

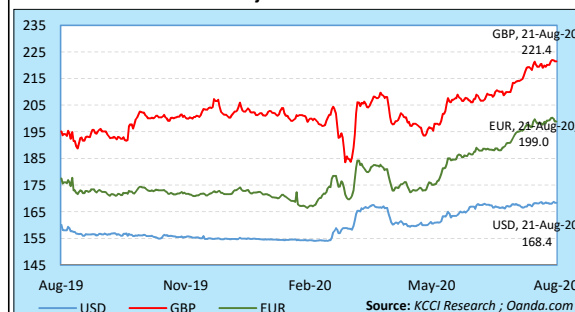


Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	21-Aug	PKR	168.29	-0.05%
USD-Open MKT	21-Aug	PKR	168.70	0.06%
KSE-100 index	21-Aug	Pts.	39,622	-0.62%
FIPI	21-Aug	\$ Mn	-0.22	NM**
Crude (AP'19)	20-Aug	\$/bbl	42.76	-0.56%
Gold (MA'19)	20-Aug	\$/oz	1,957.4	1.65%
Gold (10g) Local	21-Aug	PKR	104,900	-0.29%
Silver (MA'19)	20-Aug	\$/oz	27.43	3.19%
Cotton(KHI)-40 kg	21-Aug	PKR	9,056	0.60%
Kibor-6M	21-Aug	%	7.18	-0.01%
			WoW	
Forex Reserves	13-Aug	\$ Bn	19.66	0.70%
			YoY	
Remittances	Jul-20	\$ Bn	2.77	36.50%
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-20	\$ Bn	0.11	60.76%
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

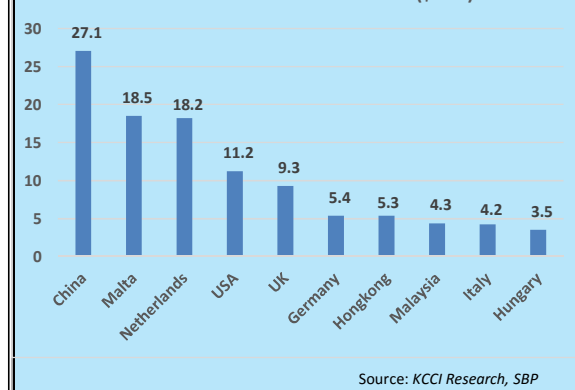


Quote of the Day

“Whatever the mind of man can conceive and believe, it can achieve.”

Napoleon Hill

Top 10 Net Foreign Direct Investment Source countries for Pakistan in 1MFY21 (\$ Mn)



Disclaimer

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

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

Key value chains: MoC preparing 3-year tariff rationalization plan

Ministry of Commerce (MoC) is said to be preparing a three-year tariff rationalization plan for key value chains of the country including textile, plastic chain, transformers, home appliances, pumps, motors, cables and switches, aimed at making customs tariff more predictable. Advisor on Commerce Abdul Razak Dawood is regularly holding meetings of Tariff Policy Board (TPB) to consider proposals coming from different industries individually. *BR.*

IMF mission starts online consultations with FBR authorities

A technical assistance mission of IMF has started online consultations with the tax authorities of the FBR from 17th – 28th Aug'20 to better understand the existing mechanisms/procedures and help FBR in identification of more concrete measures directed towards mobilizing the revenues. Broad agenda of questions of the IMF covers reform plan and reform management; registration and filing; compliance risk management; tax collection and arrears; refunds; simplification of sales tax and harmonization of taxes. *BR.*

Budgetary support: China allows Pakistan to use its \$ 1Bn SBP deposit

China has allowed Pakistan for utilizing its \$ 1Bn deposited in SBP for financing budgetary support. With this permission, the govt. would minimize at least PKR 165 to PKR 169Bn requirements for raising domestic debt from banking or non-banking institutions to finance its budget deficit. Beijing has provided \$ 1Bn for deposit in the SBP in order to bridge the financing needs when Saudi Arabia had withdrawn its money. *The News.*

Pakistan economy showing signs of recovery as COVID weakens, says Hafeez Sheikh

Advisor on Finance, Abdul Hafeez, has said that the economy of Pakistan has started showing signs of recovery as the coronavirus pandemic lose its grip in the country. Addressing a webinar organized by Karachi Council on Foreign Relations, he said that the improvement in the economy is also reflected by various indicators including a robust growth of PSX, which was recently announced as one of the best performing bourses by Bloomberg. Furthermore, the 33% increase in sales of cement and 23% growth of taxes during the last month, also signifies improvement, he said. *BR.*

