



LSM snaps 6-month downtrend in July

LSM sector has posted growth in Jul'20, first time in six months, as Covid-19 outbreak stirred latent potential of pharmaceutical and food industries despite shutdown setbacks to key industrial sectors. LSM output increased 5.02% year-on-year in 1MFY21. Food, beverage and tobacco sector recorded around 22% growth in output, followed by non-metallic mineral products (29%), pharmaceuticals (19.2%), and petroleum products (18.3%). However Leather sector witnessed the biggest slide of 36% in production, followed by electronics (33.3%), engineering (33%), automobiles (23.3%) and wood products (19%), rubber products (15%), and iron and steel products (11.1%). *The News.*

NA passes FATF-related bill on terror financing

The National Assembly has passed a FATF-related bill, the Anti-Terrorism Act (amendment) Bill, 2020, while another bill was laid in the house that suggested punishment of up to two years, or up to PKR 500,000 fine or both for "maligning" armed forces of the country and their personnel. President Dr. Arif Alvi has also summoned a joint sitting of parliament today (16th Sep'20) to get the FATF-related legislation passed that was blocked by the opposition in the Senate last month. *Dawn.*

Antimalarial drugs, Tyvek suits export allowed

The govt. has lifted the ban on exports of Tyvek suits and antimalarial drugs including Chloroquine and Hydroxychloroquine. With the lifting of ban on Tyvek suits, exports of all Personal Protective Equipment (PPE) items are permitted. *Dawn.*

Online application system to be launched for pharma manufacturers

Drug Regulatory Authority of Pakistan (DRAP) is all set to launch an online application management system for facilitation of pharmaceutical firms on 2nd Nov'20. The Pakistan Integrated Regulatory Information Management System (PIRIMS) is an online application management system which has been deployed for testing in DRAP. The system will enable online linkage of pharmaceutical companies and applicants with DRAP and links the functions of licensing, registration, inspection and post market surveillance on one platform. *The News.*

Salaried individuals need to file returns despite exemption

Salaried individuals driving income above PKR 400,000 are required to file income tax returns for TY20 despite enhancement in threshold of the exempted income for payment of tax and filing income tax returns. FBR had enhanced the exempt income for tax payment and filing of return from PKR 400,000 to PKR 600,000 through Finance Act 2019. *The News.*

Fuel prices to remain unchanged for next 15 days

The federal govt. has decided to maintain the petroleum prices unchanged for next 15 days. *The Nation.*

ADB projects broad recovery with 2% growth

Broad economic recovery in Pakistan with 2% GDP growth in FY21 is projected with improved economic sentiment as COVID-19 pandemic subsidies and structural reforms resume. This was forecast in the Asian Development Bank's latest issue of the Asian Development Outlook. However, it highlighted that the prospects for economic outlook is subject to unusually potent downside risks in light of uncertainty about the duration and magnitude of the COVID-19 pandemic, the persistence of containment measures, and more than expected fall in remittances. *BR.*

FBR issues notification to resolve long-standing demand of fan manufacturers

FBR (Customs Wing) has issued a notification SRO 859 (I)/2020 dated 10th Sept'20 to resolve the long standing demand of fan manufacturers. The newly issued SRO 859 (I)/2020 has revised the duty drawback structure from 1.72% to 4.39%. It is important to note that no revision was made in the regime for Fan Manufacturers sector since 2009 which had resulted in the stagnation of the Fan exports. FBR added that a number of such measures for various other export sectors are already process and shall be announced very shortly which would result in surge of Exports in all important sectors like Pharmaceuticals, Leather. *The Nation.*

Draft rules readied for mobile device manufacturing

PTA has floated the draft 'Mobile Device Manufacturing Regulations and Authorization' to promote local manufacturing of handsets. The draft regulations — in line with the govt.'s Mobile Device Manufacturing (MDM) Policy launched on 2nd Jun'20 — aims to encourage domestic production of low, medium and high-end smartphones. Under the new licensing regime, foreign companies will be incentivized for investments in the manufacturing of mobile handsets in Pakistan. All stakeholders can file comments and feedback by 5th Oct'20. *Dawn.*

Increase in KE tariff: Cabinet decides to defer decision till next week

The Federal Cabinet has decided to defer decision with respect to increase in K-electric tariff till next week, and directed that the master plan for major cities should be prepared to avert problems. KE's tariff is over PKR 4 less as compared to other parts of the country. *BR.*

September exports to rebound: Dawood

Advisor on Commerce, Abdul Razak Dawood has said that Pakistan is facing an anti-export bias and govt. devours Additional Custom Duty (ACD) and Regulatory Duty (RD). He said he went to FBR and asked do you refund duties to exporters, they replied in the affirmative. When he asked which duty is refunded to exporters, the FBR said customs duty only. They do not refund ACD and RD as govt. swallows it, he said, adding that now refunds would go directly to exporters from SBP. *BR.*

