

Imran asks for Karachi 'transformation plan' in a week

PM Imran Khan has directed the relevant authorities to finalize the much-needed 'Karachi Transformation Plan' within a week to address major civic issues confronting the country's commercial hub. *Dawn*.

FBR tax collection surpasses PKR 551Bn target

FBR has surpassed its envisaged tax collection target by PKR 39Bn in 2MFY20 as it fetched PKR 593Bn revenues against the assigned target of PKR 551Bn. *The News*.

Trade facilitation: FBR to issue 'gold', 'platinum', 'silver' certificates to AEOs

FBR will issue gold, platinum and silver certificates to the Authorised Economic Operators (AEOs) for providing them a wide range of benefits including trade facilitation, speedy clearance of imports and exports consignments and timely payment of refunds/duty drawback to the holders of such certificates. The validity of AEO certificate shall be two years for Gold, three years for Platinum and Silver. *BR*.

Sugar import: SBP allows 100% advance payment

SBP has allowed 100% advance payment of the value of Letter of Credit (LC) for the import of sugar by the private sector. The federal govt. has recently allowed the private sector to import 200,000 metric tons of sugar to control the soaring prices of the commodity in the domestic market. It has also approved reduction of sales tax on import of sugar to 1%, reduction of withholding tax and removal of value added sales tax at 3% on import of sugar. *BR*.

POL products' prices remain unchanged

The federal govt. has announced to maintain petroleum prices of Aug'20 for Sep'20. Ogra had proposed to raise the petrol price by PKR 7/litre and HSD by PKR 8/litre in a fortnightly review for Sep'20. *BR*.

Sell of shares to SEP: PC at an advanced stage

Privatisation Commission (PC) is said to be at an advanced stage in finalising arbitration agreement between Karachi Electric (KE) and other stakeholders, which will expedite the sale of 66.4% shares of the power entity to Chinese company Shanghai Electric Power (SEP). Recently, KE had received a fresh Public Announcement of Intention (PAI) from SEP to acquire up to 66.4% voting shares subject to receipt of regulatory and other approvals. The public offering would be of 4.64Bn shares or 16.80% of the equity. *BR*.

Nepra imposes PKR 200Mn fine on KE

Nepra has imposed a fine of PKR 200Mn on K-Electric for carrying out "excessive" load-shedding in Karachi during the months of Jun and Jul'20 and "violating" Nepra Act, terms and conditions of its license(s) and directions given by the Authority in its multi-year tariff. KE, however, denied the charges but requested the regulator not to take any action in violation of law. *BR*.

4-year term of Sindh local govt bodies ends

The Sindh Local Govt. Department notified an end to the four-year term of local govt. bodies in the province. "Consequent upon expiry of four (4) years term of Local Councils on 30th Aug'20, pursuant to section 20 (1) of Sindh Local Govt. Act 2013, all offices of elected Mayors, Deputy Mayors, Chairmen, vice Chairmen, members, representative and such office bearers of Metropolitan Corporation, Municipal Corporations, District Councils, Municipal Committees, Town Committees, Union Committees, and Union Councils, in Sindh shall cease to exist, wef, 31st Aug'20," read the notification. *BR*.

Three days after rains, Karachi business struggles to recover

Traders in the old city areas — dealing with the bulk of country's wholesale trade — continued to struggle with stagnant rainwater and assessing inventory losses while industrialists in different areas gave a mixed picture of production activities and export activities. Industries based in Korangi said that 30% of the 4,500 units in the area faced severe hardship as rain water inundated the factories and go downs, causing huge inventory losses of finished goods and raw materials. Most staff was unable to arrive at factories due to flooded roads which brought down production by almost 30-40%. *Dawn*.

Timelines set for cargoes to keep up duty incentives

FBR has notified amendments into the Customs Rules 2001 related to transshipment of goods within local or international destinations. The law was amended to set transportation timeline for goods under the transshipment. Timelines have also been set for vehicles carrying goods under permit for transshipment to curb under-invoicing or mis-declaration. *The News*.

Debt of PSEs increases 6.9% to PKR 1.490Tn in FY2020

Debt owed by public sector enterprises (PSEs) went up 6.9% to PKR 1.49Tn in FY20. Their debt stood at 3.6% of GDP. Among the major PSEs, the highest level of debt was accumulated by PIA with PKR 141.8Bn debt followed by WAPDA that accumulated PKR 67.4Bn debts during FY20. The debt of Pakistan Steel Mills Corporation remained flat at PKR 43.2Bn. *The News*.

Govt begins collecting PKR 523.60Bn Gas Infrastructure Development Cess

The govt. has started the collection of Gas Infrastructure Development Cess (GIDC) and first instalment of the cess from Industrial and commercial consumers will be completed in Sept'20. Various sectors including fertilizer companies, govt. power companies, IPPs, K-Electric, general industry, gas companies owe PKR 523.60Bn and the govt. will collect the amount in 24 instalments. The Fertilizer industry owes the highest amount of PKR 195Bn, followed by Industries PKR 50.54Bn and IPPs PKR 10.54Bn. *The Nation*.