FBR's new reform plan unveils greater autonomy

FBR has drafted a framework of reforms under the guidance of Dr. Ishrat Hussain, adviser on institutional reforms. FBR's new reform and restructuring plan has revealed devolution of administrative and financial powers to the field formations, action against corrupt tax officials, green channel facilities for trade, reduction in the number of FBR members from existing 13 to eight, reduced focus on tax policy making; more operational and financial autonomy to the FBR for implementation of tax policy and raising revenues, and reducing the scope of the withholding tax regime. *BR.*

Samsung keen to set up assembly plant in Pakistan

South Korean smartphone manufacturer Samsung is keen to set up its assembly plant in Pakistan, informed Federal Minister for Industries, Hammad Azhar. The development comes during the minister's meeting with Samsung Pakistan MD and CEO. The minister said that the smartphone production in Pakistan is increasing exponentially following the Pakistan Telecommunication Authority (PTA) implementation of Device Identification, Registration and Blocking System (DIRBS), and Mobile Policy launched recently. *BR.*

Capital gains tax collection falls 67% in FY20

The collection of capital gains tax on disposal of securities at the stock exchange has registered 67% decline to PKR 515Mn during FY20 as compared with PKR 1.59Bn in FY19 owing to exemption granted on sales of securities after a certain time period. The performance of PSX also showed a decline of 3.3% in FY21 according to a report. *The News.*

Public offerings of OGDCL, PPL, PRC shares approved

The Cabinet Committee on Privatization (CCoP) has approved divestment of govt. stakes in Oil and Gas Development Company Ltd (OGDCL), Pakistan Petroleum Ltd (PPL) and Pakistan Reinsurance Company Ltd (PRC) through public offerings. It approved public offering of up to 7%, 10% and 20% shares of OGDCL, PPL and PRC, respectively. *Dawn.*

Japan's IT giants aim to tap Pakistan's FinTech potential

A consortium of two of the Japan's largest IT firms - Japan Communications Inc and Safran Group- have unveiled major investment plans in Pakistan. On 17th Jul'20, the firms had announced they would launch a financial technology project in Pakistan and introduce the FinTech Platform over SIM, which allows financial transactions with digital cameras. Japan's Industrial Development Center has also launched a project called ICT Pakistan, which is being funded by JICA. Under this, information about Pakistan's IT resources is being gathered and matchmaking is being done, they had planned to go to Pakistan in Mar-Apr'20 which was postponed due to Coronavirus. *The News.*

KE opposes opening Pakistan's power market

K-electric Limited has given its detailed analyses and criticized the Competitive Trading Bilateral Contracts Market (CTBCM) Model noting its inadequacy in dealing with key power issues, such as circular debt and capacity underutilization. It said that the CTBCM, prepared by the Central Power Purchasing Agency, instead of offering incentives for generation business, seeks to aggravate the issue of capacity underutilization by enabling addition of private generation projects for consumers who opt out of distribution companies. It recommended undertaking effective stakeholder consultation, prior to implementation of the proposed model. *The News.*

Imran approves specialized education project

PM Imran Khan has approved a project to introduce specialized education in 400 higher secondary schools of the country. Around 100,000 children in these 400 schools will have access to education and training in modern sciences through the Science, Technology, Engineering and Math (STEM) project. *Dawn.*

Govt forms panel for LNG terminals

The govt. has formed a committee to take policy decision in consultation with LNG terminal developers for utilizing idle capacity of the terminal operators. The govt. had approved utilization of the idle capacity of the existing LNG terminals by private parties in Jul'19 but not a single ship could be brought by the private sector due to monopoly of state-run companies. *Tribune.*

ECC okays import of 200,000 tons of wheat

ECC has directed the Trading Corporation of Pakistan (TCP) to move swiftly to import 200,000 tons of wheat and decided to reduce sales tax and duties on import of sugar to control rising prices in the country. The ECC also took up the issue of waiver of demurrage charges worth about PKR 4Bn on Afghan Transit Trade cargo stranded at Karachi ports in view of the matter being a Force Majeure and the past three instances of similar waivers, and asked the Ministry of Maritime Affairs to take up the issue with the port authorities and terminal operators for its amicable resolution. *Dawn.*