

Market Today (June 30, 2017)

Opening	PSX	Gold Per 10 gm	KCA Spot Rate	Crude Oil USD /bbl.
	46,825.29	42,942.00	6,835.00	46.04

(Source: Business Recorder)

Exchange rates issued by the Treasury Management Division of National Bank of Pakistan. June 30, 2017

Country	Currency	Selling TT & OD	Buying TT Clear
USA	USD	105	104.8
UK	GBP	136.68	136.42
Euro	EUR	120.14	119.91
Canada	CAD	80.87	80.72
Switzerland	CHF	109.75	109.54
Australia	AUD	80.86	80.7
Sweden	SEK	12.53	12.5
Japan	JPY	0.9392	0.9374
Norway	NOK	12.53	12.51
Singapore	SGD	76.26	76.11
Denmark	DKK	16.15	16.12
Saudi Arabia	SAR	28	27.95
Hong Kong	HKD	13.59	13.57
China	CNY	15.73	15.7
Kuwait	KWD	346.16	345.5
Malaysia	MYR	24.45	24.41
New Zealand	NZD	77	76.85
Qatar	QAR	28.11	28.06
UAE	AED	28.59	28.53

(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)

Envoy vows support for joint ventures with Australia

Pakistani consulate would share available business opportunities and pave the way for joint ventures in the private sector, Pakistan High Commissioner in Australia Naela Chauhan assured Lahore Chamber of Commerce and Industry (LCCI) President Abdul Basit in a meeting in Canberra on Friday. "The private sector has an important role to play in enhancing the existing trade volume between the two countries, which currently stands below potential," the high commissioner said. Appreciating the LCCI's efforts to increase Pakistan's external trade, she promised cooperation and support of the foreign mission. They vowed to work towards expanding trade relations between the two countries by creating and adopting strategies aimed at expediting commerce. According to an LCCI press release, Basit responded with suggestions of his own including the establishment of display centres for Pakistani products by the mission and cultural centres to develop preferences for Pakistani goods. "These measures will help Pakistan get due share for its products in the global market by attracting foreign consumers," he added. Terming Pakistan a production base of Halal products, Basit said acquiring a 10% share in the \$3.66 trillion Halal goods industry would double the current value of the country's exports. Highlighting the strong bilateral links, Basit expressed concern over the comparatively low level of Pakistan's exports to Australia. "We are concerned about the comparatively low exports to Australia, which results in an unfavourable trade balance," the LCCI president said, adding the current level of exports to Australia did not match Pakistan's actual potential. He also underlined the importance of trade diplomacy in providing support to Pakistan's exporters. (Express Tribune)

CPEC to increase job opportunities, tourism in Gilgit-Baltistan: CM

China Pakistan Economic Corridor (CPEC), projects would increase job opportunities and tourism in Gilgit-Baltistan areas. Road infrastructure, hotels, health and other facilities would help improve the living standard of the people of the area, Chief Minister Gilgit-Baltistan Hafiz Hafeez ur Rehman said while talking to a private news channel. Appreciating the Prime Minister Nawaz Sharif special interest, he said that federal government had increased the budget for the development of Gilgit-Baltistan areas. The CM said that the Engineering and Medical College besides two universities would be established to facilitate the students of Gilgit-Baltistan. To a question he said that many power projects including Dasu would be completed to meet the growing demand of electricity in the country. He said that a health center equipped with all required facilities including MRI machine would be inaugurated soon to facilitate the people of the area. To another question he said that a special police unit equipped with all necessary material was being established to further improve the security of G-B. (Business Recorder)

Weak exports, tax revenue risk to economic growth: SBP

The central bank said on Friday the country's macroeconomic indicators continue to improve, but a slowdown in exports and a drop in tax revenue will potentially undercut the pillar of recent economic strength. It warned the policymakers that exports and revenue are among risks that could affect the economic stabilisation of the country. "Decline in exports and below target tax collection, are impacting two key macroeconomic balances – current account and fiscal," said the State Bank of Pakistan (SBP) in its third quarterly report on the State of Pakistan's Economy for the fiscal year 2016/17. "In order to maintain the growth momentum and hard-earned economic stabilisation, these balances need to be kept at sustainable levels." The central bank said the country's exports have been afflicted by a number of structural, institutional and entrepreneurial gaps, which have constrained the country's competitiveness for the last many years. "Pakistani exports could ... benefit from this evolving dynamic, if the exporters are able to diversify their products at competitive prices," the bank said. The Annual Plan FY18 projects exports to grow by 6.8 percent, with impetus coming from removal of supply-side bottlenecks and a better performance by the industrial sector. The import bill is likely to rise by 7.6 percent due to surge in demand for machinery and equipment. "However, the impact of such imports on the external balance would remain muted due to availability of financing from International financial institutions and other bilateral sources," the central bank said. It sees lower tax collection is another challenge faced by the economy. "Some tax measures, like differential tax structure for filers and

