

Monday, July 17, 2017 | 21 Shawal 1438 Hijri

Market Today (July 14, 2017)

Opening	PSX	Gold Per 10 gm	KCA Spot Rate	Crude Oil USD /bbl.
	44,337.00	43,028.00	6,835.00	46.54

(Source: Business Recorder)

Exchange rates issued by the Treasury Management Division of National Bank of Pakistan. July 14, 2017

Country	Currency	Selling TT & OD	Buying TT Clear
USA	USD	105.5	105.3
UK	GBP	136.63	136.37
Euro	EUR	120.32	120.09
Canada	CAD	82.86	82.7
Switzerland	CHF	109.11	108.9
Australia	AUD	81.64	81.48
Sweden	SEK	12.74	12.72
Japan	JPY	0.93	0.9282
Norway	NOK	12.74	12.76
Singapore	SGD	76.77	76.62
Denmark	DKK	16.18	16.15
Saudi Arabia	SAR	28.13	28.08
Hong Kong	HKD	13.65	13.62
China	CNY	15.76	15.73
Kuwait	KWD	347.81	347.15
Malaysia	MYR	24.57	24.52
New Zealand	NZD	77.21	77.06
Qatar	QAR	28.45	28.4
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)

FBR chief transfers key officials

Federal Board of Revenue (FBR) Chairman Tariq Pasha transferred on Saturday more than a dozen grade-21 officers, including Member Inland Revenue (Operation) Rehmatullah Wazir. The change follows the report of the Joint Investigation Team (JIT), which mentioned serious irregularities in the wealth statements and income tax returns of the Sharif family and Finance Minister Ishaq Dar. Earlier, Mr Dar appointed his trusted bureaucrat Tariq Pasha as FBR chairman. Mr Pasha worked with the finance minister as additional secretary in the finance ministry for over a couple of years. Around 18 top officers of the Inland Revenue Services (IRS) posted in various regional tax offices were transferred on Saturday. The notification to this effect was issued by the chairman in the evening following the visit of Mr Dar to the FBR head office. According to the notification, Tasneem Rehman was transferred and posted as Member Administration Islamabad, Khawaja Tanveer Ahmad as Member IR-Operations Islamabad, Rehmatullah Khan Wazir as Member Taxpayers Audit Islamabad, Nausheen Javaid Amjad as Member FATE Islamabad, Khawaja Adnan Zahir as Member IT Wing Islamabad. Moreover, Syed Ayaz Mahmood was posted as Director General Special Initiatives Islamabad (stationed in Karachi), Dr Fazal Muhammad Abrejo as Chief Commissioner Inland Revenue Corporate Regional Tax Office (CRTO) Karachi, and Seema Shakil as Chief Commissioner Inland Revenue Large Taxpayers Unit (LTU) Karachi. Lahore LTU Chief Commissioner Zulqarnain Tirmizi was assigned the additional charge of Chief Commissioner-IR RTO-II Lahore till the posting of a regular incumbent. According to the notification, Shad Muhammad was transferred and posted as Director General at Directorate General of Intelligence and Investigation Inland Revenue Islamabad, Mahbooba Razzaq as Chief Commissioner Inland Revenue Regional Tax Office Rawalpindi, and Dr Muhammad Akram Khan as Chief Commissioner Inland Revenue RTO Faisalabad. Syed Imran Raza Kazmi, Chief Commissioner RTO Sialkot, was assigned the additional charge of Chief Commissioner-IR RTO Gujranwala till the posting of a regular incumbent. Muhammad Tanvir Akhtar was posted as Director General OPS BTB Islamabad, Habibullah Khan as Chief Commissioner Inland Revenue OPS RTO Islamabad, Naheed Azhar as Chief Commissioner Inland Revenue OPS RTO Hyderabad, Mehmood Aslam as Director General OPS WHT Islamabad, and Amir Ali Khan Talpur as Chief Commissioner Inland Revenue OPS RTO Abbottabad. (Dawn)

