



Sindh tops FBR's revenue collectors

FBR's annual tax directory has showed that Sindh contributed 45% to the revenue, followed by Punjab at 35%, Islamabad 14.8%, KPK 3.6% and Baluchistan 1.8%. Gilgit Baltistan had a nominal share of 0.12%. Karachi, the financial hub of the country, contributed PKR 395Bn in income taxes, 26% of the total direct taxes collected during the year. FBR's total collection during the Tax year 2018 amounted to PKR 3.8Tn. The major chunk in returns filing was from non-salaried and salaried individuals, who filed 1.52Mn and 1.2Mn returns, respectively. *The News*.

FBR picks 12,533 cases for tax audit; amnesty beneficiaries safe

FBR has selected 12,533 cases through computerized random balloting to conduct auditing for income, sales taxes and federal excise duty despite previous assurance of holding audit for 3 years. Speaking on the occasion Finance Adviser Hafeez Shaikh said that refunds process for the 5 export-oriented sectors has been streamlined through online system and income tax refunds amounting up to PKR 100,000 were already paid out and now the refunds of up to PKR 50Mn would be repaid. Out of PKR 40Bn, the FBR has issued PKR 28Bn and another PKR 12Bn would be released soon. *The News*.

Cotton supply to ginneries drops 44%

The arrivals of cotton in the ginning factories of the country have dropped 44% to 1.04Mn bales by 15th Sept'20 as against 1.85Mn bales last year, mostly because of the rain-led crop losses, unavailability of farmhands, and a supply disruption following coronavirus lockdown. *The News*.

Sindh gov't. tells UN: Rehabilitation of 2.4Mn rain-hit people to cost PKR 76Bn

The Sindh gov't. has estimated an initial requirement of around PKR 76Bn to rehabilitate 2.48Mn rain affected people, including paying them compensation for loss of lives, houses and cattle. This emerged in a meeting held between Sindh gov't. representatives and United Nations Pakistan delegation. Chief Secretary Mumtaz Shah disclosed that 73 bread earners died in the heavy rains and their compensation has been decided at PKR 500,000 each and the amount would come to PKR 36,500,000. There were 63 non-bread earners who lost their lives and their compensation would be PKR 18,900,000 at the rate of PKR 300,000 each. *BR*.

Income slab PKR 6Mn: 22,593 individuals file tax returns

According to FBR, a total of 22,593 individuals having annual income of PKR 6Mn or above filed their income tax returns for TY18 that is less than 1% of the total individual return filers. Analysis of individual filers as per income slabs for TY18, a total of 2,743,404 individuals falling under different taxable income slabs filed their income tax returns. Meanwhile, total number of 1,004,221 individuals falling within the category of taxable income/slab (PKR 400,000 and below) filed income tax returns. In percentage terms 36.60% filers fall within the category of taxable income/slab (PKR 400,000 and below). A total of 441,312 filers (16.09%) are covered under the taxable income/slab PKR 500,001 to PKR 750,000. The number of filers within the slab stood at 433,144 (15.79%). *BR*.

Gov't plans to phase out exemptions on ARET import

The gov't. plans to phase out exemptions on import of alternate and renewable energy technology (ARET) products to level the playing field between local and foreign manufacturers, The ARE Policy 2020 has suggested. Significant number of ARET-based consumer items were imported free of duties, which served local demand, but harmed the nascent local industry. *The News*.

Sindh delays resumption of classes for secondary students by a week over virus fears

Sindh Education Minister Saeed Ghani has announced that the resumption of school classes for students of grade six until eight, scheduled for Monday (21st Sep'20), will be delayed by a week after schools were observed not fully following coronavirus health guidelines. He said the gov't. realized the academic losses suffered by students due to closure of schools, but stressed that their health could not be compromised to compensate for the loss of learning. *Dawn*.

25% bank guarantee must for Reko Diq case stay

International Center for Settlement of Investment Disputes (ICSID) has placed certain conditions while granting a stay on the enforcement of the \$ 6Bn penalty imposed on Pakistan for its decision to deny a mining lease for the Reko Diq project to Australia's Tethyan Copper Company (TCC). One of the conditions was to submit an irrevocable bank guarantee for 25% of the total amount of penalty from a reputable international bank based outside of Pakistan. *Tribune*.

