

Market Today (May 05, 2017)

Opening	PSX	Gold Per 10 gm	KCA Spot Rate	Crude Oil USD /bbl.
	49,851.13	42,600.00	6,600.00	46.22

(Source: Business Recorder)

Exchange rates issued by the Treasury Management Division of National Bank of Pakistan. May 05, 2017

Country	Currency	Selling TT & OD	Buying TT Clear
USA	USD	104.6	104.4
UK	GBP	135.11	134.85
Euro	EUR	114.9	114.68
Canada	CAD	75.88	75.73
Switzerland	CHF	106.06	105.86
Australia	AUD	77.16	77.02
Sweden	SEK	11.83	11.8
Japan	JPY	0.9319	0.9301
Norway	NOK	12	11.98
Singapore	SGD	74.64	74.5
Denmark	DKK	15.45	15.42
Saudi Arabia	SAR	27.89	27.84
Hong Kong	HKD	13.6	13.57
China	CNY	15.53	15.5
Kuwait	KWD	343.68	343.03
Malaysia	MYR	24.12	24.07
New Zealand	NZD	71.9	71.76
Qatar	QAR	28.73	28.67
UAE	AED	28.48	28.42

(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 to conduct no raid sans chairman's permission

On demand of the Lahore Chamber of Commerce and Industry (LCCI), Senate Standing Committee on Finance, Revenue, Economic Affairs, Statistics & Privatization has made it clear through a notification that in future no raid would be conducted by the FBR officials without the permission of the FBR chairman or a member concerned at any industry, factory or shop holders who are taxpayers/filers. This was revealed by LCCI President Abdul Basit while addressing a press conference here at the LCCI. The LCCI president said that the Lahore chamber had a meeting with the Senate Standing Committee on Finance, Revenue, Economic Affairs, Statistics & Privatization in Islamabad and underlined the issues of misuse of discretionary powers of the Inland Revenue Officers under section 38A, 38B, 40A, 40B, 176 & 177 and raids on business premises. He said that Senate Committee Chairman Saleem Mandviwalla took a prompt action and recommended that in future no raid would be conducted by the FBR officials without the permission of the FBR chairman or a member concerned at any industry, factory or shop holders, who are taxpayers/filers. He said that through notification, businessmen are also advised to complain to the FBR chairman, under intimation to the Senate Committee on Finance, Revenue, Economic Affairs, Statistics and Privatization, along with all the evidences in case of raid/misuse of discretionary powers by the FBR officers. Basit said that the issue of misuse of discretionary powers by the FBR staff and raids of business premises was badly affecting the business environment as FBR officers were used to enter into the premises of tax filers along with the large number of security personnel for threatening and harassing them without the permission of the FBR chairman or member concerned. He said that Mandviwalla deserve appreciation for taking immediate action that would certainly reduce the miseries of the business community and would improve the business environment. *(The Nation)*

Further expansion of bilateral, economic ties urged between Malaysia, Pakistan

Malaysia and Pakistan urged to make consistent efforts for exploiting the existing potentials for further development and expansion of bilateral and economic relations between the two countries. The High Commissioner of Malaysia DATO Dr Hasrul Sani Mujtabar in Pakistan said this late night while speaking on the occasion of celebration of the 60th anniversary of the establishment of diplomatic relations between Malaysia and Pakistan. He said that the 60th anniversary of the diplomatic relations, is not only a testament to the enduring ties between the two countries but an acknowledgment of Malaysia as one of the first countries to recognize the existence of Pakistan as a state. The high commissioner said Malaysia, a country once dependent on agriculture and primary commodities in the sixties, has today become an export-driven economy spurred by high technology, knowledge-based economy and capital intensive industry. He said, "Today, Malaysia is considered as one of the ten most competitive economies in the world." DATO Dr Hasrul Sani Mujtabar said that the factors including pragmatic foreign policy, world class infrastructure, good connectivity, strategic location, liberal and transparent business policies and strong supporting industries enabled Malaysia to grow and attract quality investment over the years. The country has a multi-ethnic and multi-lingual workforce that can effectively communicate with most markets in the world. The Malaysian high commissioner said Malaysia hopes that Pakistan will continue to take advantage of its vibrant economy to invest and promote greater business and linkages especially between the private sectors. Similarly, Malaysia would like to participate in Pakistan's economic development like China-Pakistan Economic Corridor (CPEC) and others, he added. The high commissioner said over 5,019 Pakistani students are currently enrolled both in public and private universities and colleges of Malaysia, adding that the number would continue to grow. He said both sides

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)

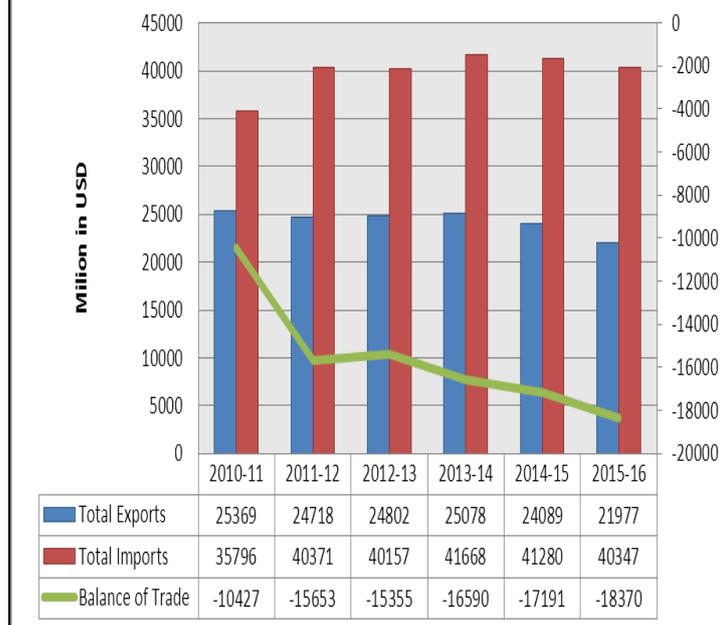
Trade Balance	-\$1,852 mln
Exports	\$1,742mln
Imports	\$3,594mln