Rain of new taxes possible

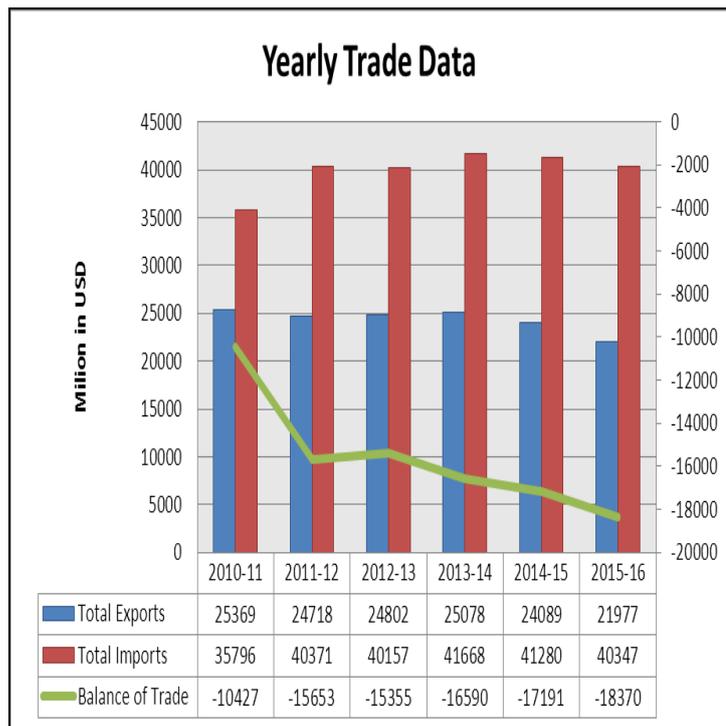
A welter of new revenue measures could become necessary this fiscal year, according to the International Monetary Fund (IMF) Article IV report released earlier in the week. The IMF projects a shortfall equal to 1.5 per cent of GDP just to meet the revenue target set by the government. The amount is around Rs480 billion if GDP is taken to be Rs32 trillion. "The 2017-18 budget is subject to significant risks," the Fund says before pointing out the massive gap between its revenue projections and those of the government. It recommends additional revenue measures like "reducing tax expenditures (estimated at 1.3pc of GDP in 2016-17), gradually raising petroleum taxes, further strengthening the system of withholding taxes for non-filers, and improving provincial tax collection in agriculture, property and services." (Dawn)

Another imported coal-based plant in Punjab

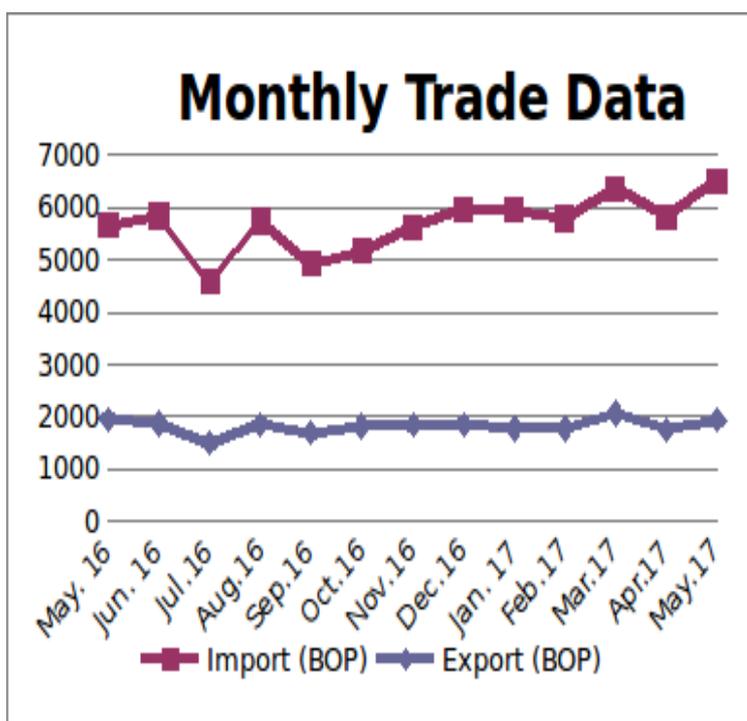
According to an advertisement of the Energy Department (Government of Punjab), yet another power plant based on imported coal has been approved. A contractual instrument has been signed with a Chinese company. Many people in this country