PLL invites bids for 420,000m3 LNG for Nov

State-owned Pakistan LNG Limited has sought tenders from foreign suppliers to supply approximately 420,000 cubic metres of LNG for Nov'20. The last date of submitting the bids is 24th Sept'20. *The News.*

Pakistan's oil reserves diminish to 540Mn barrels

Pakistan's net oil reserves have declined by 5% to 540Mn barrels, mainly owing to no significant production upgrade at the existing fields or addition of new ones to compensate for natural depletion of 4-5%. *The News.*

Although too early to declare victory against Covid-19 but strong signs of recovery evident, says Dr Reza Baqir

Governor State Bank, Dr Reza Baqir has said that although it is too early to declare victory but the country's effective response to Covid-19 has allowed the economy to start the process of recovery earlier than expected. The governor said that although Pakistan's debt to GDP ratio is high due to which there is limited fiscal space available but due to the reforms carried out by the Central Bank, the public debt despite some fluctuations during Covid-19 is expected to continue on its downward path. Dr Baqir said that despite having a high debt to GDP ratio, Pakistan's external debt compares well to other countries. *BR.*

20 govt.-owned properties auctioned for PKR 1Bn

The Ministry of Privatisation has auctioned 20 govt.-owned properties in four cities have been auctioned with PKR 1Bn proceeds. In the next step, the auction will take place at Multan, Vehari and Rahim Yar Khan starting 16th Sep'20, with the auction of the biggest property, worth more than PKR 5Bn. *BR.*

Bank branches to open on Saturdays

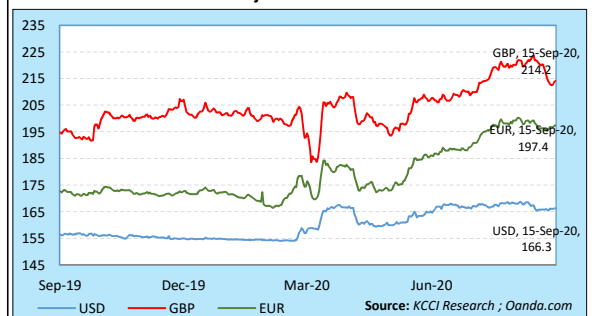
SBP has allowed banks to open selected branches on Saturdays, subject to implementation of SOPs against the spread of novel COVID-19 disease. *The News.*

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily	
USD-Interbank	15-Sep	PKR	166.27	0.06%	
USD-Open MKT	15-Sep	PKR	166.30	-0.12%	
KSE-100 index	15-Sep	Pts.	42,346	-0.43%	
FIPI	15-Sep	\$ Mn	0.87	NM**	
Crude (AP'19)	15-Sep	\$/bbl	40.59	2.81%	
Gold (MA'19)	15-Sep	\$/oz	1,955.2	0.03%	
Gold (10g) Local	15-Sep	PKR	104,700	-0.29%	
Silver (MA'19)	15-Sep	\$/oz	27.27	-0.94%	
Cotton(KHI)-40 kg	15-Sep	PKR	9,217	0.59%	
Kibor-6M	15-Sep	%	7.29	-0.01%	
			WoW	0.60%	
Forex Reserves	4-Sep	\$ Bn	19.96	YoY	31.01%
Remittances	Jul-Aug 20	\$ Bn	4.86	-4.27%	
Exports*	Jul-Aug 20	\$ Bn	3.58	-6.28%	
Imports*	Jul-Aug 20	\$ Bn	6.97	8.32%	
Trade Balance*	Jul-Aug 20	\$ Bn	-3.38	169.17%	
Current Account	Jul-20	\$ Bn	0.42	60.76%	
Foreign Direct Inv.	Jul-20	\$ Bn	0.11		
LSM Growth*	Jul-20	%	5.02		
Avg. CPI	Jul-Aug 20	%	8.20		
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

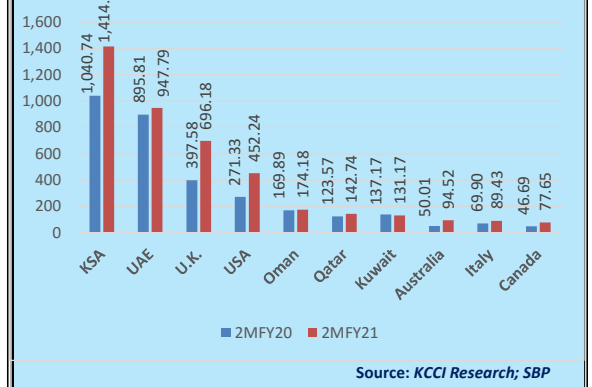


Quote of the Day

"The only place where success comes before work is the dictionary."

Vince Lombardi

Top 10 Remittance Source Countries For Pakistan (\$ Mn)



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