

Tuesday, August 15, 2017 / 22 Zul Qida 1438 Hijri

## Market Today (August 11, 2017)

Opening	PSX	Gold Per 10 gm	KCA Spot Rate	Crude Oil USD /bbl.
	45,379.73	39,757.00	6,835.00	79.50

(Source: Express Tribune)

## Exchange rates issued by the Treasury Management Division of National Bank of Pakistan. August 11, 2017

Country	Currency	Selling TT & OD	Buying TT Clear
USA	USD	105.5	105.3
UK	GBP	137.11	136.85
Euro	EUR	124.23	123.99
Canada	CAD	82.79	82.63
Switzerland	CHF	109.85	109.64
Australia	AUD	82.79	82.63
Sweden	SEK	13.1	13.08
Japan	JPY	0.9681	0.9662
Norway	NOK	13.26	13.23
Singapore	SGD	77.38	77.23
Denmark	DKK	16.7	16.67
Saudi Arabia	SAR	28.13	28.08
Hong Kong	HKD	13.63	13.61
China	CNY	16.14	16.1
Kuwait	KWD	349.4	348.74
Malaysia	MYR	24.56	24.51
New Zealand	NZD	76.65	76.5
Qatar	QAR	28.63	28.58
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)

## Philippines embassy, LCCI for boosting trade

A delegation of Philippines Embassy in Islamabad visited Lahore Chamber of Commerce and Industry (LCCI). The delegation comprised Philippine Ambassador Daniel Ramos Espiritu, Philippine Honorary Consul General Rizwan Fareed, Philippine Embassy Economic Officer Maria Dolores, Sales and Economic Assistant Sumaira Bibi. Philippine Embassy, in coordination with the Philippine Honorary Consulate General in Lahore, held a briefing on Philippine trade and tourism opportunities at the LCCI. The briefing was also attended by around 20 officials of the LCCI led by its Senior Vice President Amjad Ali Jawa and his executive committee. During the briefing, the Philippine Embassy and the LCCI agreed on the need to organise and exchange trade and investment missions to further enhance the bilateral trade and investments between the two countries. In his keynote speech, Ambassador Espiritu highlighted the Pakistan's and Philippines' close and cordial ties since the establishment of the bilateral relations between the two countries in 1949, which were evident in the high-level exchanges and agreements signed by both countries.

(The Nation)

## Only 29% of NTN holders file income tax returns

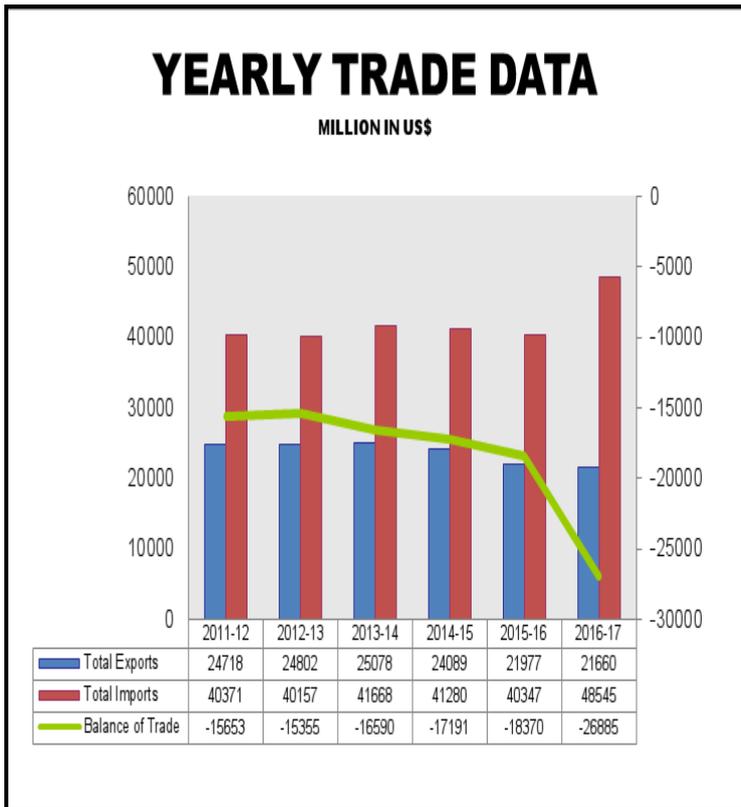
In a sign of weakening government writ, only 29% of the registered National Tax Number (NTN) holders or 1.21 million people filed income tax returns for the tax year 2016, according to the Tax Directory that Finance Minister Ishaq Dar unveiled on Friday. The Tax Directory for fiscal year 2015-16 that ended in June last year carried names and the amount of tax paid by the income tax return filers. It was the fourth consecutive year for which the PML-N government released the tax directory. The initiatives taken by the government to broaden the tax base were yielding desired results due to which the number of taxpayers, who filed their returns, increased to 1.216 million compared with 1.074 million taxpayers in the directory for tax year 2015, said the finance minister at the launching ceremony. The number of return filers was higher by 13.2% or 142,196 people compared with the preceding year. However, only 29% of the NTN holders filed income tax returns, highlighting weak enforcement by the Federal Board of Revenue (FBR). In Pakistan, 4.2 million people are registered NTN holders and the FBR could not do anything about the 2.98 million people who are not filing the returns. The government has set different withholding and sales tax rates for filers and non-filers of income tax returns. There are 71 types of withholding taxes that cover almost every possible transaction and expenditure. (Express Tribune)

