

Market Today (April 04, 2017)

Opening	PSX	Gold Per 10 gm	KCA Spot Rate	Crude Oil USD /bbl.
	49,963.77	42,600.00	6,600.00	51.34

(Source: Business Recorder)

Exchange rates issued by the Treasury Management Division of National Bank of Pakistan. April 04, 2017

Country	Currency	Selling TT & OD	Buying TT Clear
USA	USD	104.7	104.5
UK	GBP	130.79	130.54
Euro	EUR	111.7	111.49
Canada	CAD	78.27	78.12
Switzerland	CHF	104.54	104.34
Australia	AUD	79.61	79.46
Sweden	SEK	11.68	11.66
Japan	JPY	0.9472	0.9454
Norway	NOK	12.2	12.18
Singapore	SGD	74.96	74.82
Denmark	DKK	15.02	14.99
Saudi Arabia	SAR	27.92	27.87
Hong Kong	HKD	13.47	13.45
China	CNY	15.39	15.36
Kuwait	KWD	343.62	342.96
Malaysia	MYR	23.63	23.58
New Zealand	NZD	73.29	73.15
Qatar	QAR	28.75	28.7
UAE	AED	28.5	28.45

(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



EU asks Pakistan to take full benefit of GSP Plus

European Union Ambassador to Pakistan Jean Francois Cautain has stressed that public and private sectors of Pakistan would have to work together to take full advantage of the Generalised Scheme of Preferences (GSP) Plus status, which has been granted till 2023. "The EU would like to enhance its trade with Pakistan," he said while talking to Lahore Chamber of Commerce and Industry (LCCI) President Abdul Basit, Senior Vice President Amjad Ali Jawa, Vice President Muhammad Nasir and executive committee members at the chamber premises. The EU envoy pointed out that GSP Plus had given better market access for products made in Pakistan to the entire European Union. "It is very much now in the hands of the business community, both here in Pakistan and the EU, to utilise this facility available for boosting trade between the two sides," he said. GSP Plus status is monitored and reviewed after every two years and Pakistan is still eligible for the preferential trade facility. Cautain suggested that Pakistan should take full advantage of GSP Plus and increase exports of its traditional and non-traditional products to the EU member states. Speaking on the occasion, the LCCI president emphasised that Pakistan and the EU had strong bonds in the areas of trade and investment. He called the EU a very important trading bloc for Pakistan. Though the EU Commission had granted GSP Plus status to Pakistan, its potential benefits could not be reaped, Basit remarked. The EU accounted for 12.8% of Pakistan's total trade in 2015 and absorbed 23.7% of Pakistan's exports. More than 80% of Pakistan's exports to the EU consist of textile and clothing. Pakistan's imports from the bloc mainly consist of machinery and transport equipment as well as chemicals. "Almost 72% of exports to the EU went to five countries – the UK, Germany, Spain, the Netherlands and Italy. We look forward to finding more and more opportunities of market penetration in other countries like Greece, Slovenia and Ireland where Pakistan's exports average \$50 million," Basit said. "We need to exploit the potential by exporting agro-based processed food in collaboration with European companies through joint ventures and transfer of technology." (*Express Tribune*)

Budget 2017-18: PBA submits recommendations to FBR

The Pakistan Banks' Association (PBA) has submitted, this year, as well, its recommendations for federal budget 2017-2018 for the banking sector to the FBR. Pakistan's banking sector is one of the largest contributors to the Exchequer. In the year ended Dec 31, 2016, it paid total taxes of over Rs 140 billion and collected and paid to the FBR over Rs 134 billion as withholding tax. Therefore, the total contribution to the exchequer from members of the PBA was over Rs 274 billion. This has enabled the banking industry to continue playing an integral role in the economic development of the country and supporting major initiatives of the government, the FBR and the SBP. Some of the PBA's key recommendations for Federal Budget 2017-18 are: Deletion of Section III (4) of ITO 2001 and amendment of Pakistan Economic Reform Act (PERA 1992) by excluding all persons resident in Pakistan, as this section presently provides immunity to a tax payer on the source of an amount which has been remitted from outside Pakistan in foreign exchange through the banking channels. In PBA's view, the provisions are often misused as some businessmen may remit undeclared income through unofficial channels, which is then brought into Pakistan in foreign exchange through banking channels. While no taxes are paid on such (undeclared) income, it can be laundered into white money at a small cost

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)

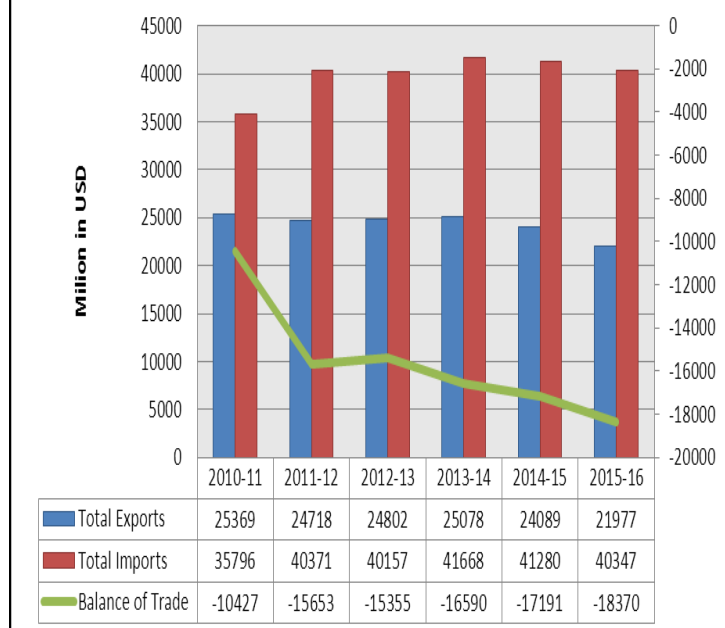
Trade Balance	\$-1.852 mln
Exports	\$1.742 mln
Imports	\$3.594 mln

