

Rebuilding Karachi infrastructure: Task be outsourced to NDMA, FWO, reiterates Teli

BMG Chairman and former President KCCI Siraj Kassam Teli has said that the entire country including the federal and provincial govt.'s, chief of the army staff, corps commander, trade associations / chambers and the public are now focused on his legitimate demand to outsource Karachi's infrastructure rebuilding task to National Disaster Management Authority (NDMA) and Frontier Works Organizations (FWO) which is good and happy to see that. He pointed out that the country's affairs are mostly run from the revenue being generated from Karachi, which contributes more than 70% to the national exchequer and around 95% to the provincial kitty. If the infrastructure of the city is not reconstructed and improved in the next three to four years, it would terribly affect govt.'s revenue. *BR.*

PM to unveil PKR 802Bn package for Karachi today

PM Imran Khan is expected to announce a PKR 802Bn worth of development package for Karachi under the city's transformation plan today (Sat, 5th Aug'20). As many as six projects of mass transit system worth PKR 447.43Bn would be announced. Moreover, the Karachi Circular Railway – worth PKR 300Bn – has been included as one of the projects under the mass transit systems. China would provide PKR 250Bn and the Sindh govt. would add PKR 50Bn to the mega project. Among the uplift projects are eight sewerage projects estimated at PKR 162.60Bn, four solid waste management projects amounting to PKR 14.86Bn, two water drainage projects costing around PKR 4.70Bn, and various road construction and repair projects costing an estimated PKR 62.30Bn respectively. *Tribune.*

'PM Imran looks to expand Karachi'

PM Imran Khan will announce projects for the expansion and restoration of the city, including a package of PKR 100-150Bn to benefit the construction industry, during his visit to Karachi. Under the projects, beaches will also be transformed along international standards. *Tribune.*

August exports down 20.89% MoM

According to PBS, Pakistan's exports declined by 20.89% on MoM basis to \$ 1.58Bn in Aug'20 compared to \$ 2.001Bn during Jul'20. Imports declined by 11.07% to \$ 3.27Bn compared to \$ 3.68Bn. However, exports declined by 4.27% in 2MFY21 to \$ 3.58Bn compared to \$ 3.74Bn during 2MFY20. Further, imports declined by 6.28% to \$ 6.96Bn as compared to \$ 7.43Bn during 2MFY20. *BR.*

Pakistan's business innovation ranking declines

Pakistan's ability, capacity and success in business innovation declined in 2020 as the country's ranking on the Global Innovation Index (GII) fell to 107 during the year from 104 in 2019. The GI is compiled by the World Intellectual Property Organization, INSEAD business school and Cornell University after evaluating innovations in the country's institutions, human capital and research, infrastructure, market and business sophistication, knowledge and technology outputs and creative outputs. *Dawn.*

E-Auction system: FBR issues new procedure for bidders to purchase goods

FBR has issued a new procedure for the bidders to purchase goods from Customs department through the system of electronic auction (E-Auction) of confiscated/ seized goods or overstayed goods. The FBR has issued a notification to issue draft amendments in the Customs Rules 2001. According to the new procedure for the bidders of overstayed goods, there would be e-Registration of the bidders. Any person holding a valid CNIC or NICOP may get himself registered as a bidder by submitting the electronic form available at e-auction portal of the system against prescribed fee for processing of registration. *BR.*

Repatriation of profit, dividend exceeds FDI inflows in July

SBP has reported that repatriation of profit and dividend by the foreign investors was surged by 156% in Jul'20. Foreign investors repatriated some \$ 354.5Mn on account of profit and dividend in 1MFY21 compared to \$ 138.2Mn in 1MFY20, depicting an increase of \$ 216.3Mn. *BR.*

Cement dispatches fall 27% in August

Total cement dispatches (local sales and export) plunged 27% to 3.52Mn tons in Aug'20 from 4.84Mn tons in Jul'20 due to slowdown in construction activities amid countrywide rains, Eid ul Azha and Ashura holidays. However, overall dispatches posted a 5% increase over 3.35Mn tons reported in Aug'19. *Dawn.*

Plant, machinery: SBP explains TERF, ITERF exposure limits

As per revised Regulation R-1 of Prudential Regulations for Corporate/Commercial Banking regarding Temporary Economic Refinance Facility (TERF) & Islamic Temporary Economic Refinance Facility (ITERF), respectively, the SBP has clarified that financing facilities allowed under TERF/ITERF for plant and machinery would attract weightage of 25% for the purpose of calculation of Single/Group Obligor Exposure Limit under Regulation R-1 of the Prudential Regulations for Corporate/Commercial Banking. *BR.*