## Economy needs structural change, but transition is painful

Media commentators come up with a description of upcoming balance of payments (BOP) crisis by looking at weekly dwindling foreign exchange reserves which has been happening since October 2016. Similarly, some economists argue that an overvalued currency has made imports cheaper and exports dearer, therefore, BOP has gone into deficit and recommend depreciation of the currency. A few of them is of the opinion that the current pressure is for the short term due to China-Pakistan Economic Corridor (CPEC)-related imports and the situation will improve in the medium term when projects come online and produce dividends. (Express Tribune)

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)

### Ogra cuts rate for Sui Southern gas by Rs10 per unit

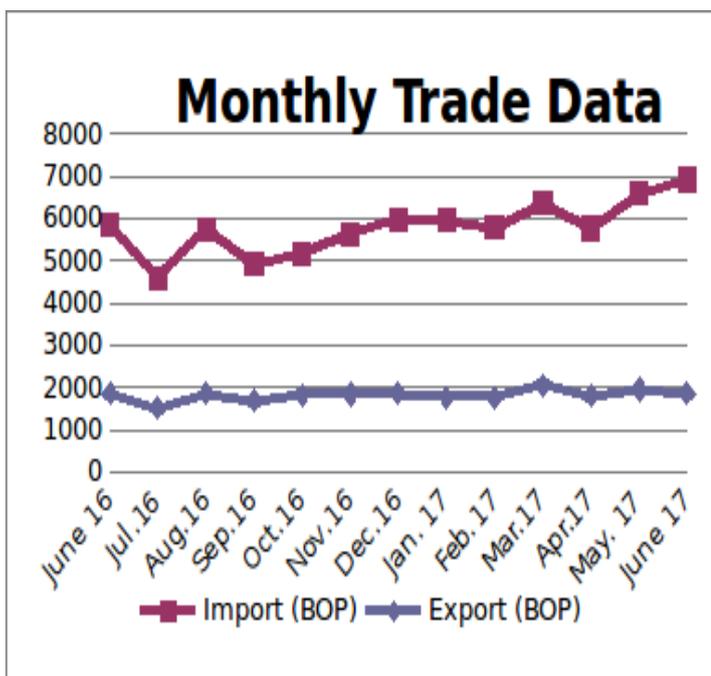
The Oil and Gas Regulatory Authority (Ogra) has reduced the prescribed price for the Sui Southern Gas Company (SSGC) by Rs10 per unit owing to a series of inadmissible expenditures on system expansion in Balochistan and Sindh, including revenue losses in Karachi on account of law and order problems. The SSGC had secured through a review petition a Rs4.59 per unit increase, over and above the current average prescribed price, with effect from July 1, 2015, as part of final revenue requirement (FRR) for the financial year 2015-16. It wanted the prescribed price fixed at Rs368 per MMBTU instead of the existing rate of Rs363.5 per unit, which would yield total revenue of Rs149.5 billion. After the public hearing and examination of accounts, the regulator concluded that the company's prescribed price actually needed to be reduced by Rs9.76 per unit because it was seeking to recover a number of unjustifiable expenditures. Ogra determined the average prescribed price at Rs358.3 per unit to achieve around Rs146.13bn in revenue. The SSGC had claimed around Rs166 million to provide for 'doubtful debt' for commercial and industrial consumers on account of the deteriorating law and order situation in Karachi during the financial year 2014-15, which badly affected its recoveries from commercial consumers. The company had demanded that Rs67m for M/s GPG (an industrial consumer) and Rs98m for commercial consumers be treated as doubtful debt. (Dawn)

### Private sector money eludes infrastructure projects

During a visit to Washington in April this year, Finance Minister Ishaq Dar invited the Pakistani diaspora in the United States to invest in a development fund the government proposes to create for channelling private investment into the large commercially viable infrastructure projects in the country. The government is also considering establishment of an infrastructure bank that will raise 60pc of its equity from the private sector. While the development fund — to be set up in partnership with the Asian Development Bank — is meant to mostly undertake projects in the public sector, the infrastructure bank being negotiated with the International Finance Corporation (IFC) will facilitate private investment in large infrastructure schemes. The idea behind the formation of these funds is to leverage the government's limited financial resources to bring in private capital aimed at closing the enormous infrastructure gaps in the country. In its quarterly Infrastructure Finance Review in March 2015, the State Bank of Pakistan (SBP) estimated that Pakistan needs to invest about 10pc of GDP until 2020 to close its infrastructure gaps. The report said the infrastructure investment as a percentage of GDP currently averages 6pc. Many blame the absence of private investors in infrastructure development for growing gaps in the country even after 70 years of its Independence. (Dawn)

### Businesses need to dream big

In capital-starved Pakistan, the business community should command a greater say in choice of policy and political direction because of its critical role in the economy. If this is not the case, must the private sector not shoulder some of the blame? "The dismissal of the private sector's views has not helped. The loss of confidence of the capital owning strata deprives the country of access to private resources and skills, as investors head abroad in search of business-friendly places", said a business leader. How can the elite community exert its influence? Has the private sector of Pakistan amassed the size and maturity to assume the position? The business community can serve the cause of the country best by articulating an agenda that resonates with the interests of people and focus on doing something that they are expected to do efficiently: business. (Dawn)



(Source: SBP)