

Saturday, May 13, 2017 | 16 Shahban 1438 Hijri

Market Today (May 12, 2017)

Opening	PSX	Gold Per 10 gm	KCA Spot Rate	Crude Oil USD /bbl.
	51,750.00	42,695.00	6,835.00	49.09

(Source: Business Recorder)

Exchange rates issued by the Treasury Management Division of National Bank of Pakistan. May 12, 2017

Country	Currency	Selling TT & OD	Buying TT Clear
USA	USD	104.6	104.4
UK	GBP	134.8	134.54
Euro	EUR	113.69	113.48
Canada	CAD	76.38	76.23
Switzerland	CHF	103.82	103.62
Australia	AUD	77.17	77.02
Sweden	SEK	11.78	11.76
Japan	JPY	0.92	0.9182
Norway	NOK	12.17	12.14
Singapore	SGD	74.23	74.09
Denmark	DKK	15.28	15.25
Saudi Arabia	SAR	27.89	27.84
Hong Kong	HKD	13.58	13.55
China	CNY	15.52	15.49
Kuwait	KWD	343.74	343.08
Malaysia	MYR	24.06	24.01
New Zealand	NZD	71.54	71.4
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)

Govt aims to expand tax net in new budget

Federal Board of Revenue (FBR) Chairman Dr Muhammad Irshad said that the government would widen the tax net in the upcoming budget. During a visit to the Lahore Chamber of Commerce and Industry (LCCI), Irshad said the government was going to present a historic budget after extensive consultations with all stakeholders in the economy. "The concept of placing extra burden on taxpayers is incorrect," he said. "The government will not spare non-filers and is committed to receiving tax from the people who are unwilling to pay." Responding to complaints about raids on factories by the FBR's field officers, the chairman said the government did not want to put any industry in trouble, but sometimes misunderstandings occurred due to communication gap. "We will constitute an advisory committee to create friendly atmosphere between government departments and the business community," he said. Irshad asked businessmen to take initiative and help resolve issues pending with the FBR in order to receive concessionary treatment. "The business community and the FBR have the same goal, which is to increase revenue and business in the country. Hence, all issues should be resolved through a conducive and friendly environment," he said. The FBR chairman also clarified that the perception of decline in the number of tax return filers was not correct as the number of filers had jumped to 1.4 million from 0.7 million since the present government came to power. "The filers will be facilitated and nobody will be allowed to tease or harass them as they are the backbone of the economy," he said. "Tax refunds of Rs57 billion have already been disbursed, while the issue of the remaining amount will soon be resolved." Regarding double taxation, Irshad said provincial governments had the right to collect few taxes after the 18th Amendment to the Constitution, but the FBR was fully aware of the issue and would raise voice at a proper forum. Earlier, LCCI President Abdul Basit apprised the FBR chairman about the issues being faced by the business community. (Express Tribune)

FBR unlikely to achieve revised revenue target

The Federal Board of Revenue (FBR) has linked the collection of Rs981.4 billion in the last two months of the current fiscal year with the resolution of audit cases, recovery of arrears and current demands. An official source will be difficult for the FBR to achieve the revised revenue target of Rs3,500bn. The original budgetary revenue target was Rs3,621bn. "We are expecting the revenue collection will be around Rs3,400bn," the official said, adding that it depends on the collection of pending revenue through the alternative dispute resolution mechanism and finalisation of audit cases. In the first 10 months of 2016-17, the FBR collected Rs2,518.6bn against Rs2,346bn collected over the corresponding period of last year, reflecting an increase of 7.4 per cent. Official data shows the total outstanding demand for arrears was Rs262bn. Out of this amount, various courts stayed cases involving Rs105bn. Consequently, Rs158bn was collectable demand from taxpayers. The FBR estimated it would collect Rs120bn in the last quarter (April-June) of 2016-17 under this head against the collection of Rs53bn a year ago. The FBR also expected to raise maximum revenue from the finalisation of audit cases. Data shows the FBR finalised 11,686 audit cases up to February. Total demand created in all these cases was Rs26.13bn. The number of audit cases pending with the FBR was 172,476. "We are expecting that 55,000 cases will be disposed of by June," the official said, adding that the tax demand to be created in these cases is expected to be Rs123bn. In the last quarter of 2015-16, tax demand of Rs55.476bn was created out of total audit cases of 26,820. The FBR also identified several big taxpayers that have shown negative growth in their payment of sales tax and federal excise duty (FED) in the first eight months of the current fiscal year. "We are expecting to collect revenue from these taxpayers by serving notices on them," the official said. Provisional figures show the FBR collected Rs978.8bn in direct taxes, Rs1,009.2bn in sales tax, Rs144bn in FED and Rs386.6bn in customs duty in July-April. (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 (Feb. 2017)

