

Monday, August 07, 2017 / 14 Zul Qida 1438 Hijri

Market Today (August 04, 2017)

Opening	PSX	Gold Per 10 gm	KCA Spot Rate	Crude Oil USD /bbl.
	47,084.00	43,028.00	6,835.00	48.94

(Source: Express Tribune)

Exchange rates issued by the Treasury Management Division of National Bank of Pakistan. August 04

Country	Currency	Selling TT & OD	Buying TT Clear
USA	USD	105.5	105.3
UK	GBP	138.63	138.36
Euro	EUR	125.32	125.08
Canada	CAD	83.93	83.77
Switzerland	CHF	109	108.8
Australia	AUD	84.04	83.88
Sweden	SEK	13.16	13.13
Japan	JPY	0.9584	0.9565
Norway	NOK	13.35	13.33
Singapore	SGD	77.69	77.54
Denmark	DKK	16.85	16.82
Saudi Arabia	SAR	28.13	28.08
Hong Kong	HKD	13.64	13.61
China	CNY	16.05	16.02
Kuwait	KWD	349.56	348.9
Malaysia	MYR	24.67	24.62
New Zealand	NZD	78.42	78.27
Qatar	QAR	28.73	28.68
UAE	AED	28.72	28.67

(Source: Business Recorder)

Sectoral Share in GDP %

Sectors/Sub-Sectors	2014-15	2015-16 (p)
Commodity Producing Sector (Agriculture + Industrial Sector)	41.4	40.8
Agriculture	20.80	19.82
Crops	8.2	7.4
Livestock	11.7	11.6
Fishing	0.4	0.4
Forestry	0.4	0.4
Industrial Sector	20.6	21.0
Mining & Quarrying	2.9	2.9
Manufacturing	13.6	13.6
Construction	2.4	2.6
Electricity & Gas Distribution	1.7	1.9
Services Sector	58.6	59.2
Transport, Storage & communication	13.4	13.3
Wholesale & Retail Trade	18.3	18.3
Finance & Insurance	3.2	3.3
Ownership of Dwellings	6.7	6.7
General Government Services	7.1	7.6
Other Services	9.9	10.1

(Source: Economic Survey of Pakistan 2015-16)

