96 hours of the journey. *Daily Times*.

### Border with Iran opens tomorrow

The Pakistan govt. has decided to open the border with Iran for seven days a week from 5<sup>th</sup> Jul'20 only for trade between the two countries at Gubd, Mand, Katagur and Chagai. *Dawn*.

### PoS integration deadline extended again

FBR has extended the deadline to 31<sup>st</sup> Aug'20 for Tier-1 retailers for integrating their Point of Sales (PoS) with its online tax system. FBR said that all Tier-1 retailers will furnish in writing their willingness to integrate their POS with the respective regional tax officers and Large Taxpayers Units by 20<sup>th</sup> Aug'20 to avail the extended deadline. *Dawn*.

### Foreign investors buy T-bills worth \$ 51Mn in June

Foreign investors have renewed their interest in the country's Treasury bills (T-bills) as they bought short-term instruments worth \$ 51Mn during Jun'20. Foreign investment in the country's T-bills had peaked in Mar'20 before the Covid-19 shock caused abrupt outflows. During FY20, total hot money inflows were around \$ 3.69Bn while outflows were \$ 3.06Bn. *Dawn*.

### Govt bonds attract \$ 700Mn net foreign investment

Foreigners invested a huge \$ 3.81Bn in rupee-denominated bonds, but made panic withdrawals following the coronavirus pandemic, which reduced the net investment to \$ 700Mn in Pakistan in FY20. Net investments made by foreigners in treasury bills stood at \$ 625Mn. While foreign net investment in Pakistan Investment Bonds (PIB) in FY20 stood at \$ 75Mn. Investment in PIBs in FY20 amounted to \$ 120Mn while outflow from PIBs in FY20 stood around \$ 45Mn. *The News*.

### Outflow of profits, dividends falls 27% in Jul-May

Outflow of profits and dividends on foreign investments fell 27.37% to \$ 1.22Bn in 11MFY20 compared with \$ 1.67Bn in 11MFY19, largely on account of virus lockdown-led sluggish economic activities. Key sectors such as food, power, telecommunications and financial businesses remitted \$ 59.3Mn, \$ 65.8Mn, \$ 68.8Mn and \$ 232.7Mn profits respectively. *The News*.

### Pakistan, China launch Round II of Shandong Export Online Fair

Pakistan and China launched the 2020 Shandong Export Online Fair (Round II) in Jinan, China, demonstrating a creative way of engaging international business during the COVID-19 lockdown and providing an opportunity for the enterprises from the two countries to carry out business with each other. According to the event organizer, deals worth \$ 2.94Mn were agreed at the first round, with 28 Pakistani enterprises being invited this May'20. *The Nation*.

### Sindh Revenue Board Reaches another Milestone by Collecting Over PKR 100Bn of Sindh Sales Tax during 2019-20

Sindh Revenue Board has collected total revenue of PKR 105.9Bn during FY20 as compared to the collection of PKR 100.3Bn during FY19 which reflects a growth of 5.6%. *The News*.

### Sindh permits intercity transport under SOPs

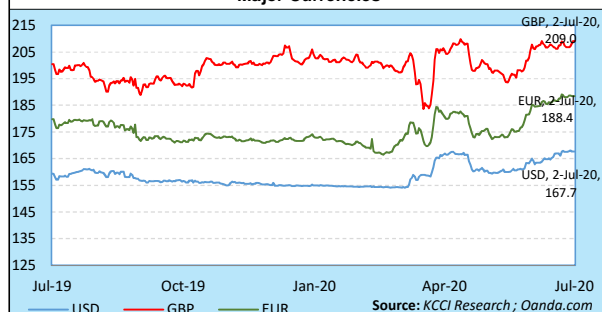
The Sindh govt. has permitted the intercity bus operation in the province under the Standard Operating Procedures (SOPs). However, the interprovincial transport remains suspended. *The News*.

### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	3-Jul	PKR	166.21	-0.41%
USD-Open MKT	3-Jul	PKR	167.50	-0.42%
KSE-100 index	3-Jul	Pts.	35,051	0.21%
FIPI	3-Jul	\$ Mn	-1.35	NM**
Crude (AP'19)	2-Jul	\$/bbl	39.07	-1.44%
Gold (MA'19)	2-Jul	\$/oz	1,772.2	-1.46%
Gold (10g) Local	3-Jul	PKR	95,300	-0.21%
Silver (MA'19)	2-Jul	\$/oz	18.26	-1.40%
Cotton(KHI)-40 kg	3-Jul	PKR	9,002	0.00%
Kibor-6M	3-Jul	%	6.88	-0.07%
Forex Reserves	26-Jun	\$ Bn	17.97	7.42% WoW
	FY20			YoY
Remittances	Jul-May 20	\$ Bn	20.65	2.74%
Exports*	Jul-Jun 20	\$ Bn	21.39	-6.84%
Imports*	Jul-Jun 20	\$ Bn	44.57	-18.61%
Trade Balance*	Jul-Jun 20	\$ Bn	-23.18	27.11%
Current Account	Jul-May 20	\$ Bn	-3.29	73.60%
Foreign Direct Inv.	Jul-May 20	\$ Bn	2.40	90.60%
LSM Growth*	Jul-Apr 20	%	-8.96	
Avg. CPI	Jul-Jun 20	%	10.74	
Discount Rate	Jul-20	%	7.00	

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

### Major Currencies

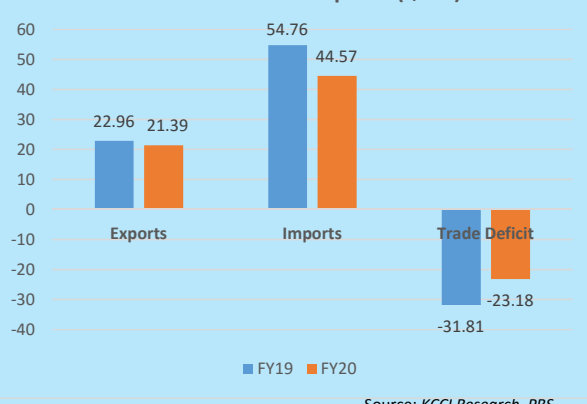


### Quote of the Day

*"Take risks. If you succeed, you will be happy. If you fail, you will be wiser."*

**Asent Steven**

### Pakistan's Trade Snapshot (\$ Bn)



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