Market Today (May 31, 2017)				
Opening	PSX	Gold Per 10 gm	KCA Spot Rate	Crude Oil USD /bbl.
	50,591.57	42,985.00	6,835.00	48.18

(Source: Business Recorder)

Exchange rates issued by the Treasury Management Division of National Bank of Pakistan. May 31, 2017			
Country	Currency	Selling TT & OD	Buying TT Clear
USA	USD	104.9	104.7
UK	GBP	134.57	134.31
Euro	EUR	117.23	117.01
Canada	CAD	77.93	77.78
Switzerland	CHF	107.52	107.32
Australia	AUD	78.15	78
Sweden	SEK	12.02	11.99
Japan	JPY	0.9438	0.942
Norway	NOK	12.42	12.39
Singapore	SGD	75.72	75.58
Denmark	DKK	15.76	15.73
Saudi Arabia	SAR	27.97	27.92
Hong Kong	HKD	13.46	13.44
China	CNY	15.61	15.58
Kuwait	KWD	345.69	345.03
Malaysia	MYR	24.53	24.48
New Zealand	NZD	74.33	74.19
Qatar	QAR	28.81	28.75
UAE	AED	28.56	28.5

(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)

Senate panel approves FBR's operation against non-duty paid cigarettes

The Senate panel has approved FBR's proposal for imposition of Rs25000 fine and up to 5 years imprisonment involved for manufacturing, possession, transportation, distribution and selling of non-duty-paid cigarettes. While briefing the Senate Standing Committee on Finance and Revenue which met under Chairmanship of Senator Saleem Mandviwalla here at the Parliament House, the Chairman FBR Dr Mohammad Irshad said that the FBR was placing track and trace system in order to launch operation again non-duty paid cigarettes. He said the counterfeit and smuggling of cigarettes was causing huge losses top national exchequer. The non-duty paid cigarettes evaded taxes to the tune of Rs30 to 40 billion per annum which needs to be plugged on immediate basis, he added. Senator Mohsin Aziz belonging to PTI said that it showed weakness of the government and it was its responsibility to launch effective operation against smuggled cigarettes. Different senators proposed to the government for reducing tax burden on legal cigarettes brands in order to discourage counterfeit and smuggled brands. To another query, FBR's Member IR Policy Dr Iqbal told the committee that the tax machinery enforced higher Federal Excise Duty (FED) rates with immediate effect because the FBR had collected Rs112 billion on cigarettes in last financial year while collection in outgoing fiscal stood at Rs72 billion so far in the current financial year. The Finance Bill 2017 proposed that any person who manufactures, possesses, transports, distributes, stores or sells cigarette packs without, or with counterfeited, tax stamps, banderoles, stickers, labelsor barcodes, such cigarette stock shall be liable to outright confiscation and destruction. Any person committing the offence shall pay a penalty of twenty-five thousand rupees or one hundred per cent of the amount of tax involved, whichever is higher. ***(The News)***