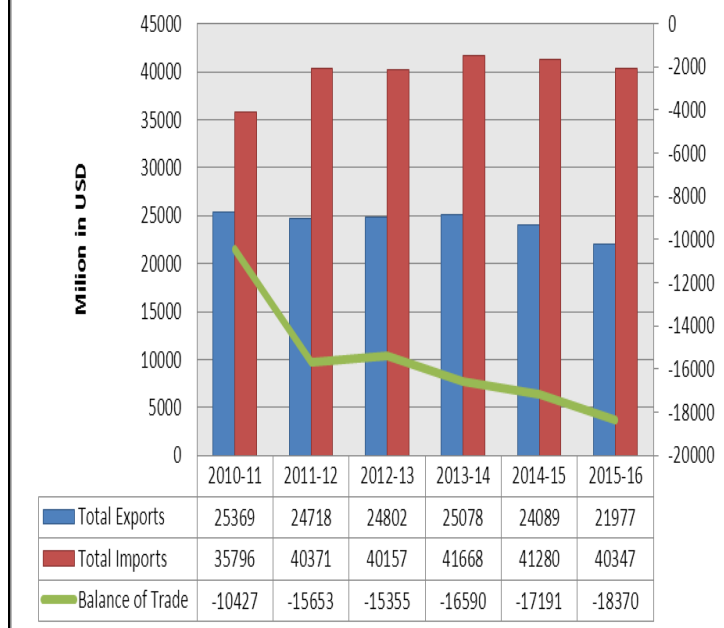
Trade Balance	-\$1,852 mln
Exports	\$1,742mln
Imports	\$3,594mln

Weekly (March 31, 2017)

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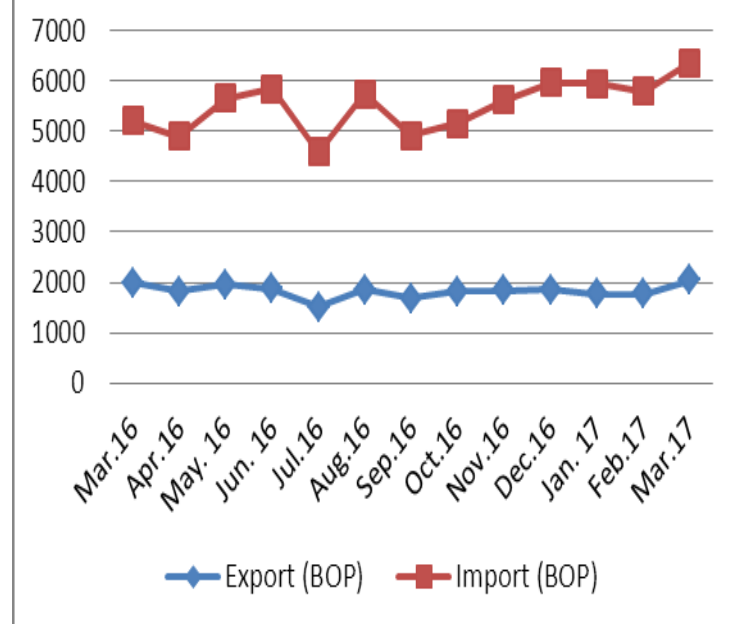
(Source: Business Recorder)