Economic Indicators

Annual (2015/16)

Foreign Debt	\$62.649bn
Per Capita Income	\$1,512
GDP Growth	4.24%
Average CPI	8.6%

Monthly (May, 2017)

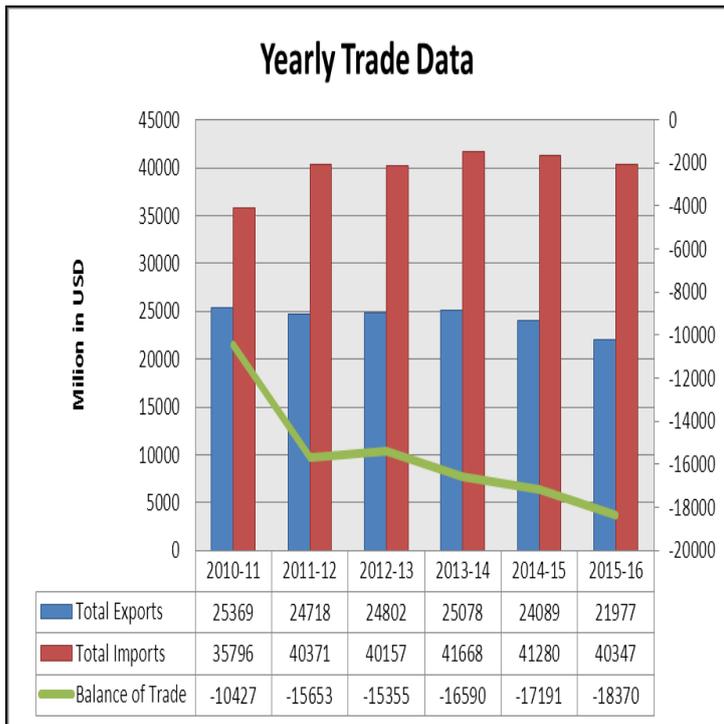
Trade Balance	\$-2,682 mln
Exports	\$1,944mln
Imports	\$4,572mln

Weekly (June 23, 2017)

Reserves	\$21.36 mln
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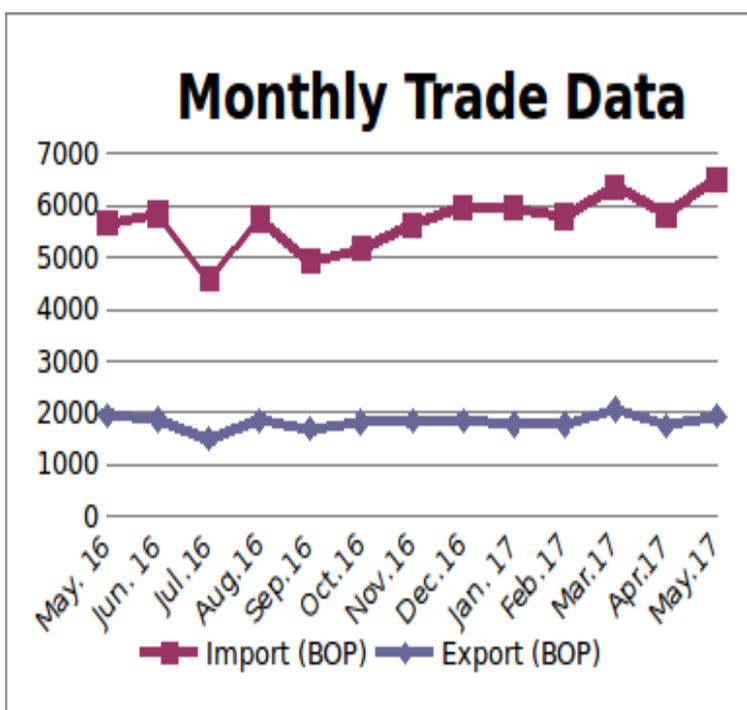
(Source: Business Recorder)

Yearly Trade Data



(Source: SBP)