Govt revises down FY17 direct tax collection target by Rs180bln

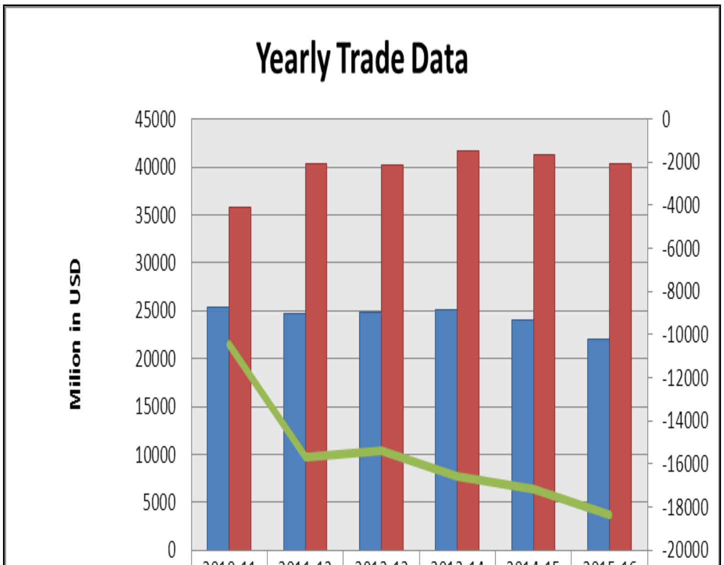
Government has brought the direct tax revenue collection target down around Rs180 billion for the outgoing fiscal year of 2016/17 as the Federal Board of Revenue (FBR) has to make refunds on advance taxes taken during the previous fiscal year, an expert said on Wednesday. "The FBR failed to achieve the income tax target due to adjustment of refunds and advances taken in the last fiscal year to reach the revenue collection target," said Ikram-ul-Haq, a senior tax consultant at Huzaima and Ikram. The finance ministry has already revised downward the revenue collection target for the current fiscal year by Rs100 billion to Rs3,521 billion from an actual target of Rs3,621 billion. Revenue collection target for direct taxes was cut to Rs1,378.84 billion for FY17 from the actual target of Rs1,558 billion, according to a budget document for FY18. The target of income tax collection – the major component of direct taxes – has been reduced to Rs1,363.84 billion from an actual target of Rs1,538.75 billion. Ikram said the FBR has been taking advances from big companies for the past several years to meet its annual targets. "This year it has reached on its saturation point and big companies are unable to give money in advance." He added that banks and petroleum sectors are the major direct tax contributors but both the sectors remained unable to pay advances to FBR as per the requirement. "Yet, the FBR has taken some advances for the current fiscal year in order to reach near to the target." Finance minister and FBR's senior officials claimed that shortfall in the outgoing fiscal year was due to incentives given under sales tax regime, especially for petroleum, zero-rating and fertilizers; notwithstanding, target for sales tax collection has been increased to Rs1,445 billion as against the actual target of Rs1,437 billion. Notably, the collection target of indirect taxes has been revised upward to Rs2,142 billion from Rs2,063 billion for FY17. Improved revenue collection at import stage increased the sales tax collection as well as boosted the customs duty collection. ***(The News)***

Punjab Budget 2017-18 on Friday

Punjab Governor Rafique Rajwana has summoned Punjab Assembly Budget 2017-18 session on Friday (June 2). Provincial Finance Minister Ayesha Ghaus Pasha will present Punjab budget in provincial assembly at 2:30pm. Against the total outlay of Rs1681 billion in FY 2016-17, the volume of the next Punjab budget is being stated more than two trillion rupees. In the upcoming budget focus has been laid on health, education, infrastructure and

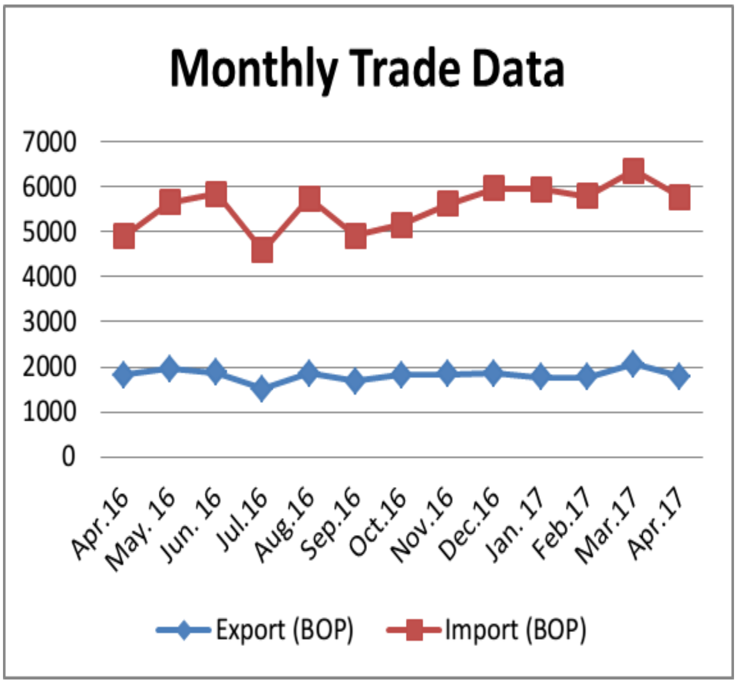
Economic Indicators	
Annual (2015/16)	
Foreign Debt	$62.649bn
Per Capita Income	$1,512
GDP Growth	4.24%
Average CPI	8.6%
Monthly (Feb. 2017)	
Trade Balance	$-1,852 mln
Exports	$1,742mln
Imports	$3,594mln
Weekly (March 31, 2017)	
Reserves	$21,550.5 mln