Need stressed to widen transit trade area to CARs

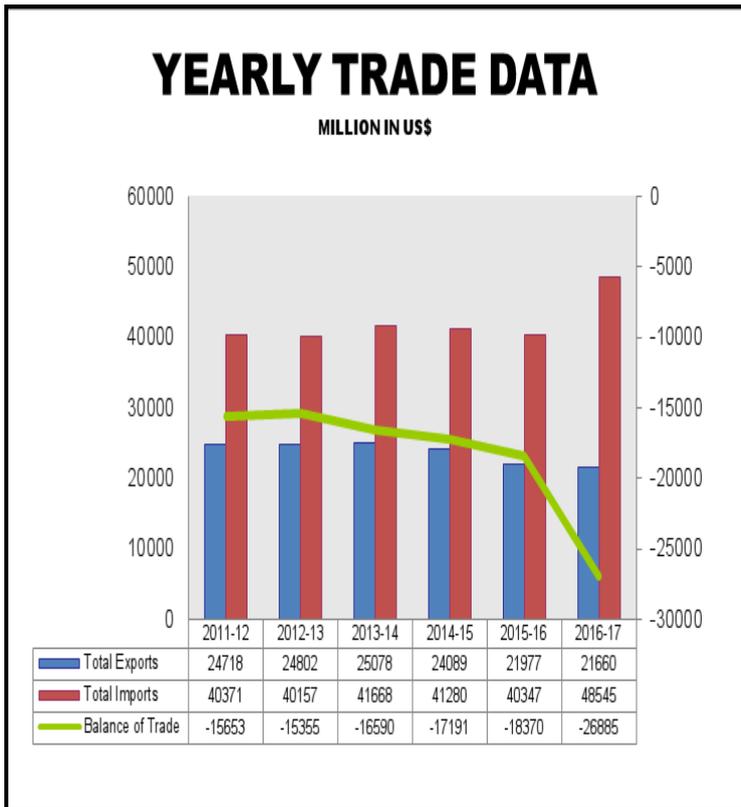
Experts and economists on Sunday urged the federal government to increase transit trade area to Central Asian Republics (CARs) and ink more agreements with World Customs Organization (WCO) to enhance exports graph in the country. Senior Vice President, Lahore Chamber of Commerce and Industry (LCCI), Amjad Ali Jawa said that during a recent meeting with WCO, LCCI had sought cooperation through welcoming "some degree of necessary support" so that goods could move more efficiently, across the borders in CARs. LCCI Member executive committee Shahzad Ayub urged the federal government for measures to ensure technical assistance with regards to Counter Terrorism and Supply Chain security. He further said that exports rate could further be enhanced through solid measures by the government in trade facilitation, economic competitiveness, coping emerging challenges to customs, illicit financial flows and customs reform and modernization sectors. Prominent economist Dr. Ashfaq Hassan said that with the efforts of commerce ministry, Pakistan had become a member of TIR convention as United Nations had accepted Pakistan's Instrument of Accession to the Customs Convention on the International Transport of Goods (TIR Convention). He said this would greatly facilitate Pakistan's trade with Afghanistan, Central Asian and ECO countries and even Europe. He said that TIR was still in the implementation stage but there was need to merge it with the Transit Trade Agreement to facilitate the movement of goods. Dr. Ashfaq said that Pakistan was already a signatory of TFA and was working with all its neighbors for regularization of Trade, minimizing Tariffs and removing the Non-Tariff barriers. To a question, Dr. Ashfaq said that Pakistan Customs with efforts of the federal government was already a part of several WCO initiatives including its Program Global Shield (PGS) and Strategic Trade Control Enforcement (STCE) Programme, under which Pakistani officers/economy experts had received extensive trainings. Appreciating the endeavour of the government, Dr. Ashfaq said that WCO had promised to provide its support to Pakistan in regularization of trade. He said the WTO had urged Pakistan government to recuperate 'Trade' with all neighbor countries particularly Afghanistan to play a more significant role in the corridor. Dr. Ashfaq said the WCO would provide support to Pakistan in harmonizing Customs data and for fast information sharing to ensure speedy movement of goods across the borders. He suggested further steps by the government in the areas of the transit trade, tariff duties, harmonizing of customs data and installing a system to evaluate the quantum of smuggling. A senior official of commerce ministry said the federal government had given Rs 180 billion export incentive to industrial sector during this year to support the declining exports. He said that the package revolved around cash support and waiver in duty and taxes for five sectors including textile, leather, surgical equipments, sports goods and carpets. According to the package, approximately 87 percent support would go to the textile and clothing sectors while a mere 13 percent to the remaining four sectors, he added. He said an investment of Rs 97 billion was being undertaken in the Pakistan Stock Exchange during the fiscal year 2017-18. (Pakistan Observer)

FBR plans early disposal of pending audit cases

Pakistan's top tax machinery faces the task of disposing of more than half a million pending audit cases as well as 100,000 court cases involving billions of rupees. Chief commissioners of Inland Revenue from across the country, who gathered in the federal capital for a conference, returned to their offices on Saturday with clear instructions to dispose of all these cases at the earliest. An official source told Dawn the commissioners were given a patient hearing by Federal Board of Revenue (FBR) Chairman Tariq Pasha and Member

Economic Indicators	
Annual (2015/16)	
Foreign Debt	\$62.649bn
Per Capita Income	\$1,512
GDP Growth	4.24%
Average CPI	8.6%
Monthly (June, 2017)	
Trade Balance	\$-3,189 mln
Exports	\$1,865 mln
Imports	\$5,054 mln
Weekly (July 14, 2017)	
Reserves	\$20.830 mln

(Source: SBP)



(Source: SBP)

Operation Khawaja Tanveer. Mr Pasha asked them to produce results by reducing the number of pending cases. The commissioners were asked to step up efforts for the early disposal of audit cases. More than 500,000 audit cases of various kinds are pending at regional tax offices and large taxpayers' units. These audit cases are from 2012, 2013, 2014 and 2015. "We have asked them to clear audit cases at the earliest in the next couple of months" the official said. Audit cases for tax year 2016 will be selected in the next couple of months. More than 100,000 cases are also pending in various courts. A senior tax official said the chief commissioners have been directed to select cases involving high revenues. The government has set a revenue collection target of Rs4 trillion for 2017-18 which, analysts believe, is overambitious. The FBR has also decided that people who are already paying taxes will not be harassed. According to the official, the chief commissioners were given monthly and quarterly revenue targets. However, they were not happy with the decision. An official statement issued after the meeting said Finance Minister Ishaq Dar chaired a session of the chief commissioners' conference at the FBR to review the revenue collection performance in July. (Dawn)