Monthly Trade Data



(Source: SBP)

non-filers can potentially increase the tax base; however, recent fiscal incentives for investment, exports and domestic production have led to deceleration in tax collection," it added. The FY18 budget has set a fiscal deficit target of 4.1 percent of GDP for the year. This will be supported by 14 percent growth (Rs 4 trillion) in the Federal Board of Revenue tax revenues. "On the external front, the positive spillover of recovery in the global economy, particularly advanced economies, offers healthier trade prospects," it added. The SBP mentioned that the decline in exports and worker remittances, which along with the increase in imports led to a higher current account deficit as compared to the last year. *(The News)*

Petrol, diesel prices reduced by Rs 1.5: Ishaq Dar

Minister for Finance Ishaq Dar on Friday said the government has decided to reduce petrol and diesel prices by Rs 1.5 per liter while prices of kerosene and light diesel oil will remain the same. Speaking to mediapersons, he said petrol prices will be decreased from Rs 72.80 to Rs 71.30 and diesel prices from Rs 81.40 to Rs 79.90 per liter. The new prices will be effective from July 1 to July 31, 2017. The minister said according to directions of Prime Minister, the recommendations of Oil and Gas Regulatory Authority (OGRA) for increase in prices of kerosene oil by Rs 10.95 and Light Diesel Oil by Rs 6.82 were not followed. The prices of kerosene and light diesel oil were kept unchanged at Rs 44 per liter, he told. He said the government has absorbed considerable impact of price increases since April 2016 and has suffered considerable loss of revenue. Ishaq Dar said the government will bear burden of Rs 2.4 billion for not increasing the prices of petroleum products in July. *(Business Recorder)*

Pakistan Stock Exchange becomes first self-listed stock market in South Asia

The Pakistan Stock Exchange (PSX) on Friday announced that it had become the first self-listed capital market in South Asia. The PSX completed the process of enlisting on the exchange a day earlier, on June 29, the bourse's Chief Executive Officer Haroon Askari said during an event held to announce the development at the exchange in Karachi. Prior to the announcement, 40 per cent PSX shares had already been distributed to the original owners of the bourse — the 20-strong stockbroker fraternity. As many as 30pc shares have been sold to a Chinese consortium comprising three Chinese exchanges — China Financial Futures Exchange Company Limited (lead bidder), Shanghai Stock Exchange and Shenzhen Stock Exchange. Two local financial institutions — the Pak-China Investment Company Limited and Habib Bank Limited — have been sold a 5pc share each. The PSX recently sold 20pc shares of the bourse to the public in an Initial Public Offering. Securities and Exchange Commission of Pakistan (SECP) Chairman Muhammad Zafar-ul-Haq Hijazi in a statement read out over video link said he was proud of the PSX for acquiring the status of the first self-listed stock market in the region. "My vision is to make Pakistan an investment hub. I hope all stakeholders will work jointly to ensure progress and development of the country and PSX," Hijazi said in his statement. *(Dawn)*

Third party scrutiny must to curb tax evasion across industries

The income tax department has netted Rs6 billion tax from one home appliance firm and issued a demand of over Rs4 billion to another firm through audits that discovered the firms had been evading taxes for the past years. Tax evasion in the industries can be checked more effectively if all the gates of an industry are electronically monitored 24/7. This can be achieved through third party auditors. The cost is much lower than manual monitoring and chances of tampering are also negligible. Manual raids are successful if the raiding official is honest; otherwise there are chances of an out of book settlement between the raider and the concerned industry. Manipulation in case of electronic monitoring is not possible as whatever goes on at the factory gates can be monitored in real time by more than one person on their electronic screen. It may take some time to monitor all the domestic industries, but electronic monitoring of malpractices that are rampant at custom posts would not require much time. The manufacturers now have no reason to indulge in under-invoicing. Now, the entire under-invoicing or false declaration of goods is done on import of finished products. This has marginalised the local industries producing similar products and the under-invoiced imported products are sweeping the local ones out of the domestic markets. One irrefutable proof of under-invoicing in Pakistan is provided by the difference in import and export statistics of Pakistan and China during each calendar year since 2001 (when local manufacturers first found the differences). The Chinese exports to Pakistan are \$5-6 billion higher than official imports of Chinese goods in Pakistan. *(The News)*

Reserves jump by \$1bn

Pakistan's foreign exchange reserves jumped to \$21 billion on June 23, up \$997 million or 4.9 per cent from a week ago, the State Bank of Pakistan (SBP) said. Reserves of the SBP increased \$955m to \$16.37bn due to official inflows, including \$622m from Asian Development Bank and \$106m from the World Bank. Net foreign exchange reserves held by commercial banks amounted to \$4.98bn on June 23, up 0.84pc from the preceding week. *(Dawn)*