Weekly (March 31, 2017)

Reserves	\$21,550.5 mln
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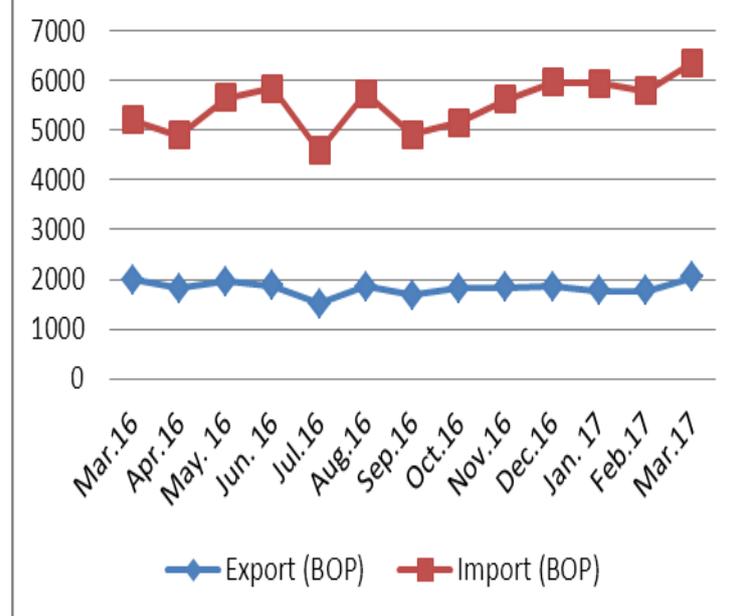
(Source: Business Recorder)

Yearly Trade Data



(Source: SBP)

Monthly Trade Data



(Source: SBP)

continue to cooperate in high profile military events like IDEAS in Karachi and LIMA in Langkawi. Malaysia has also benefited tremendously by sending its officers for relevant courses in Pakistan. (*Business Recorder*)

FBR wins battle against tax evasion, firm to pay Rs96.2m

Digital Links, a supplier of surveillance equipment, has admitted to evading taxes, and agreed to make payments to avoid criminal proceedings, as investigators plan to further expand scope of the investigation to suppliers and buyers of the entity. Directorate General Intelligence & Investigation-Inland Revenue started the inquiry against the entity about a year ago and finally, Digital Links agreed to pay Rs96.2 million, according to the Directorate of I&I officials. They said that during the course of investigations, one of the partners of the business concern attended the Lahore Directorate and voluntarily agreed to deposit the total sales tax liability to avoid criminal proceedings. In this regard, the entity deposited Rs7.6 million and submitted postdated cheques for the remaining amount. The total recoverable tax amount is Rs96.2 million, said FBR officials. The amount includes a default surcharge of Rs19.6 million besides penalty of Rs38.3 million, which is equal to 100% of the principal tax liability. The authorities are now planning to expand the investigation to Digital Links suppliers and buyers in the hope of recovering taxes from them as well. (*Express Tribune*)

CPEC power project: Seizure of Chinese firm's accounts lands taxman in trouble

The government on Thursday ordered an inquiry against taxman for seizing the bank accounts of a Chinese company working on the \$1.5 billion Karot hydropower project, which is a part of the multibillion-dollar China Pakistan Economic Corridor (CPEC). The Federal Board of Revenue (FBR) had acted against the Chinese company which had no tax liability, The Express Tribune has learnt. Minister for Planning and Development Ahsan Iqbal ordered an inquiry as soon as the matter was brought into his notice during a progress review meeting of CPEC projects. The China International Water and Electric Corporation is executing the \$1.5 billion project likely to start production by 2020. It will generate 720 megawatts of electricity. FBR's field formations attached the Chinese firm's bank accounts but could not defend the move later on, Ahsan. The government would not allow the FBR to harass foreign investors, he added. (*Express Tribune*)

Withholding tax on mobile banking services likely

The Federal Board of Revenue (FBR) is considering expanding the scope of 0.4% tax on banking transactions conducted by non-filers of tax returns to mobile banking services in the upcoming budget amid an outcry from telecom operators against heavy taxes that are eating up over one-third of their revenues. Yet the tax authorities are not in a mood to offer any significant respite to the telecom sector except for removing the tax on cash withdrawals by branchless banking agents. The agents are currently paying up to 12% tax on the commission they earn from banks and 0.3% tax on cash withdrawals. The proposal to withdraw the withholding tax on cash withdrawals by branchless banking agents has been given by the State Bank of Pakistan. The central bank is pursuing the National Financial Inclusion Strategy on the recommendations of global donors. (*Express Tribune*)

Full-day report: Stocks gain in pre-budget buying spree

Stocks made gains in the last trading session of the first week of May, with the benchmark KSE-100 Index rising 567.48 points (1.15pc) to close at 49,851.13. Though the index managed to breach the 50,000 points barrier again today, it could not sustain the momentum, facing selling pressure at that point. "Stocks closed bullish [...] on institutional buying in the pre-budget rally at PSX," said Arif Habib Corp's Ahsan Mehanti. "Pressure remained in oil stocks on a slump in global crude prices. Easing political noise, upbeat data on urea sales for April'17, record quarter-end corporate earnings in cement and banking stocks played a catalyst role in the higher close," he added. KSE-100 Index volumes raised to 136.7 million shares, while values clocked in at Rs13.2 billion. (*Dawn*)