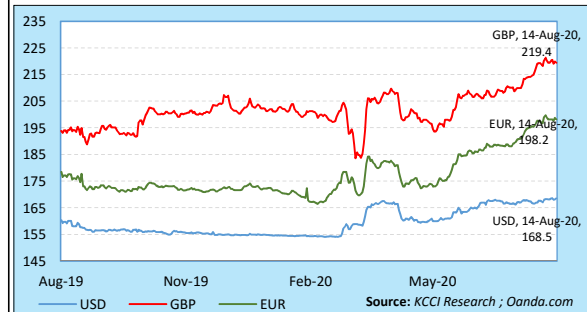


Economic Indicators

| List of Indicators | Date / Period | Unit | Value | Change Daily |
|---------------------|---------------|--------|---------|--------------|
| USD-Interbank | 13-Aug | PKR | 167.93 | -0.09% |
| USD-Open MKT | 13-Aug | PKR | 168.50 | -0.12% |
| KSE-100 index | 13-Aug | Pts. | 40,291 | -0.45% |
| FIPI | 13-Aug | \$ Mn | 2.00 | NM** |
| Crude (AP'19) | 13-Aug | \$/bbl | 42.28 | -0.70% |
| Gold (MA'19) | 13-Aug | \$/oz | 1,955.2 | 1.89% |
| Gold (10g) Local | 13-Aug | PKR | 109,230 | 0.00% |
| Silver (MA'19) | 13-Aug | \$/oz | 27.61 | 7.75% |
| Cotton(KHI)-40 kg | 13-Aug | PKR | 8,895 | 0.00% |
| Kibor-6M | 13-Aug | % | 7.23 | 0.00% |
| | | | | WoW |
| Forex Reserves | 7-Aug | \$ Bn | 19.52 | -0.23% |
| | | | | 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-Jun 20 | % | -10.17 | |
| Avg. CPI | Jul-20 | % | 9.26 | |
| Discount Rate | Jul-20 | % | 7.00 | |

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

Major Currencies

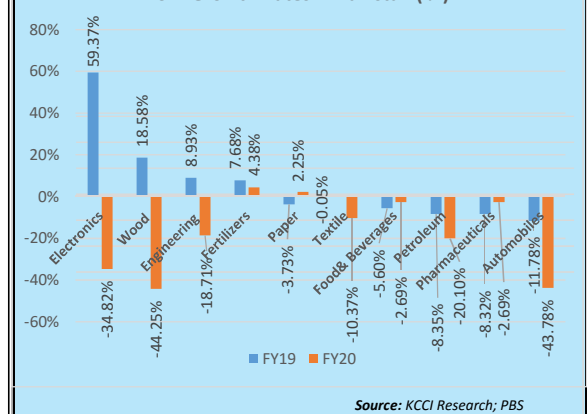


Quote of the Day

"If your dreams don't scare you, they are too small."

Richard Branson

LSM Growth Rates in Pakistan (%)



Disclaimer

This report has been prepared by KCCI Research & Development Cell. The information contained herein has 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.

The icon represents the sole viewpoint of the KCCI R&D Cell, and is stated to enrich the readers' understanding of the news item. The

BMG candidates elected unopposed

All the 15 candidates of the Businessmen Group (BMG) for the Managing Committee of the Karachi Chamber of Commerce and Industry for FY22 have been elected unopposed. Siraj Kassam Teli, chairman BMG and a former president KCCI, said that 23 years of success is an acknowledgement of the public service by the Businessmen Group. BMG candidates — M. Shariq Vohra for President; Saquib Goodluck for SVP; and Shamsul Islam Khan for VP— will be elected unopposed as the managing committee comprises all BMGians. *BR-Fri.*

State Bank simplifies digital services' payments for firms

SBP has introduced a new mechanism to enable the companies to make instant payments for acquiring digital services from globally recognized providers without any hassle which will help add to the ease of doing business in Pakistan. Banks have been given general permission to release foreign exchange up to a maximum of \$ 200,000/year for each local company on account of digital services, primarily in favor of 62 digital service providing companies, listed in the circular on SBP's website. However, within this limit, authorised dealers were allowed to release foreign exchange up to a maximum of \$25,000 per annum to digital service providers not included in the list. *The News-Fri.*

PTI govt green-lights sales of plots in 3 SEZs

The govt. has approved the sale of plots in three Special Economic Zones (SEZ) including the Allama Iqbal Industrial City (AIIC), Bostan and Hub. This was approved during a meeting of the Approvals Committee of SEZs at the Board of Investment (BOI). The committee recommended two zone applications, namely JW-SEZ and Dhabeji SEZ, Sindh, for consideration by the Board of Approvals (BoA), which is chaired by the PM. *Dawn-Fri.*

