

Market Today (March 31, 2017)

Opening	PSX	Gold Per 10 gm	KCA Spot Rate	Crude Oil USD /bbl.
	49,963.77	42,600.00	6,600.00	48.42

(Source: Business Recorder)

Exchange rates issued by the Treasury Management Division of National Bank of Pakistan. March 31, 2017

Country	Currency	Selling TT & OD	Buying TT Clear
USA	USD	104.85	104.65
UK	GBP	130.9	130.65
Euro	EUR	111.94	111.73
Canada	CAD	78.6	78.45
Switzerland	CHF	104.72	104.52
Australia	AUD	80.15	80
Sweden	SEK	11.72	11.7
Japan	JPY	0.9353	0.9335
Norway	NOK	12.22	12.2
Singapore	SGD	75.01	74.87
Denmark	DKK	15.05	15.02
Saudi Arabia	SAR	27.96	27.91
Hong Kong	HKD	13.49	13.47
China	CNY	15.38	15.35
Kuwait	KWD	344.11	343.45
Malaysia	MYR	23.69	23.64
New Zealand	NZD	73.24	73.1
Qatar	QAR	28.8	28.74
UAE	AED	28.55	28.49

(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)

Abdul Basit
President

Amjad Ali Jawa
Senior Vice President

M. Nasir Hameed Khan
Vice President



LCCI chief asks govt to curb smuggling

Lahore Chamber of Commerce and Industry (LCCI) President Abdul Basit has urged the government to take more steps to control smuggling and said that Frontier Constabulary (FC), deployed at borders, should be equipped with the latest technology. While talking to journalists, he said the prime minister had taken notice of the hurdles and problems being faced by the businessmen and pledged to do away the same, which was appreciable. Basit called for expeditious export refunds, abolishing tax officials' discretionary powers under Section 38-B of Sales Tax Act 1990, reversing agriculture stagnation, ensuring identical energy prices in provinces and removing bureaucratic hurdles in various matters. Such steps would ultimately boost economic growth in the country, he added. The LCCI chief said the government must ensure that investors and companies engaged in China-Pakistan Economic Corridor (CPEC) should use indigenously produced inputs except for the goods which were not produced locally. The goods which were not manufactured or produced in Pakistan, for example, soybean meal and grandparents chicks, should not be taxed, he added. He urged the government to take more steps to control smuggling and Frontier Constabulary (FC) deployed at borders should be equipped with the latest technology. Terming Afghan Transit Trade one of the sources of smuggling, he said that Afghanistan should not be allowed to import such raw materials which were not being used there due to non-existence of such industry in Afghanistan. The duties on smuggling-prone items and raw materials should be reduced, he demanded. To a question, he said that economic growth could be boosted by zero-rated tax on the Halal food sector as Pakistan had a little share in the international Halal food trade of about \$3 trillion. He said the role of Federal Board of Revenue (FBR) was considered to be a key facilitator for the private sector. He, however, alleged that complicated tax system did create complications between taxpayers and tax collectors. He suggested number of taxes and frequency of paying taxes must be reduced, besides making the tax payment on quarterly basis instead of monthly basis. He stressed the need for putting in place an electronic communication system between taxpayers and tax departments, as it could make noticeable difference and win confidence of taxpayers. He suggested that teams from tax department should visit markets, if indispensable, but they should be bound to follow due legal process.

(The Nation)

Business mediation

In a bid to unburden the pressure of pending cases on the judiciary, the Lahore High Court referred three disputes to the Lahore Chamber of Commerce and Industry (LCCI) for mediation. We are told that the mediation centre at the Lahore Chamber has the services of over 40 experienced mediators and in this particular instance it took only two hours to resolve one of the cases amicably. The two are under process and expected to be resolved soon. This is a good experiment and one that needs to be replicated given the pressure on the judiciary to give judgments. We know that given the parties involved, such cases can drag on for years. We also know that the judiciary is overburdened and that any effort that brings relief to both the petitioners and the judiciary is bound to be welcomed by all quarters concerned. With this new approach, some have described it a win-win situation. The key element is support from all quarters. Mediation is not a new concept and one that has taken time in taking its roots in Pakistan. In most business disputes, it is advisable to go for mediation instead of pursuing the courts given that mediation is a cheaper and quicker option. The only challenge is to ensure the quality and impartiality of the mediators. In this case, it seems that all the parties concerned were confident of the abilities of the mediators and have accepted the decision given out. The business community has said that this is a monumental step for their members and that it will help with the resolution of many disputes. What is significant here is that the judges hearing the case were in fact those who decided to advise for mediation. Now the Lahore Chamber has said it will advise disputing parties before they decide to go to the court or to a mediation platform. It is the support of the judiciary that makes this initiative successful. One should welcome this initiative and expect other chambers of commerce to follow suit in facilitating such a process.

