

Growth rate to be positive 0.5% in fiscal 2020-21

Contrary to the assertions of the govt. and multilateral creditors such as the IMF and World Bank on the GDP growth rate, former finance minister Dr Hafiz Pasha has assessed that Pakistan's growth rate will be standing at positive 0.5% of GDP for FY21. He also does not agree with the provisional growth estimates of negative 0.4% of GDP growth for FY20 as claimed by the govt. and estimates that it would be standing at negative 1.5% of GDP. *The News-Sun.*

Pakistan gets South Korean grant to ease impact of coronavirus

South Korea has announced \$ 800,000 of grant to help Pakistan fight over impacts of coronavirus on the country and vowed to extend support in various sectors. *The News-Sun.*

Pakistan Oil Refinery and Marketing Policy 2020: Incentive packages for refinery, OMCs in the pipeline

According to the draft of the Pakistan Oil Refinery and Marketing Policy 2020 prepared by Petroleum Division, the govt. is offering more incentives for both oil refinery and marketing sectors with an aim to build strategic petroleum reserves. The prices of kerosene oil, Jet Pilot will be deregulated. In addition, ex-refinery prices and margins on petrol and diesel will also be deregulated in a phased manner. For the OMC sector, the policy proposes relaxation of storage capacity requirements for retail expansion, which would bode well for smaller OMCs. *The News-Mon.*

Exports declining as govt ignoring apparel sector

Textile exporters have expressed deep concern over declining trend in textile exports, which have dropped by 37% to \$ 751Mn in May'20 during a turbulent period of post-corona slowdown for textile manufacturers, who await the promised incentives by the govt., including disbursement of sales tax refunds. Exports of cotton yarn saw the steepest decline, from \$ 107Mn in May'19 to \$ 52Mn in May'20. *The Nation-Mon.*

Exports to Qatar, Saudi Arabia rise despite Covid-19

The Ministry of Commerce has informed the National Assembly that exports have seen an upsurge in few countries despite the global economic slowdown since Mar'20. Exports have seen a sizable increase in two major destinations: Saudi Arabia and Qatar. Exports to Saudi Arabia have seen a consistent increase from \$ 336.9Mn in FY17 to \$ 342.08Mn in FY19 and \$ 446.18Mn FY20. Pakistan's exports to Qatar in Jun'20 alone increased by 40%. *Dawn-Sun.*

Traders need no tax incentive certificates for raw materials import

Large Taxpayers Unit Karachi has said that importers need not to obtain tax exemption certificates pertaining to import of certain raw materials that avail concessionary taxes. The large-sized entities have been facing challenges in customs clearance of their imported raw materials due to changes brought into Income Tax Ordinance, 2001 through Finance Act 2020. *The News-Sun.*

OEC portal registers 50,000 expelled overseas workers

More than 50,000 Pakistani workers, who have lost their overseas jobs in the wake of coronavirus pandemic, have registered themselves with the Overseas Employment Corporation's (OEC) portal in search of job opportunities, training in modern skills and financial assistance. The portal was launched by the OEC in Jun'20 to facilitate the returning emigrants in locating jobs in the country and abroad after documenting their data. *The Nation-Mon.*

Govt sets PKR 1.5Bn subsidy for local tractors

The govt. will give a subsidy of PKR 1.5Bn on locally manufactured tractors for one year as part of the fiscal package announced for the agriculture sector in the wake of Covid-19. Sales tax subsidy on locally manufactured tractors will be 5%. At present, 5% sales tax is applied on each tractor. *Dawn-Sun.*

Tax-to-GDP ratio declines to historic low

Pakistan's tax-to-GDP ratio has declined to a historic low of around 9% during FY20 compared to 11.1% in FY18. Despite imposition of 17% sales tax on five leading export sectors in budget FY20 and other taxation measures to the tune of PKR 735Bn, the FBR's tax-to-GDP witnessed a constant decline. Harsh enforcement measures such as the condition of CNIC of unregistered buyers further damaged the relationship between the tax collector and the taxpayers. *BR-Mon.*

Pakistan urged to streamline its business environment

Pakistan needs to streamline its business environment to overcome certain economic shortfalls in wake of Covid-19 and to achieve future developments targets, particularly those relating to CPEC. According to Prof Zhou Rong, who is a senior Fellow of Chongyang Institute for Financial Study of Renmin University, most of the foreign investment during the Covid-19 pandemic went to the ongoing projects in Pakistan rather than new projects. The overall 91% growth in FDI got major support from an increase in Chinese investment, mainly in power projects under the frame of CPEC. In the first 11 months of FY20, China was the largest investor with net investment of \$855.6Mn. As about the sectors investment, the communication sector, mostly the 3G/4G service providers, attracted the largest foreign investment of \$73.5Mn in May 2020, followed by oil and gas exploration firms \$18.6Mn and financial businesses \$15.5Mn. *Daily Times-Mon.*

