

Tuesday, August 22, 2017 / 29 Zul Qida 1438 Hijri

Market Today (August 21, 2017)

Opening	PSX	Gold Per 10 gm	KCA Spot Rate	Crude Oil USD /bbl.
	42,016.87	39,757.00	6,835.00	47.44

(Source: Express Tribune)

Exchange rates issued by the Treasury Management Division of National Bank of Pakistan. August 21, 2017

Country	Currency	Selling TT & OD	Buying TT Clear
USA	USD	105.5	105.3
UK	GBP	135.85	135.59
Euro	EUR	124	123.76
Canada	CAD	83.81	83.65
Switzerland	CHF	109.29	109.08
Australia	AUD	83.63	83.47
Sweden	SEK	13.13	13.11
Japan	JPY	0.9659	0.9641
Norway	NOK	13.31	13.29
Singapore	SGD	77.42	77.28
Denmark	DKK	16.67	16.64
Saudi Arabia	SAR	28.13	28.08
Hong Kong	HKD	13.63	13.6
China	CNY	16.16	16.13
Kuwait	KWD	349.34	348.68
Malaysia	MYR	24.59	24.55
New Zealand	NZD	77.19	77.04
Qatar	QAR	28.97	28.92
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)

LCCI-PSDEC ink MoU for growth of marble, stone industry

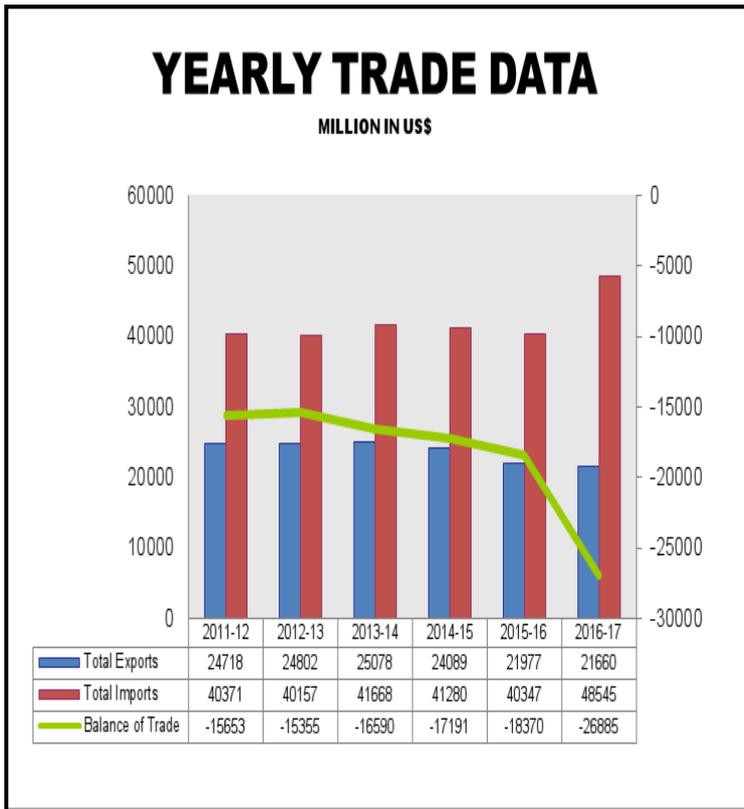
The Lahore Chamber of Commerce & Industry and Pakistan Stone Development Company (PASDEC) Monday signed a Memorandum of Understanding to ensure growth of marble & stone industry on sustainable basis. CEO PASDEC Zahid Maqsood Sheikh and the LCCI Acting President Nasir Hameed Khan inked MOU in the presence of Provincial Minister for Mines & Minerals Chaudhry Sher Ali and Convener LCCI Standing Committee on Marble industry Chaudhry Khadam Hussain. Secretary Mines & Minerals Dr. Muhammad Arshad, Executive Committee Member Zeeshan Khalil and Mehboob Sirki also spoke on the occasion. Provincial Minister said that the efforts are afoot for the development of mines and minerals sector of Punjab and special attention is being given towards technological advancement and old techniques are being replaced with the new ones. He said that mining sector is being developed in consultation with stakeholders as its efficiency is need of the hour. He said that MoU between LCCI and PASDEC should be translated into agreement. The LCCI Acting President Muhammad Nasir Hameed Khan said that Pakistan is one of the top mineral extractors of marble and granite in the world. He said that despite having huge deposits, country's exports of marble and marble products are not up to the mark. He said that government should remove the constraints faced by the marble & stone industry to ensure sharp increase in its exports. He said that major obstacles hindering the growth of mining industry are dearth of value addition, outdated quarrying techniques, latest technology and lack of infrastructures etc that must be focused by the concerned authorities. He said that MOU between the LCCI and PASDEC will certainly help flourishing this important industry. He said that LCCI CEO PASDEC Zahid Maqsood Sheikh said that collaboration between the two organizations will help developing marble and granite sector of Punjab. He said that Pakistan Stone Development Company develops marble and granite sector through implementation of modern quarrying methods and will provide all necessary technical support in planning, development and execution of mechanized quarries, processing facilities and skill development. He said that PASDEC will provide complete sources with technical assistance, if the investors/business community is prepared to come forward on production side for boosting the exports of marble and granite. Convener LCCI Standing Committee on Marble Chaudhry Khadam Hussain said that Pakistan is blessed with finest quality marble but lack of modern technologies for cutting, finishing and grading is coming in the way. He said that Italy has the best technologies for promotion of marble sector while Italian businessmen are also keen to start joint ventures with their Pakistani counterparts that would also help transferring technology. He said that these measures can help value addition of marble that would help earning precious foreign exchange. **(Pakistan Observer)**