(Source: Business Recorder)



	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Total Exports	25369	24718	24802	25078	24089	21977
Total Imports	35796	40371	40157	41668	41280	40347
Balance of Trade	-10427	-15653	-15355	-16590	-17191	-18370

(Source: SBP)



(Source: SBP)

energy sectors with new initiatives to provide employment and interest-free loans and yellow cab to the youth. Laptop scheme is also maintained in the budget. "Provision of clean water in the southern part of the Punjab and steps to improve industrial, agriculture and livestock sectors have been proposed in the next budget. No new tax has been imposed in the next budget although measures have been suggested to broaden the tax net". Special incentives have been given to improve small industrial, cottage industry, skill development and vocational training. Through the kissan package of Rs100billion, a comprehensive relief package has also been laid in the budget in addition to giving push to ongoing Punjab rural road programme. Betterment of mining sector has been given attention in the next budget. The public-private partnership will be further promoted so that the maximum job opportunities could be created. Priority will be given to the immediate needs and completion of on-going projects over other projects. Tax recoveries in the next budget have been proposed to be simplified for redressal of problems of trader's community. ***(Daily Pakistan)***

Duty-free imports threaten Pakistan's first can manufacturing plant

The financial viability of Pakistan's first aluminium beverage can manufacturing plant has been put to test within first month of its inauguration as the company expects stiff competition from duty-free imports of the same product from Sri Lanka under the Free Trade Agreement (FTA). In order to cope with the anticipated flood of cheap goods from Sri Lanka, the company has now sought a three-time reduction in customs duty on the import of raw material to remain competitive in the market. Pakistan's free trade agreements with China, Malaysia and Sri Lanka have made many local industries uncompetitive. Experts have questioned the Ministry of Commerce's ability to negotiate these deals that give undue advantage to the three countries at the expense of domestic industries. Ashmore Group of the United Kingdom has set up the metal can manufacturing plant in Faisalabad with an investment of $70 million. Pakistan's Liberty Group owns a minority stake in the plant that has annual production capacity of 700 million cans – double than Pakistan's market requirements. ***(Express Tribune)***

FBR chief defends district taxation offices

The Federal Board of Revenue (FBR) plans to establish offices of District Taxation Officer (DTO) across the country to broaden the tax base, its chairman told a Senate committee on Wednesday. "There's a need to expand the territory of FBR as there is a significant gap between us and taxpayers," FBR chairman Dr Muhammad Irshad said while briefing the members of Senate Standing Committee on Finance. There will be at least one DTO in each district, he said. The FBR was based on sectors and not territories, which has left many areas unattended, he said. "As a result, non-compliance has significantly increased." The DTOs would be FBR officers of grade 17 and 18, he said. The committee was also informed that the FBR has decided to impose sales tax on the import of raw materials and inputs to be consumed in factories and industrial units located in Federally Administered Tribal Areas and Provincially Administered Tribal Areas in the next financial year. Dr Muhammad Iqbal, FBR's member for Inland Revenue Policy, clarified that the FBR wanted to provide a level playing field to all manufacturers operating in tariff areas and non-tariff areas of the country. ***(Dawn)***

Full-day report: KSE-100 falls 800 points on Emerging Markets inaugural day

The Pakistan Stock Exchange ended [illegible] tumultuous trading session on a negative note, with the benchmark KSE-100 index losing 861.59 points, or 1.67, by the close of the trading session to reach 50,591.57. Volumes surged to unprecedented highs, with activity more than three times as prominent as the last trading session. Trading was led by commercial banking stocks owing to the market's harsh reaction to its first day of exposure to the MSCI Emerging Markets index. Ahsan Mehanti of Arif Habib Corp noted the bear market drivers, saying, "Panic selling was witnessed at the Pakistan Stock Exchange (PSX) on post-budget profit taking and concerns for unexpected foreign outflows ahead of the MSCI Emerging Markets upgrade." "Late session interest in selected blue chip oil and banking stocks supported the index to close above session lows. Capital gains taxes, flat slab levies, higher dividend taxes and renewed concerns for rising circular debt in energy sector played a catalyst role in the record fall at PSX," he added. 274.37 million shares changed hands by the end of the session, with a total worth of nearly Rs50.27 billion. ***(Dawn)***