Fallacies behind Pakistan's inflation rate

According to latest estimates of the Pakistan Bureau of Statistics (PBS), inflation in the country has fallen for the third consecutive month. What is quite puzzling is that the consumers, who actually pay the prices on which the inflation statistics are based, do not agree with such estimates. Consumers are of the opinion that inflation numbers are underestimated in Pakistan. Notable economists also share this opinion. In particular, the methodology adopted by the PBS has come under criticism from the economists. The purpose of this article is not to highlight the methodological pitfalls, but to question if the slow increase in the general price level, as reported by the PBS, is in line with the macroeconomic fundamentals. Policy-makers would have us believe that they are. We are told that improvement in production, low global oil prices and a stable rupee exchange rate are the main reasons behind the reduction in inflation rate. This reasoning holds true only if viewed in isolation from the dynamics of Pakistan's economy. (Express Tribune)

Impact of rising external debt on economic growth

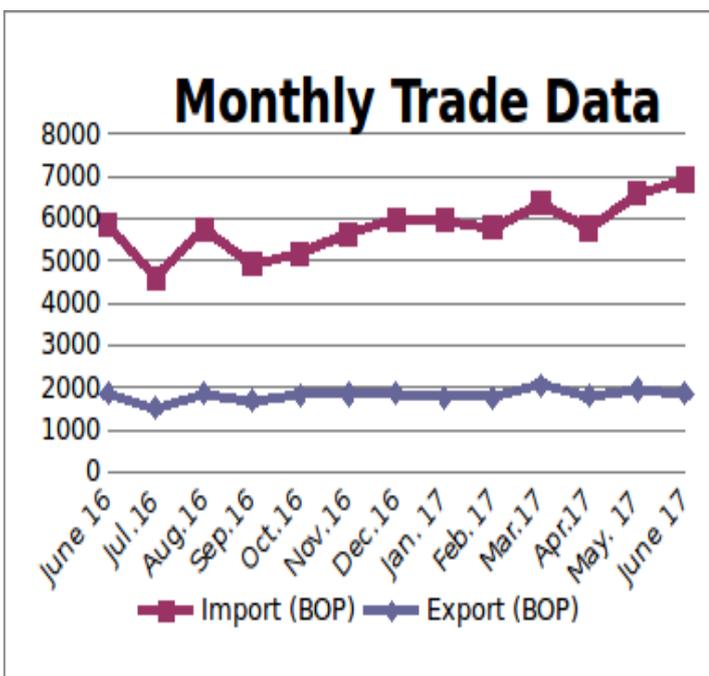
External debt is a vital source of public financing in developing countries and carries the potential to play a key role in promoting economic growth. Traditional literature regarding economic growth has emphasised the positive role of debt in economic development. It helps sustain growth by reducing the investment-savings gap, brings funds for spending on modern technology and increases productivity. Pakistan's investment-savings gap, however, has drastically increased over time. (Express Tribune)

Business community enjoys summer windfall

The business community in northern areas, Galiyat and Murree have expressed joy over an increase in tourist flow in current summer season that has doubled business activities. With summer tourism season drawing to a close and schools opening up to a slow start till middle of August, people are seen heading to the hills. During a survey of Murree, the shopkeepers, restaurant owners and transporters told the media that in current season tourist flow was more than previous year and they are doing good business due to rush of tourists. Muhammad Ashraf, a shopkeeper said that due to rush of tourists their business has doubled this season, "all of the local business community is happy over the rush of people at hill stations." (Express Tribune)

Petrol gets cheaper by Rs1.80 and diesel by Rs2.50 per litre

The government decided on Saturday to pass only a partial price relief on to consumers of petrol and diesel, in line with the previous policy. Despite a change at the helm of affairs, Prime Minister Shahid Khaqan Abbasi continued the policy of former premier Nawaz Sharif and approved only half of the price reduction proposed by the regulator for petrol and high-speed diesel. The remaining is being absorbed by increasing the rates of sales tax on the two petroleum products. (Express Tribune)



(Source: SBP)