Weekly (January 23, 2017)

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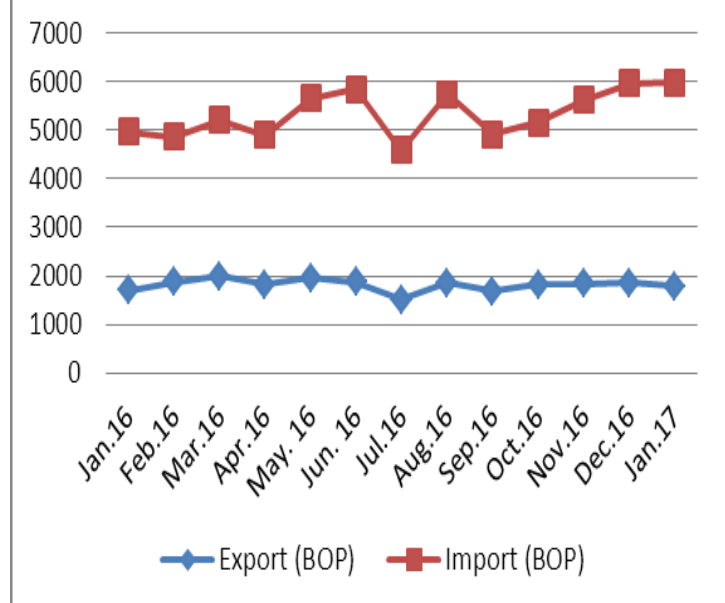
(Source: Business Recorder)

Yearly Trade Data



(Source: SBP)

Monthly Trade Data



(Source: SBP)

of 3 to 4 percent. This recommendation of the PBA will help curb the practice of whitening of money under the umbrella of PERA. While the Government took a very positive step by progressively reducing income tax rates for business income of corporate sector from 35 percent to 34 percent for tax year 2014 which is now down to 30 percent for tax year 2018, no such reduction has been provided for banks. **(Business Recorder)**

Draft HS 2017 version of PCT: FBR asks stakeholders to give comments by April 20

The Federal Board of Revenue (FBR) has given deadline of April 20, 2017 to the stakeholders to give comments on the draft HS 2017 version of Pakistan Customs Tariff for accurate classification of imported goods for assessment of duties and taxes. It is learnt that the FBR has issued the draft HS 2017 version of Pakistan Customs Tariff and it is uploaded on FBR website for feedback/input of all the stakeholders which may be sent to Customs Wing of FBR up to April 20, 2017. The new HS 2017 version of Pakistan Customs Tariff is expected to be issued in coming budget. The HS 2017 version of Pakistan Customs Tariff has mentioned PCT codes and description of the items/goods. It has given description of 9,706 items of the Pakistan Customs Tariff. Sources said that Pakistan Customs follow the HS Code (Harmonised System Codes) or PCT Codes (Pakistan Customs Tariff Codes) for classification of goods. These codes consist of 8 digits where first two digits represent chapter and second 2 represent sub- chapter and after decimal place 4 digits represent code of item. **(Business Recorder)**

French companies keen to invest in Pakistan

More than a dozen French companies on Tuesday expressed their desire to invest in Pakistan. "Pakistan has a favourable financial position and the security situation has improved tremendously during the last three years," said M. Thierry Pflimlin, chairman of the France-Pakistan Business Council of MEDEF International and president of Total Global Services, while speaking to the media at the residence of the French ambassador. Mr Pflimlin is heading a delegation of 16 French companies. The delegation is visiting Pakistan after a gap of 12 years from April 4 to 6. "We have identified fields of cooperation... agriculture, food processing, hydroelectric and renewable energy, digitisation of the industry, electronics, information technology, LNG storage and re-gasification etc," he said. He said the objective of the visit is to understand Pakistan and the business opportunities it offers. He lauded the China-Pakistan Economic Corridor (CPEC), adding that Europe could also bring in investment for increased cooperation with Pakistan. The three-day visit will provide the French companies with the opportunity to better understand Pakistan's economic priorities. The visit follows a meeting organised at the MEDEF International headquarters in Paris in September 2016 between the French companies and Finance Minister Ishaq Dar, who was accompanied by Board of Investment (BoI) Chairman Miftah Ismail. **(Dawn)**

Banks demand reduction in tax rate

In its proposals for the upcoming federal budget, the Pakistan Banks' Association (PBA) demanded that the government should reduce the tax rate to 30 per cent for 2017-18. The budget proposals, submitted to the Federal Board of Revenue (FBR), called upon the government to make the tax rate uniform and equitable for the banking sector. They highlighted that the tax rate on capital gains and dividend income of banks has been raised to a uniform rate of 35pc from tax year 2015. The PBA has said the banking sector is one of the largest contributors to the national exchequer. In the year ended Dec 31, 2016, it paid total taxes of over Rs140 billion and collected and paid to the FBR over Rs134bn as withholding tax. Therefore, the total contribution to the exchequer from members of the PBA was over Rs274bn. The PBA's key recommendations for the upcoming budget include the deletion of Section III (4) of ITO 2001 and amendment of Pakistan Economic Reform Act (PERA) 1992 by excluding all persons resident in Pakistan, as this section presently provides immunity to a taxpayer on the source of an amount that has been remitted from outside Pakistan in foreign exchange through the banking channels. **(Dawn)**