'Cost of doing business in Pakistan remains very high'

The government has sucked all working capital of exporters in shape of refunds of sales tax, duty drawback and income tax, executives of prime export-oriented sectors have maintained. On the other hand the cost of doing business in Pakistan remained very high as compared to competing regional countries. And exporters are being faced load of many direct and indirect taxes on export items, Agha Saiddain of Pakistan Tanners Association, Ghulam Rabbani of Pakistan Yarn Merchants Association and Sanauallah Khan of All Pakistan Marble Mining, Processing, Industry and Exporters Association were of the view. The tariff structure of Pakistan with other countries is not favourable. Import duty on import of leather in Japan from Bangladesh and India is zero percent and 4 percent respectively whereas an importer in Japan will have to pay 8 percent to 16 percent if imported from Pakistan. In South Korea import duty on finished leather for India and Bangladesh stands 2.50 percent and zero percent respectively

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)

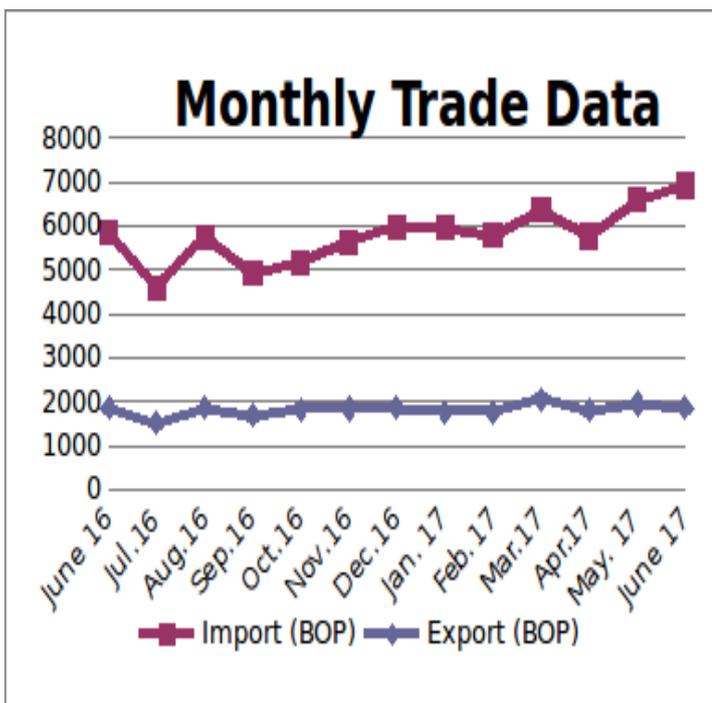
whereas import duty on Pakistani leather stands 5 percent. It has been a sad affair that Strategic Trade Policy Framework 2009-12, 2012-15 and 2015-18 were not implemented in letter and spirit. In Pakistan Drawback of Local Tax and Levies (DLTL) refund is called export incentive whereas it is not an incentive but simply refund of local duties, levies, and taxes. Now the exporters are expecting a drastic change in export policy from financial managers in the government and commerce ministry. Pervaiz Malik, federal Minister of Commerce has been requested by the exporters to bring change in order to enhance country's exports and to shun suppliant of international donors. Leather products exports of Bangladesh in 2013-14 were \$17 billion as against exports of Pakistan \$25.110 billion but in 2016-17 the exports of Bangladesh rose to \$37.61 billion and country's exports dropped to \$20 billion. The export of Pakistan in last 4 years dropped by 20 percent and exports of Bangladesh increased by 121 percent. Same is the case of Vietnam, Sri Lanka, India, etc. Former commerce minister Khuram Dastagir had failed as he could not introduce export friendly policies as Ministry of Finance never cooperated with him. In 2013-14, exports stood at 25.10 billion, in 2014-15, export remained at \$23.66 billion, in 2015-16, exports stood at 20.78 billion and in 2016-17 exports were \$20.19 billion. (*Daily Times*)

Businessmen expect amnesty to bring back \$20b from abroad

