

### Growth in MENAP region may be 2% points in 2020: IMF

IMF, in its latest report, "Middle East and Central Asia Economic Outlook update", has said that the GDP growth in Middle East, North Africa, Afghanistan, and Pakistan (MENAP) region in 2020 is expected to be 2% weaker than in April's, 2020 estimates. The fund further added that more recently, countries like Pakistan in the region that had imposed more stringent confinement policies earlier have also begun gradually relaxing restrictions. Utility support, temporary tax exemptions on essential goods, and tax holidays have also been widely deployed. Policy rates were cut in 16 countries (about half of which maintain pegs) by about 150bps on average (in line with the Federal Reserve); Pakistan and Egypt stand out with cuts of 525bps and 300bps, respectively, with Pakistan reducing its rate by a further 100bps in late Jun'20. *BR.*

### Afghan exports thru Wagha border allowed

Pakistan has announced reopening of Wagha border crossing from Wednesday (15<sup>th</sup> Jul'20) to allow the export of Afghan goods to India with a view to facilitate Afghanistan's transit trade. *BR.*

### Tax-to-GDP slips to 9.5% despite marathon reforms

Pakistan's tax-to-GDP ratio has slipped to 9.5% in FY20 from 9.9% a year earlier, indicating the govt. is yet to find means to take it back to double digit despite an array of reforms and management reshuffling in the last two years. Tax-to-GDP ratio by end FY18 was 11.1%. The ratio remained in double digit during FY16, FY17 and FY18. FBR attributed the fall in revenue to general elections in FY19 and adverse impact of coronavirus during FY20. *The News.*

### Public debt increases 9% to PKR 34.5Tn in 11 months

Public debt rose 8.5% to PKR 34.5Tn in 11MFY20 from PKR 31.8Tn in 11MFY19 as the cash-strapped govt. continued to rely on borrowings to finance budget deficit. Of total debts, domestic debt surged 13.4% to PKR 23.5Tn. *The News.*

### Govt asked to address key issues of exporters

Leading exporters of textile and rice sectors, while meeting with Secretary Commerce Sualah Faruqi, apprised him of hurdles faced by the exporters including shortage of gas and other utilities, clearance of DLTL dues, refund of taxes, role of other govt. departments in promotion of exports, regulatory issues, market access issues with some specific countries and role of the federal govt. in resolving the problems faced by the exporters at provincial and local levels. Secretary Commerce assured his full support to resolve the issues raised by the exporters. *The Nation.*

### NCOC allows more but small cattle markets

The National Command and Operation Centre (NCOC) has decided to increase the number of cattle markets across the country but shrink their size and implement strict SOPs to curb the spread of Covid-19 during Eidul Azha whose payers will be organized on the pattern of Eidul Fitr ensuring social distancing. The NCOC decided that some 700 cattle markets would be established on the outskirts of cities across the country. No cattle market will be allowed inside any city and that all cattle markets would remain open from 6am to 7pm. *Dawn.*

### FY20 remittances soar to record \$ 23Bn

Pakistan received record \$ 23Bn in remittances in FY20 while inflows jumped by 51% year-on-year to \$ 2.47Bn in Jun'20 compared with \$ 1.64Bn in Jun'19. On a cumulative basis, workers' remittances increased to a historic high level of \$ 23.12Bn during FY20, witnessing a growth of 6.4% over \$ 21.74Bn during FY19. *Dawn.*

### PBS asked to form bodies under General Statistics Reorganization Act

Secretary Planning Development and Special Initiatives Mathar Niaz Rana has directed the Pakistan Bureau of Statistics (PBS) to complete all the bodies formed under the General Statistics Reorganization Act, 2011, and come up with a roadmap of the activities with timelines and specific objectives to achieve for FY21. *BR.*

### Month-wise actual RLNG volumes: Ogra empowered to allow recovery of revenue shortfall

The govt. has empowered Ogra to provisionally allow the recovery of RLNG revenue shortfall considering the month-wise actual RLNG volumes diverted in the domestic and commercial sectors by SNGPL and any amount available in the deferral account would also be adjusted while actualizing the RLNG sale price, subject to verification of volumes supplied to domestic and commercial consumers. The decision taken by the ECC will be presented before the federal cabinet today (14<sup>th</sup> Jul'20) to be presided over by PM Imran Khan. *BR.*

### Preparations afoot for test trial of KCR project

Karachi Commissioner Iftikhar Shalwani held a meeting regarding the revival of KCR. Pakistan Railways is expected to launch test trial of KCR after completion of 13Km ground track. The KCR project is 12.63Km at grade (on the ground), and 30.75Km elevated with 24 railway stations out of which 14 will be elevated. The average distance between each station will be 1.8Km. *Daily Times.*