Low gas pressures cause shortage of electricity, says KE

K-Electric (KE) has said that due to low gas pressures, it was unable to fully operate its three power plants which results in a generation loss of 250 to 300 megawatts of electricity. KE chief generation & transmission officer, Dale Roger Sinkler, has informed the SSGC acting MD Amin Rajput about the power company's willingness to obtain the fuel mix of 70 MMCFD indigenous gas and up to 150 MMCFD RLNG till Jan'21, as firm quantity to be confirmed on monthly basis by KE, subject to assurance or gas pressure requirement of KE's three power plants CCPP, KGTPS, and SGTPS with gas pressure of 4.0, 2.5, and 2.5 respectively. *BR*.

Pakistan to fund portion of TAPI pipeline from GIDC

Pakistan is likely to fund its portion of Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline from Gas Infrastructure Development Cess (GIDC), while negotiations are underway with international donors for funding the construction of the pipeline in Afghan territory. Under the project 56-inch diameter 1,680 km pipeline, having capacity to flow 3.2 bcf/d gas, would be laid from Turkmenistan through Afghanistan and Pakistan up to Pak-India border. The cost of the project is around \$ 10Bn and its financial close is expected in 2021, while it is likely to become operational by Dec'23. *The Nation*.

Banks told to implement National Savings Schemes (AML & CFT) Rules

SBP has asked banks to implement National Savings Schemes (AML & CFT) Rules 2019. According to the SBP, commercial banks are performing functions of sale, encashment, and profit payment, etc, of various National Savings Schemes (NSS) such as Prize Bonds, Special Saving Certificates (SSC) and Defense Saving Certificates (DSC). As per sub-rule (3) of Rule 1, these rules shall apply to all offices and persons responsible for the issuance, management, marketing, registration, replacement, sale and discharge of the instruments issued by and the accounts opened at and maintained with the National Savings Centers, Pakistan Post and any other office designated as offices of issue. *BR*.

Power sector gets relief amid protest by petroleum stakeholders

Amid strong protest by the petroleum division and its corporate entities, the Cabinet Committee on Energy (CCoE) has decided to exempt three Punjab-based power plants of 3,900mw from compulsory purchases of LNG quantities from Jan'22. The move to change gas supply agreements (GSAs) of these gov't.-owned power plants (GPPs) reportedly originated at the request of the Privatisation Commission to attract better proceeds from sale of these LNG-based power plants and also forms part of overall efforts to reduce power costs. *Dawn*.

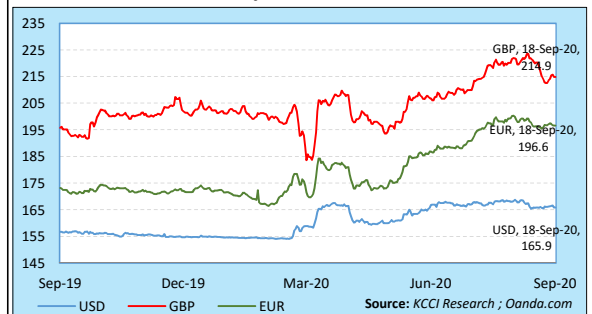
****KCCI has received an inquiry for exporters of fruits and vegetables willing to export to Georgia. Those interested are requested to share their company contact details with KCCI membership No. at res@kcci.com.pk.**

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	18-Sep	PKR	165.83	-0.23%
USD-Open MKT	18-Sep	PKR	166.00	-0.09%
KSE-100 index	18-Sep	Pts.	42,505	0.40%
FIPI	18-Sep	\$ Mn	-0.16	NM**
Crude (AP'19)	17-Sep	\$/bbl	41.15	-2.42%
Gold (MA'19)	17-Sep	\$/oz	1,943.9	-0.85%
Gold (10g) Local	18-Sep	PKR	103,771	5.99%
Silver (MA'19)	17-Sep	\$/oz	27.10	1.12%
Cotton(KHI)-40 kg	18-Sep	PKR	9,324	0.00%
Kibor-6M	18-Sep	%	7.30	0.01%
Forex Reserves	11-Sep	\$ Bn	19.96	WoW -0.01% YoY
Remittances	Jul-Aug 20	\$ Bn	4.86	31.01%
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-Aug 20	\$ Bn	0.23	39.94%
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

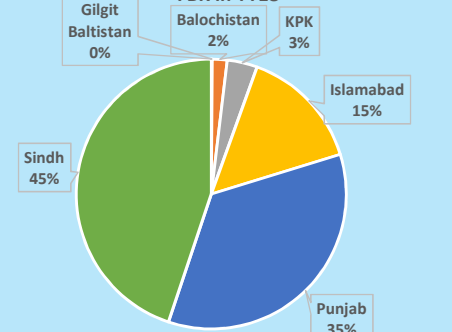


Quote of the Day

"There is no substitute for hard work."

Thomas Edison

Provincial Income Tax Revenue Contribution For FBR in TY18



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