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

(Source: Business Recorder)



(Source: SBP)



(Source: SBP)

have raised eyebrows on it, to say the least. In my opinion it is a bad decision which will hurt them and hurt us all. Let me tell you why. Siting power plants based on imported coal have been generally criticized for several reasons; imported coal will be transported from Karachi which would strain our Railway network, cause pollution and unseemly sights throughout its passage and will affect health and agricultural productivity. There is almost a consensus among experts that imported coal based power plants should be installed on sea coast and electricity be transported from Karachi rather than coal, which would be cleaner and possibly cheaper. The counter argument popular in Punjab is that demand is high and growing. Hence, power plants should be situated near the load center to avoid congestion and investment in electricity transmission. Also, Punjab would like to be self-sufficient in energy production. The system has tried to meet and satisfy the demand of the Punjab government by approving several RLNG power plants, one after the other. Recently, yet another RLNG based power plant has been approved, possibly (and vainly as has been proved by the approval of Rahim Yar Khan plant) to meet their requirements and assuage their worries. But nothing seems to have worked. Interestingly enough, Rahim Yar Khan is a better site than Sahiwal where a coal power plant has been installed and is working already. And perhaps, if at all, coal power plant should have been located at Rahim Yar Khan first in the first place, as it is closer to Karachi and it would have been far less costly in financial, environmental, and railway congestion terms. Another issue is that are we going to forget our Thar coal resources which most people have been craving for. Two coal power plants, one in Sahiwal and the other in Karachi, each of 1,320MW, should have been enough to meet the emergency. Further coal plants should have been planned and installed in Thar. *(Express Tribune)*

Analysing economic freedom: Role of transparency in regulatory governance

In developed and developing countries, the importance of regulatory reform, including administrative reform, is becoming more apparent. In developed countries, many of the traditional engines of growth such as increases in labour force, and capital stock are slowing down; these countries are paying more attention on how to increase the efficiency of the existing factors of production. These countries have found that improving the quality of regulations can substantially raise the productivity of their economies. Regulatory reform is gaining prominence in developing countries as well, as they are beginning to realise that inefficient regulatory regime can hinder the efficient allocation of resources and valuable investment from abroad, as well as raise the possibility of corruption. Thus, these countries have realised that comprehensive regulatory reform is a crucial part of economic development. Effective regulatory reform consists of many different components, but one of the most important is increasing the level of transparency. Without transparency, any regulatory reform will be crippled since the reform may not give the people what they need, and the people will not know what changes have taken place. *(Express Tribune)*

Money Market: Bank deposits rise by 2.34pc

DEPOSITS and other accounts of all scheduled banks stood at Rs11,980.69 billion on June 30, a rise of 2.34 per cent over the preceding week and 14.5pc over the comparable period of the last year. Deposits and other accounts of all commercial banks rose 2.38pc week-on-week to Rs11,913.58bn, according to the weekly statement of position of all scheduled banks for the week ended June 30. Deposits and other accounts of specialised banks, however, fell 4.94pc to Rs67.116bn. Total assets of all scheduled banks stood at Rs16803.03bn, higher by 2.05pc over preceding week's Rs16,465.71bn. The figure was higher by 14.48pc compared to last year's corresponding figure of Rs14,677.63bn. *(Dawn)*