CDNS raises profits on saving certificates

The govt. has revised up the rate of profit by up to 90 basis points on several saving certificates in line with an increase in return on investment from related products in the market. The rate of profit on Regular Income Certificates has been increased by 24 basis points to 8.04% and Defence Savings Certificates by five basis points to 8.49%. The rate of profit on Pensioner Benefit Accounts and Behbood Savings Certificates remained unchanged at 10.32% each. The new rates have come into effect from 28th Aug'20. *Tribune*.

Pakistan to decide on school reopening in Sept 7 meeting

The federal govt. has summoned on 7th Sep'20, a session with all provincial education ministers to take a final decision on the resumption of in-classroom academic sessions. Strict action will also be taken against those schools who defy the govt.'s order for a 20% discount in tuition fees. *Tribune*.

Cabinet body okays draft law for state-owned enterprises

A cabinet body has approved, in principle, a draft law for State-Owned Enterprises (SOEs) that is aimed at putting in place a structure to stem colossal annual losses of over PKR 700Bn and save their office-bearers from undue chase by various investigating agencies. One of the clauses of the proposed law gives indemnity from the NAB inquiries, until the matter is referred by a secretary-level committee to the anti-corruption watchdog. *Tribune*.

Offloading of OGDCL, PPL shares: Cabinet likely to endorse decision today

The federal cabinet which is scheduled to meet today (1st Sep'20) with PM Imran Khan in the chair, is likely to endorse offloading of 7% shares of OGDCL and 10% stake of Pakistan Petroleum Limited (PPL). The CCoP further directed the Ministry of Privatization to proceed expeditiously with all privatization transactions. The process may be slow due to market conditions. *BR*.

North-South Gas Pipeline: Pakistan accepts latest structure headed by ETK

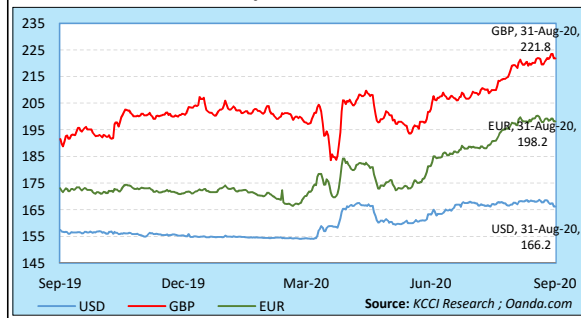
In a major development, Pakistan has finally accepted the latest structure headed by the ETK earlier extended by the Russian govt. paving way for starting work on construction of the much-touted 11,00Km North-South Gas Pipeline Project. The govt. wants to increase the scope of capacity and design of the project to transport 1.6Bn (bcfd) as earlier it was proposed with the capacity to transport 1.2bcfd. *The News*.

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	31-Aug	PKR	166.24	-1.30%
USD-Open MKT	31-Aug	PKR	166.50	-1.48%
KSE-100 index	31-Aug	Pts.	41,111	0.61%
FIPI	31-Aug	\$ Mn	-0.79	NM**
Crude (AP'19)	31-Aug	\$/bbl	42.78	-1.47%
Gold (MA'19)	31-Aug	\$/oz	1,967.5	0.67%
Gold (10g) Local	31-Aug	PKR	105,700	1.16%
Silver (MA'19)	31-Aug	\$/oz	28.28	2.69%
Cotton(KHI)-40 kg	31-Aug	PKR	9,217	0.00%
Kibor-6M	31-Aug	%	7.25	0.06%
Forex Reserves	21-Aug	\$ Bn	19.72	0.34%
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-20	\$ Bn	0.42	169.17%
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

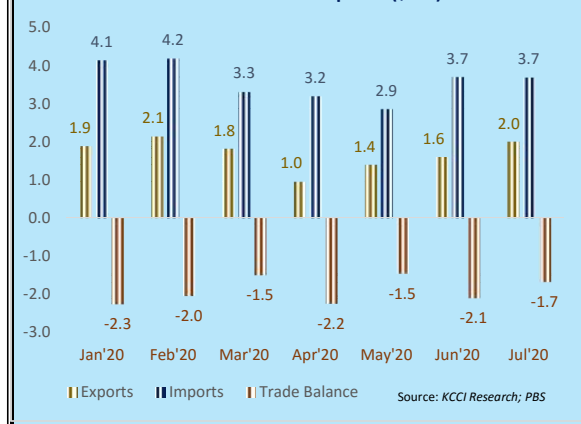


Quote of the Day

"Let's go invent tomorrow rather than worrying about what happened yesterday."

Steve Jobs

Balance of Trade Snapshot (\$ Bn)



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