(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 (Oct. 2016)

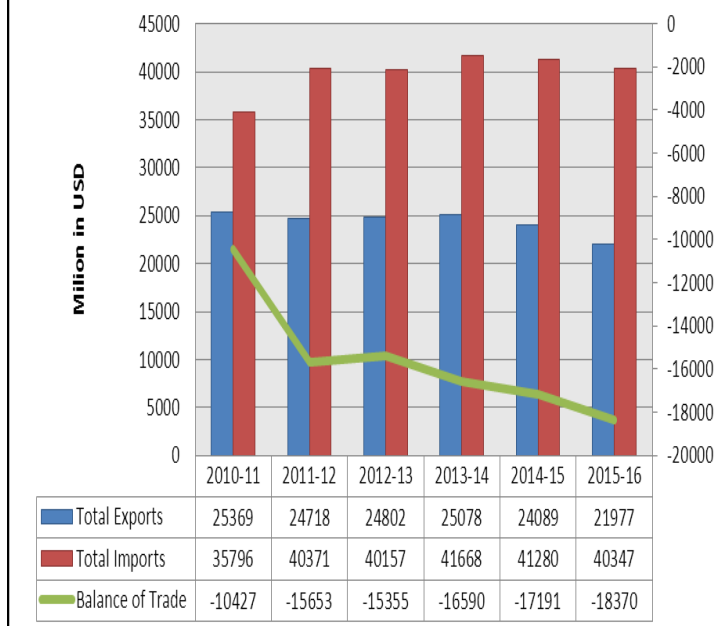
Trade Balance	-\$1.852 mln
Exports	\$1.742 mln
Imports	\$3.594 mln

Weekly (January 23, 2017)

Reserves	\$23,191.5 mln
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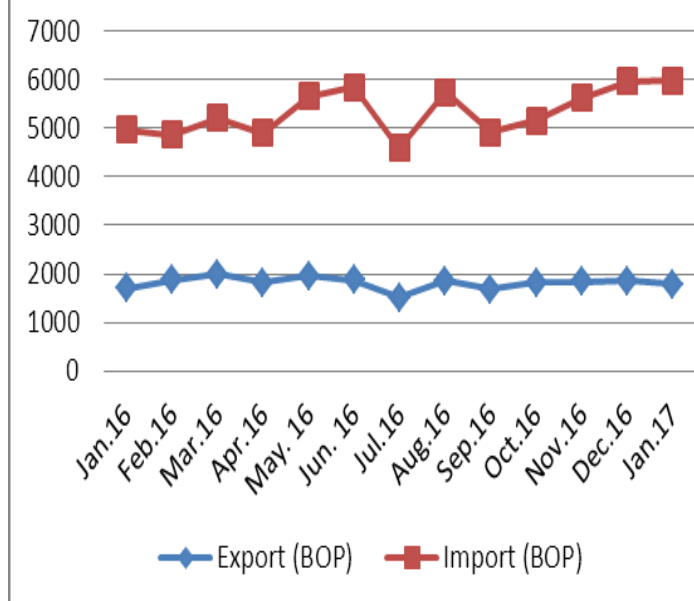
(Source: Business Recorder)

Yearly Trade Data



(Source: SBP)

Monthly Trade Data



(Source: SBP)

