

### As Covid-19 cases fall, NCC meets today to decide future strategy

With the number of Covid-19 cases reducing, the National Coordination Committee (NCC) will meet today (6<sup>th</sup> Aug'20) to decide the line of action to be adopted to return the country to its normal routine. Federal Minister for Planning Asad Umar has stated that it has been decided, in principle, to lift the restrictions and ensure strict implementation of SOPs to stop the spread of Covid-19. *Dawn*.

### Gwadar Port, other uplift projects: Balochistan comes under renewed govt focus

Federal Minister for Planning Asad Umar has constituted two special committees to prepare a program on fast-track basis for development of Gwadar Port and other development projects of Balochistan. The Minister said that in FY21, the federal and provincial govt.s would spend a total of PKR 200Bn on the development of Balochistan. An amount of PKR 118Bn will be spend under the Annual Development Plan by the provincial govt. and PKR 82Bn under PSDP. *BR*.

### Ecneec approves \$ 6.8Bn Railway's ML-I and dry port projects

A meeting of Executive Committee of the National Economic Council (Ecneec) has approved Pakistan Railways' upgradation project of (ML-I) and establishment of dry port project near Havelian at an estimated cost of \$ 6.8Bn. It also approved PKR 115Bn projects for transportation, education sector as well as Pakistan single-window project. *BR*.

### Customs rules amended to promote transshipment of goods

In order to promote the free flow of trade, the govt. has introduced amendments in customs rules for overseeing international transshipment of goods and containers to an intermediate destination before being taken to a final one. The changes were introduced in sub-chapter VIII-A of Chapter XXI of the Customs Rules, 2001. These include: international transshipment goods will not be subject to payment of import or export duties, and taxes provided the activities conform with these rules. *Dawn*.

### 'No effort made to end WHT regime despite documentation of economy'

FBR has said that no concerted effort is in place to put an end to the WHT regime despite substantial documentation of economy and computerization of tax department. According to the Board, the WHT regime carries the possibilities of ultimately complicating the system more than simplifying it as it has afforded the revenue administration an opportunity to hide behind the façade of WHTs to show overall tax collection of their unit which misrepresent their actual effort in tax collections. FBR has held the Task Force on Fiscal Reforms (TFFR) 1996 responsible for consolidating the expansion of WHT regime in the country. *BR*.

### PIA to resume UK flight operation by 14<sup>th</sup>

After sacking 63 employees in the continued fallout from the fake license scandal, PIA has now announced restoration of its flight operation to UK by 14<sup>th</sup> Aug'20 to regain passengers' confidence. An agreement has been finalized with a Portuguese company to operate PIA flights to destinations in UK with modern and amenities laden Airbus A330 having capacity of over 300 seats. *BR*.

### Khunjerab Pass: Trade with China resumes

Advisor on Commerce, Abdul Razak Dawood has said that trade with China through Khunjerab Pass has resumed temporarily. Opening of border was a longstanding demand of businessmen, particularly from Gilgit Baltistan, which remained closed due to Covid-19. *BR*.

### FBR to abolish 30 to 40 more WHTs

FBR is expected to abolish 30-40 more WHTs in a phase-wise manner, but will continue to rely on the WHT regime due to a narrow tax base, distorted tax system and easy mechanism to collect WHTs. This was stated by, Chief Income Tax Policy Reema Masud at a webinar on, "Economics of Tax Expenditure by FBR - A debate for reforms". *BR*.

### Punjab industries allowed to work round-the-clock

The Punjab govt. has granted additional exemptions in lockdown and allowed industries and construction sector to operate 24 hours a day, 7 days a week (24/7) subject to adoption of SOPs/guidelines. *The News*.

### Pakistan pays back \$ 1Bn Saudi loan

Pakistan has paid back \$ 1Bn out of a \$ 3Bn Saudi Arabia loan that it secured one and a half year ago to avoid default on international debt obligations after the kingdom decided to reduce its financial support. There are also reports from within the Ministry of Finance (no official statements) that China has immediately come forward and extended \$ 1Bn in loan to help avoid any adverse impact of the partial withdrawal of Saudi lifeline. *Tribune*.

### FBR fails to launch return forms for tax year 2020

FBR has yet to issue returns form for the TY20 with filing deadline under the law falling in two months, increasing likelihood of extension in filing deadline. Karachi based tax practitioners said that the FBR needs to grant three months' time for filing of income tax return from date of issuance of final income tax return form in the case where date is due on 30<sup>th</sup> Sept'20 and 6 months in those cases where due date is 31<sup>st</sup> Dec'20. *The News*.