FBR warns taxpayers of penal action for not updating profile

FBR has warned taxpayers of penal action against failure to update profile and mandatory detailed information. The FBR said persons who registered with the tax authorities up to 30th Sept'20, and were driving income under various heads, were required to file profile up to 31st Dec'20. Upon filing or updating the profile, such persons shall be allowed to be placed on the ATL upon payment of surcharge which will be PKR 20,000 in case of a company, PKR 10,000 in case of an association of persons and PKR 1,000 in the case of an individual. *The News-Fri.*

Private sector credit growth turns negative in July

Lending to the private sector was negative PKR 110.2Bn in 1MFY21, showing firms are paying off banks rather than borrowing to finance investment and working capital needs, owing to COVID-19-led economic slowdown. Furthermore, the coronavirus pandemic dragged on the industrial activity, exports and investment because of which banks lent PKR 196.3Bn to the private sector in FY2020, compared with PKR 693.5Bn in FY19. *The News-Fri.*

Power Generation Policy 1994: Govt., majority of IPPs sign settlement pacts

The govt. and majority of Independent Power Producers (IPPs) established under Power Generation Policy 1994 have signed settlement pacts, paving the way for substantial reduction in power tariff and circular debt. The MoU has the following points agreed between the parties ; the existing capacity payments and variable O&M shall be reduced by 11%; USD exchange rate and US CPI indexations shall be discontinued on 50% of the reduced capacity payment, which shall be fixed at NBP's TT/OD selling PKR/USD exchange rate prevailing as on 12th Aug'20 without any local or international currency indexation or inflation adjustment for the future. *BR-Sat.*

Realtors flock to avail exemption from investment source probe

The govt. has received a rousing response from real estate builders and developers to its exemption from probe into source of investment against flat tax rate. So far, 40 projects have already been registered with the FBR, whereas 4,812 projects have prepared drafts for registration in the IRIS system. *The News-Fri.*

MSCI retains Pakistan in emerging market index

Pakistan has kept up its emerging marketing status in the quarterly index review by Morgan Stanley Capital International (MSCI), benefiting from relaxation in market capitalization rule. *The News-Fri.*

Petroleum levy collection on oil products rose 43% in last fiscal

The govt. has collected about 43% higher petroleum levy on oil products during FY20 at PKR 249Bn as compared to PKR 206Bn in FY19, despite 13-20% reduction in local production and 25% drop in import of major products. Total revenue collection from seven important oil and gas heads including Gas Infrastructure Development Cess, Gas Development Surcharge and petroleum levy was recorded at PKR 416Bn compared to PKR 319Bn in FY19. *Dawn-Sat.*

British Airways resumes flight operations to Pakistan

British Airways has resumed flight operations to Pakistan after decline in coronavirus cases in the country. The airline said direct flights would take off 3 times a week between London's Heathrow Airport and Islamabad International Airport. *BR-Fri.*

Chinese firm developing virus vaccine will supply to Pakistan

A coronavirus vaccine candidate developed by a unit of the China National Pharmaceutical Group (Sinopharm) appeared to be safe and triggered antibody-based immune responses in early and mid-stage trials. The state-owned company will also supply the candidate to Pakistan as part of a trial agreement. *Dawn-Sat.*

PKR 233Bn COLLECTION: Sales tax on services post 15% growth in FY2020

Sales tax collection from services rose 15% to PKR 233Bn in FY20 compared to PKR 203Bn during FY19 despite economic slowdown worsened by the coronavirus-related lockdown for almost five months. *The News-Sat.*

WB advises State Bank to revisit export credit schemes

While evaluating the Export Finance Scheme (EFS) and Long-Term Finance Facility (LTFF) for plant and machinery offered by SBP, the World Bank has said that despite delivering net benefits, the schemes entail a substantial financial cost to the central bank. Based on cost-benefit analysis, the World Bank pointed out that lending at negative real interest rates is costly and distorts the allocation of credit at aggregate level, and suggested that the schemes should be open to all sectors of the economy if these are to be made more impactful. *Dawn-Sat.*

Forex reserves down to \$ 19.51Bn

Pakistan's foreign exchange reserves declined to \$ 19.52Bn in the week ended 7th Aug'20 from \$ 19.56Bn in the previous week. SBP's reserves decreased to \$ 12.47Bn due to the govt.'s external debt repayments while the forex reserves of commercial banks stood at \$ 7.05Bn. *The News-Fri.*

*KCCI has received an inquiry to engage manufacturers in the following sectors: ship construction (hull structure, hull outfitting, main propulsion systems, auxiliary systems electrical/electronic control systems and command surveillance systems) AND equipment (firefighting equipment, humidity/temperature controls and cold room storage/cooking galleys). If your company deals in the manufacturing of the mentioned sectors, kindly share your company details with KCCI research as soon as possible.