Kyrgyz envoy for boosting mutual trade

Ambassador of Kyrgyzstan to Pakistan Erik Beishembiev said that both countries should identify new sectors of economy for cooperation and introduce new tradable items to boost mutual trade. He was talking to LCCI Senior Vice President Amjad Ali Jawa and Vice President Muhammad Nasir Hameed Khan here at Lahore Chamber of Commerce & Industry. Zeeshan Khalil, Mian Zahid Javed, Moazzam Rasheed, Shahid Nazir, Tariq Mahmood, Rizwan Akhter Shamsi, Waqar Ahmed Mian and Khawaja Khawar Rasheed were also present. The Ambassador said that promotion of foreign direct investment was the top most priority of his government, adding that investing in Kyrgyz Republic is safe, profitable and easy as the main factors are the liberal trade regime, full protection of investments and unlimited repatriation of profits, currency exchange freedom, low business costs, an educated workforce and direct access to state authorities. Beishembiev said that Kyrgyz Republic attached great importance to development of economical cooperation with Pakistan. Existing volume of trade between Kyrgyzstan and Pakistan doesn't correspond to their respective potentials. There is a dire need to take sector-specific measures to promote two-way trade. He said that there must be exchange of trade delegation and single country exhibitions on reciprocal basis, therefore, Lahore Chamber of Commerce and Industry should encourage their member to visit the exhibition to initiate joint ventures with their Kyrgyz counterparts. LCCI Senior Vice President Amjad Ali Jawa said Pakistan and Kyrgyzstan enjoyed friendly and cordial relations but our business and economic relations had not been adequately developed. He said the volume of bilateral trade went even below than dollar one million in 2015. Very few items are being traded as pharmaceutical products are mainly exported from Pakistan whereas some tools are imported from Kyrgyzstan. "We have been talking about exploiting the untapped potential of trade in Central Asian Republics but no significant results have been ever produced. The main issue is to transport the tradable items between Pakistan and these republics. Kyrgyz and China share a long border. Once the Pak-China Economic Corridor Project gets fully operational, it will become much convenient for both the countries to explore each other markets on regular basis," Amjad Ali Jawa said. (Pakistan Observer)

IDB has no fresh strategy for projects in Pakistan

Funding from the Islamic Development Bank (IDB) for development projects in Pakistan under the country partnership strategy has almost come to a halt because the bank currently has no such programme for the country in place. The previous partnership strategy covering a four-year period ended in 2015, and the Jeddah-based Islamic bank has not yet finalised a fresh strategy. After completion of the 2012-15 partnership strategy, the government had requested the IDB to undertake the repeater strategy in line with the country's five-year development plan and 'Vision 2025'. The bank has felt that based on lessons learned from its limited interventions in provinces, there will be a need to undertake a detailed study for sectors, such as agriculture, health and education, which have been shifted from the federal government to provincial governments under the devolution process. A review of the 2012-15 partnership revealed that the Islamic bank did not approve any project in the agricultural sector. The reason attributed for non-inclusion of any agricultural related project in the strategy is the devolution process. Since the devolution has been completed, the IDB has now ample scope to include projects of the provinces, particularly in the irrigation sector, sources close to the Economic Affairs Division indicate. (Dawn)

National debate on game changer

The ongoing great debate on the cost and benefit ratio of the CPEC projects gives a loud and clear message that the nation is not willing to put blind faith either in the wisdom of the federal government or an 'all-weather friend' who may need to be briefed in perspectives other than those sold by the country's central policymakers. But this debate has not deterred the federating units from seeking a greater share in the expanding list of CPEC projects and the business community in trying to secure maximum possible participation in this 'game changer'. However, much of the significance of this national debate on the CPEC lies in challenging old ways that have not worked very successfully and finding better alternatives. (Dawn)

Bank deposits rise

THE government raised Rs156.18bn from the auction of MTBs of various tenors last Thursday, smaller against the received bids of Rs197.52bn. It was however, higher against the auction target of Rs100bn. Of the total raised amount, three month T-bills fetched the highest Rs90.06bn at a cut off yield of 5.99pc, followed by six month T-bill Rs66.12bn at 6.01pc. Six month T-bill attracted the highest amount of Rs102.04bn: six month T-bill Rs95.48bn. No bids were received for 12 month T-bills. The Government raised Rs28.56bn from the auction of PIBs on March 24, smaller against the received bids of Rs70.83bn. It generated Rs26.28bn from three year PIBs at a cut off yield of 6.40pc, followed by five year PIB Rs1.05bn at 6.89pc, and ten year PIBs Rs1.22bn at 7.94pc. Bids received for 12 year PIBs were rejected. (Dawn)