Prices of bread, bakery items likely to go up

Manufacturers of bread and other bakery items have decided to increase prices by over 11% in the last week of Jul'20 ahead of Eidul Azha. They have also planned to raise school bun price from Nov'20 by PKR 5 to PKR 15, when schools are likely to reopen. As per new prices, the mini-plain and milky bread will cost PKR 40 and PKR 41 as compared to PKR 35 and PKR 36, the present rates. *Dawn-Sun.*

Sindh govt finalizes strategy to ensure cleanliness on Eid

An important meeting was held under the chairmanship of Sindh Minister for Information Nasir Hussain to finalize the strategy for disposal of remains of the sacrificed animals during Eid-ul-Azha. He said that the govt. of Sindh has decided to give a special grant of PKR 10Mn to each DMC for smooth and clean execution of the sacrificial process in respective union councils. *Daily Times-Sun.*

Qasim Coal Power Plant generated 5Bn kwh of electricity in 2020

The Qasim Coal Power Plant, invested and constructed by Power Construction Corporation of China, has generated more than 5Bn kWh in 2020, setting a record for the annual cumulative power generation since the plant was put into operation. Qasim Coal Power Plant is reckoned as a key project under CPEC. It has an installed capacity of 1.32Mn kW and uses imported coal to generate electricity. *Daily Times-Sun.*

Delay in FATF legislation to cost dearly: FM

Foreign Minister Shah Mehmood Qureshi has said that Pakistan can face serious consequences in case of delay in legislation in connection with FATF. Introducing timely legislation and taking administrative steps would bring back the country from the FATF grey list to the white list. He said that the opposition would be consulted over legislation today (27th Jul'20) including eight bills related to FATF and one related to NAB. *Dawn-Sun.*

Four electrocuted as rain wreaks havoc on Karachi again

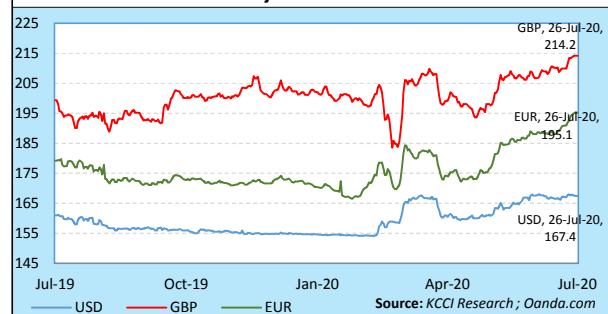
Not unexpectedly, rain again wreaked havoc on Karachi on with 4 people dead from electrocution, all major roads and low-lying areas inundated, and several areas facing power outages. *The News-Mon.*

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	24-Jul	PKR	167.26	-0.22%
USD-Open MKT	24-Jul	PKR	168.20	-0.18%
KSE-100 index	24-Jul	Pts.	37,608	0.08%
FIPI	24-Jul	\$ Mn	-1.37	NM**
Crude (AP'19)	24-Jul	\$/bbl	41.00	-7.39%
Gold (MA'19)	24-Jul	\$/oz	1,883.4	0.67%
Gold (10g) Local	24-Jul	PKR	102,200	0.14%
Silver (MA'19)	24-Jul	\$/oz	22.70	-2.60%
Cotton(KHI)-40 kg	24-Jul	PKR	8,895	-0.60%
Kibor-6M	24-Jul	%	6.69	0.03%
Forex Reserves	17-Jul	\$ Bn	19.05	0.50%
	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-Jun 20	\$ Bn	-2.97	77.92%
Foreign Direct Inv.	Jul-Jun 20	\$ Bn	2.56	88.03%
LSM Growth*	Jul-May 20	%	-10.32	
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



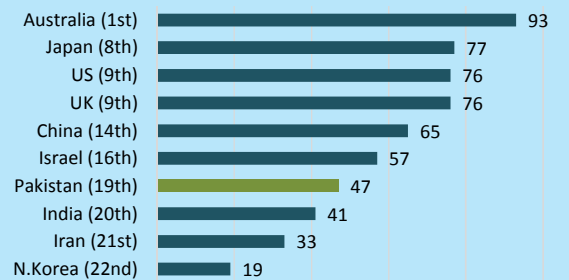
Quote of the Day

"To achieve what 1% of the worlds population has (Financial Freedom), you must be willing to do what only 1% dare to do..hard work and perseverance of highest order."

Manoj Arora

Nuclear Threat Initiative

Theft: Secure Materials



***Assesses actions of 22 countries having 1KG or more of weapons usable nuclear materials to secure materials against theft.**

Source: KCCI Research; NTI

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