Yearly Trade Data



(Source: SBP)

Monthly Trade Data



(Source: SBP)

PR, LCCI to work on promotion of trade, cooperation

Railways and Lahore Chamber of Commerce and Industry (LCCI) has constituted a 4-member committee to promote cooperation and trade at dry-port. This was decided in a meeting of the delegations of both institutions held at PR headquarters. Both delegations agreed on several issues especially increase of trade volume with Iran and Afghanistan. Former additional general manager mechanical and rolling stock specialist Rana Ibrar Anwar gave a briefing to the meeting on step wise upgradation process regarding China Pakistan Economic Corridor (CPEC). Additional general manager Abdul Hameed Razi presented a shield to former president LCCI Shahid Hussain Sheikh. LCCI standing committee on dry-port Rehan Siddique, Siddiqui Rehman Rana, Mian Zahid Nazeer and Khawaja Azhar while PR officers Shoaib Adil, Waqar Ahmad Shahid and others attended the meeting. *(Business Recorder)*

Govt to lift ban on imported fuel-based power plants

The government has decided to lift the ban on setting up new power plants based on imported fuel in an attempt to resume and step up work on an abandoned imported coal-fired project planned under the China-Pakistan Economic Corridor (CPEC). A senior official in the Ministry of Finance told that Ministry of Water and Power and the Finance Division were working on a study to withdraw the restrictions on new imported fuel-fired power projects keeping in view the projected increase in demand. With Thar coal project, Pakistan is harnessing the dirtiest energy. In July last year, the government had slapped the ban on developing new imported coal and liquefied natural gas (LNG)-based power plants to ease the pressure on foreign currency reserves. The decision had a double impact as it would restrict the outflow of foreign currency in the shape of import bill as well as prevent the repatriation of profits and dividends by project sponsors. Following this move, the Ministry of Water and Power informed the Private Power and Infrastructure Board (PPIB) that the government had also stopped approvals for power plants based on other imported fuels such as furnace oil and high-speed diesel. The ministry asked the PPIB to stop issuing Letter of Intent (LOI) to new imported fuel-based power plants except for the projects mutually agreed between governments of Pakistan and China or those listed in the CPEC programme. *(Express Tribune)*

To help Pakistan increase exports, these civil servants will make up to Rs120,000 more

The government has decided to hand out large amounts as monthly allowances to bureaucrats, a move which has landed both parties in hot water. Officials serving in the Ministry of Commerce will receive up to Rs120,000 for "conducting studies for promotion of exports". According to sources, Commerce Minister Khurram Dastgir Khan, who chairs the Board of Export Development Fund (EDF), approved to pay between Rs50,000 and Rs120,000 in monthly allowances to all bureaucrats in service, except for the federal secretary. However, the commerce minister stated in the board meeting that he was doing this on the bureaucracy's insistence. Under the proposal, the least amount will be received by a grade-17 officer, which is even higher than the pay scale. Moreover, the maximum allowance was reserved for a grade-21 officer. In order to keep the matter a secret, the ministry did not formally put the proposal on the agenda of the board meeting. At present, the size of the EDF stands at Rs32 billion. While officers will be paid the monthly allowance for carrying out studies to promote exports, most bureaucrats are not trained to conduct detailed technical and scientific studies since many are not even qualified to undertake them. *(Express Tribune)*

Full-day report: KSE-100 closes week in green

The Pakistan Stock Exchange has ended the week on a positive note, with the benchmark KSE-100 index gaining 324.90 points, or 0.63 per cent, by the close of the trading session to reach 51,750.91. Volumes were led by commercial banking stocks as the benchmark index continued its bullish trend with the market optimistic about the MSCI rating reclassification expected on May 15. "Stocks closed higher led by blue chip oil, banking and fertilizers stocks as investors speculated in the pre-budget rally at PSX," said Arif Habib Corp's Ahsan Mehanti. "Higher global crude prices, upbeat data on car sales in Jul-Apr 2017. *(Dawn)*