Sindh plans to open educational institutions in phases from 15th

Sindh Education Minister Saeed Ghani has said that the sub-committee of the steering committee for education had recommended to him that all educational institutions in the province should not be opened simultaneously on 15th Sep'20. A meeting of all provincial education ministers, to be chaired by the federal education minister, will be held on 7th Sep'20 following which an announcement regarding the opening of educational institutions across the country will be made. *Dawn.*

Unused funds to be spent on gas projects

The govt. has approved a plan of transferring unspent funds and savings from gas supply schemes to provinces, a move that may invite some criticism. Gas schemes are considered an easy tool in far-off areas of the country to win over voters during elections. This comes in the backdrop of gas shortages that have put an extra burden of PKR 73Bn due to diversion of expensive imported gas to meet demand from domestic consumers. *Tribune.*

Long-term power capacity plan fails: study

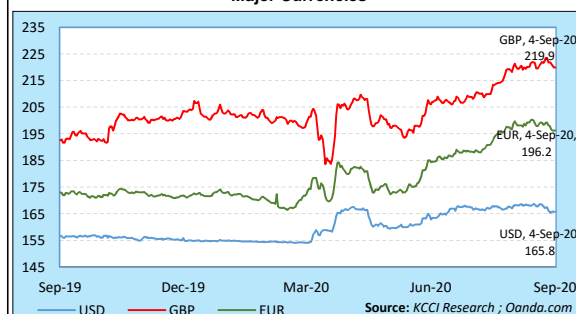
Pakistan's new long-term power capacity plan fails to live up to the govt.'s stated principles of sustainability and affordability, reveals a study conducted by Institute of Energy Economics and Financial Analysis (IEEFA). Power demand growth forecasts made under Integrated Generation Capacity Enhancement Plan-2047 (IGCEP-2047) are too high and do not take into account the impact of Covid-19, states the study. Owing to the IGCEP's over-optimistic power demand growth, more power capacity than needed is planned to be built, warns the study. *BR.*

Economic Indicators

| List of Indicators | Date / Period | Unit | Value | Change Daily |
|---------------------|---------------|--------|---------|--------------|
| USD-Interbank | 4-Sep | PKR | 165.77 | -0.16% |
| USD-Open MKT | 4-Sep | PKR | 166.40 | -0.51% |
| KSE-100 index | 4-Sep | Pts. | 42,023 | -0.39% |
| FIPI | 4-Sep | \$ Mn | -2.78 | NM** |
| Crude (AP'19) | 3-Sep | \$/bbl | 41.32 | -0.63% |
| Gold (MA'19) | 3-Sep | \$/oz | 1,936.6 | -0.29% |
| Gold (10g) Local | 4-Sep | PKR | 103,000 | -0.48% |
| Silver (MA'19) | 3-Sep | \$/oz | 26.63 | -3.65% |
| Cotton(KHI)-40 kg | 4-Sep | PKR | 9,538 | 0.00% |
| Kibor-6M | 4-Sep | % | 7.27 | 0.01% |
| | | | | WoW |
| Forex Reserves | 28-Aug | \$ Bn | 19.84 | 0.61% |
| | | | | YoY |
| Remittances | Jul-20 | \$ Bn | 2.77 | 36.50% |
| Exports* | Jul-Aug 20 | \$ Bn | 3.58 | -4.27% |
| Imports* | Jul-Aug 20 | \$ Bn | 6.97 | -6.28% |
| Trade Balance* | Jul-Aug 20 | \$ Bn | -3.38 | 8.32% |
| 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

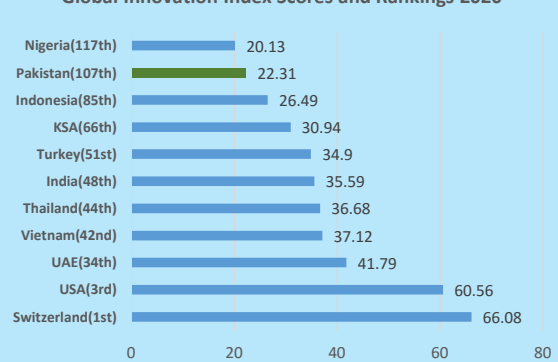


Quote of the Day

"A big business starts small."

Richard Branson

Global Innovation Index Scores and Rankings 2020



* Higher the score, better the ranking

Source: KCCI Research; WIPO

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