### Karachi mayor orders completion of last year's uplift projects on priority

Mayor Wasim Akhtar has directed officials concerned to expedite work on the pending uplift projects of previous year and complete them on a priority basis. He said no new works would begin until the projects initiated last year were completed. An amount of PKR 250Mn is earmarked for road carpeting and repairs and another PKR 250Mn is fixed for repair and maintenance of footpaths, sewerage lines, bridges and roundabouts of Karachi in the budget for FY21. *Dawn.*

### Penalty waiver

FBR has granted a waiver of penal surcharge on overstayed consignments in warehouses to facilitate importers. A customs notification SRO616 states that concessions will not apply to those goods which have since been abandoned or auctioned under the rules. It is estimated that approximately the penal surcharges on overstayed goods are around PKR 600Mn. The waiver is extended until 31<sup>st</sup> Jul'20 so that importers can clear their overstayed goods from warehouses. *Dawn.*

### Car sales plunge 50% in June

Passenger car sales have dropped by 50% in Jun'20 to only 7,325 units from 14,767 units sold in Jun'19. Passenger car sales in FY20 dropped by 53.5% to 96,455 units, compared to 207,630 units sold during FY19. Among others sales of Toyota Corolla decreased by 80% to 855 units from 4,406 units in Jun'19. *The News.*

### Pakistan, Hungary sign MoU

Pakistan and Hungary have signed a MoU on cooperation in water management and an amended convention for avoiding double taxation, which shows the two countries commitment to each other. The Hungarian Embassy said it hoped that the next step in this forward-looking process could be the signature of the Agreement for Promotion and Reciprocal Protection of Investments. *The News.*

### Price decision delay keeps 400 medicines out of public reach

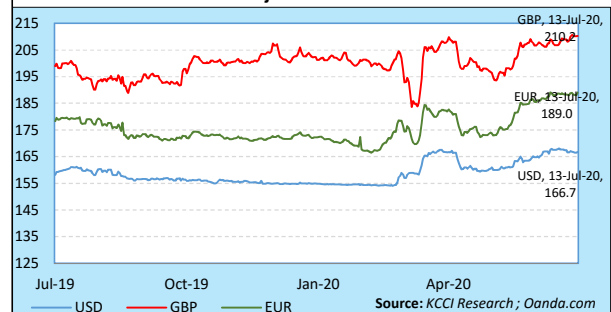
Pharmaceutical industry has said that the govt. has been clueless about a price decision on medicines awaiting approval for almost two years, keeping more than 400 medicines out of public reach. They questioned as to how to expect an organization to review and approve requests for price adjustments for around 90,000 drugs, when it couldn't even approve 400 drugs in 18 months. *The News.*

### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	13-Jul	PKR	166.63	0.17%
USD-Open MKT	13-Jul	PKR	167.30	-0.30%
KSE-100 index	13-Jul	Pts.	36,619	1.18%
FIPI	13-Jul	\$ Mn	-6.70	NM**
Crude (AP'19)	13-Jul	\$/bbl	40.62	2.73%
Gold (MA'19)	13-Jul	\$/oz	1,801.6	-0.32%
Gold (10g) Local	13-Jul	PKR	96,370	0.28%
Silver (MA'19)	13-Jul	\$/oz	19.02	0.34%
Cotton(KHI)-40 kg	13-Jul	PKR	9,109	1.19%
Kibor-6M	13-Jul	%	6.70	-0.08%
Forex Reserves	3-Jul	\$ Bn	18.79	4.56% WoW
	FY20			YoY
Remittances	Jul-Jun 20	\$ Bn	23.12	6.35%
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

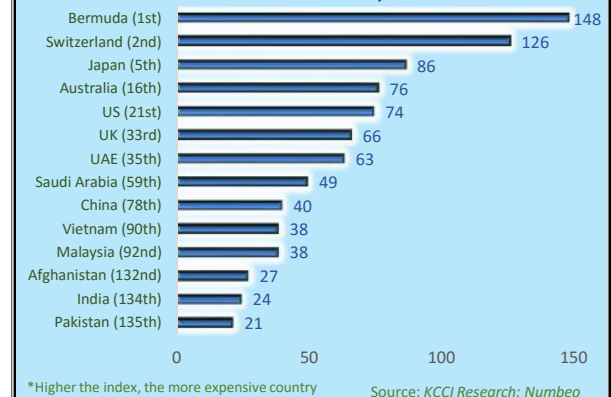


### Quote of the Day

*"Knowing is not enough; we must apply. Willing is not enough; we must do."*

**Johann Wolfgang von Goethe**

### Cost of Living Index by Country 2020 Mid-Year (Total 135 Countries)



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