### State Bank surpasses annual milestones of financial inclusion

SBP has surpassed all the targets set for FY20 under its national financial inclusion program, leading to increasing number of bank accounts in underserved areas. The govt. adopted a national financial inclusion strategy in 2015 to address the challenge of financial exclusion and that aims to enhance formal financial access to 50% of the adult population by 2020. Despite the prevailing pandemic of COVID 19, 250,000 participants were given financial education during FY20 against the target of 226,000 beneficiaries and 53% of participants opened a bank or mobile account at the end of the session. *The News*.

### Exports to Afghanistan down 25.46% in FY2019-20

SBP has said that Pakistan's exports of goods and services to Afghanistan witnessed a decrease of 25.46% to \$ 888.91Mn during FY20 as compared to \$ 1.19Bn in FY19. On the other hand, the imports from Afghanistan were recorded at \$ 121.83Mn as against \$ 170.49Mn in FY19, showing decrease of 28.53%. *The Nation*.

### Meezan Bank launches eIPO

Meezan Bank has successfully launched electronic subscription to IPOs for its corporate customers via CDC's (Central Depository Company) newly-launched Master TREC Module in Centralized eIPO System. The newly-launched service will also enable Meezan Bank's corporate customers maintaining an account under CDS participants (active TREC holders) to subscribe to IPOs of shares / sukuk online on behalf of investors. *The News*.

### 300 pharma consignments stuck at port

A huge consignment of active/inactive pharmaceutical ingredients, imported by local companies from India are stuck up at port awaiting no objection certificates (NOC) from the Drug Regulatory Authority of Pakistan (Drap). 300 consignments have been stuck up for more than 20 days. Non-clearance of the ingredients may create serious problems for companies who have limited stocks besides interrupting regular production of medicines. *Dawn*.

### Gold rallies to all-time high of PKR 128,700/tola, gains 46% in 2020

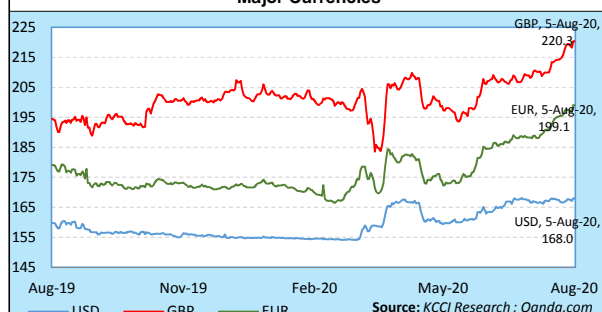
Local gold prices hit an all-time high of PKR 128,700/tola, taking their gains to more than 46% in 2020 after rallying nearly 30% in 2019. Gold scaled an all-time peak on a weaker dollar, falling US Treasury yields and expectations of more stimulus measures to revive pandemic-ravaged US economy. *The News*.

### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	5-Aug	PKR	168.23	0.35%
USD-Open MKT	5-Aug	PKR	168.30	0.30%
KSE-100 index	5-Aug	Pts.	39,883	0.77%
FIPI	5-Aug	\$ Mn	0.62	NM**
Crude (AP'19)	5-Aug	\$/bbl	42.20	1.64%
Gold (MA'19)	5-Aug	\$/oz	2,040.6	0.90%
Gold (10g) Local	5-Aug	PKR	110,400	1.47%
Silver (MA'19)	5-Aug	\$/oz	27.10	3.57%
Cotton(KHI)-40 kg	5-Aug	PKR	8,788	0.00%
Kibor-6M	5-Aug	%	7.21	0.04%
Forex Reserves	24-Jul	\$ Bn	18.91	-0.71%
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-20	%	9.26	
Discount Rate	Jul-20	%	7.00	

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

### Major Currencies

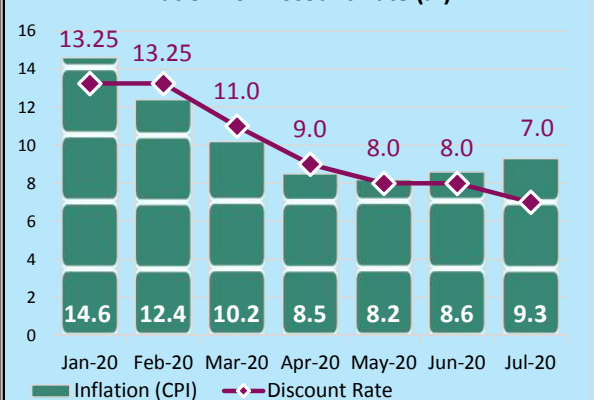


### Quote of the Day

*"The most difficult thing is the decision to act, the rest is merely tenacity."*

*Amelia Earhart*

### Inflation vs. Discount Rate (%)



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