Amid Prime Minister Shahid Khaqan Abbasi's reservations, the Pakistan Business Council (PBC) has asked the government to offer an amnesty scheme to resident and non-resident Pakistanis aimed at encouraging them to bring back their foreign wealth. According to the PBC – the representative body of leading business groups, the move could attract \$20 billion out of the \$150 billion said to be held by resident and non-resident Pakistanis abroad which, it says, will support the fast declining foreign currency reserves. The PBC floated the proposal in a meeting with the prime minister last week, said sources. The delegation also suggested that the government should offer its three liquefied natural gas (LNG)-fired power plants, one owned by the Punjab government, to non-resident Pakistanis for investment. (*Express Tribune*)

CPEC projects: Major chunk of machinery being imported from China

For CPEC projects, Chinese companies are procuring major part of machinery, equipment and material, which is being imported from China at concessional rates. According to the Ministry of Planning, Development and Reform data, material for civil work - sand, cement, steel - and consumable items like diesel, paints, major chunk of chemicals, gas required for power plants are procured locally. The major part of material, equipment and machinery is being imported. The reason for procuring the materials and machinery through import is due to non-availability of required items locally on such a large scale. Mechanical, electrical equipment, cranes hydraulic turbines, boilers, generators, governors system, main transformers and GIS system are not available locally in large quantity so these all items are being imported from China. Under the CPEC, jobs have been offered to Pakistani unskilled and skilled labour for civil works, including engineers and technicians. Likewise, Pakistani engineers, technicians and office staff have been hired for operation of the projects in some proportion. Local companies are also getting business and jobs in transportation and security of the projects. According to the Ministry of Finance data, the government has provided tax exemption to CPEC related projects executed by the Chinese companies. China State Construction Engineering Corporation Limited has been granted tax exemption for the construction of Sukkur-Multan Section of Karachi-Peshawar Motorway and to China Communication Construction Company for construction of Thakot-Havelian Section of Karakorum Highway. Exemption from customs duty and sales tax has been provided on import of machinery, apparatus and materials by China Railway Corporation for Lahore Orange Line Metro Train Project. Following additional concessions have been provided to Concession Holder of Gwadar Port Authority, its operating companies, contractors and subcontractors. (*The Nation*)



(Source: SBP)