

Wednesday, May 17, 2017 | 20 Shahban 1438 Hijri

## Market Today (May 16, 2017)

Opening	PSX	Gold Per 10 gm	KCA Spot Rate	Crude Oil USD /bbl.
	51,813.19	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 16, 2017

Country	Currency	Selling TT & OD	Buying TT Clear
USA	USD	104.6	104.4
UK	GBP	135.05	134.8
Euro	EUR	114.93	114.71
Canada	CAD	76.77	76.62
Switzerland	CHF	105.06	104.86
Australia	AUD	77.52	77.38
Sweden	SEK	11.86	11.83
Japan	JPY	0.9215	0.9197
Norway	NOK	12.25	12.22
Singapore	SGD	74.83	74.68
Denmark	DKK	15.45	15.42
Saudi Arabia	SAR	27.89	27.84
Hong Kong	HKD	13.43	13.41
China	CNY	15.19	15.16
Kuwait	KWD	343.23	242.58
Malaysia	MYR	24.25	24.2
New Zealand	NZD	72.05	71.92
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)
<b>Commodity Producing Sector (Agriculture + Industrial Sector)</b>	<b>41.4</b>	<b>40.8</b>
<b>Agriculture</b>	<b>20.80</b>	<b>19.82</b>
Crops	8.2	7.4
Livestock	11.7	11.6
Fishing	0.4	0.4
Forestry	0.4	0.4
<b>Industrial Sector</b>	<b>20.6</b>	<b>21.0</b>
Mining & Quarrying	2.9	2.9
Manufacturing	13.6	13.6
Construction	2.4	2.6
Electricity & Gas Distribution	1.7	1.9
<b>Services Sector</b>	<b>58.6</b>	<b>59.2</b>
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)

## Transporters' strike: LCCI asks SC to take suo motu notice

Irked by the failure of political forces to address concerns of business circles, the Lahore Chamber of Commerce and Industry (LCCI) urged the Supreme Court to take suo motu notice of the goods transporters' strike that is hitting trade, industry and economy hard. "Continued strike by the goods transporters has already caused a loss of over Rs60 billion to the trade and industry as goods are stuck at Karachi Port and Port Muhammad Bin Qasim," said LCCI Acting President Amjad Ali Jawa at a press conference. He said people working on daily-wages were struggling to make ends meet while slowdown in the supply of essential goods and edibles could spark food crisis in the country. He pointed out that the country was already facing huge challenges such as decline in exports and historically high trade deficit. "In the first 10 months of the current financial year, the trade gap widened to \$26.55 billion, which is 40% higher than the same period of previous year," he said. (*Express Tribune*)

## Five export-oriented sectors Zero rating to continue: Haroon

Zero rating for five export-oriented sectors will continue and there would be a further increase in the cost of doing business for non-filers in the forthcoming budget. This was stated by Prime Minister Special Assistant on Revenue (FBR) Haroon Akhtar Khan while addressing a pre-budget seminar titled "budget for export growth" 2017-18 organised by the Commerce Ministry. Secretary Commerce Younas Dagha conveyed concerns on the proposed discontinuation of zero rating and made a few submissions with respect to business community to Haroon Akhtar Khan. Two weeks ago from one of the senior most government officials that the government was contemplating withdrawal of sales tax facility from next fiscal year as revenue loss from this scheme had been calculated at Rs 15 billion. However, this information sent a negative message to the business community. Secretary Commerce raised this issue with Special Assistant to Prime Minister on Revenue. Haroon Akhtar Khan stated that he was a key supporter of this scheme and with the support of the Prime Minister and Finance Minister it began to be implemented. He further explained that the zero-rating scheme began in 2006 but was abandoned due to the increase in refund claims and, unfortunately, the same thing was happening now. He pledged that the scheme would stay in place for the time being but the FBR has to keep a balance and would not accept a hit in its revenue collection, adding that refunds have to be come down. (*Business Recorder*)

## 'Budget to boost export sector'

Special Assistant to Prime Minister on Revenue Haroon Akhtar Khan said the Federal Board of Revenue (FBR) is considering proposals to rehabilitate the export sector. Mr Khan also noted that life will not be easy for those who avoid paying taxes. "I urge all honest people to contribute their due share of taxes to the national kitty," Mr Khan said while addressing a single-day pre-budget seminar organised by the Ministry of Commerce. Mr Khan said the FBR's revenue target for the next year will be over Rs4 trillion, up from the current year's target of Rs3.6tr. He said the issue of refunds will be considered in the next budget. At the outset of the seminar, Commerce Secretary Younus Dagha shared the budget proposals, which the ministry had received from stakeholders. The proposals revolved around tariff reduction, sales tax refunds and customs rebates. These budget proposals will be submitted to the finance ministry and the FBR in the next couple of days. The proposals call for the release of pending refunds of around Rs150-200 billion, which can lead to a boost in exports. The Refund Payment Orders (RPOs) have recently been rolled back on the grounds that the refund of sales tax on packaging material was claimed in violation of the understanding that exporters reached with the government when the prime minister announced a relief package for them. The stakeholders demanded that RPOs should be reappraised

## 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)

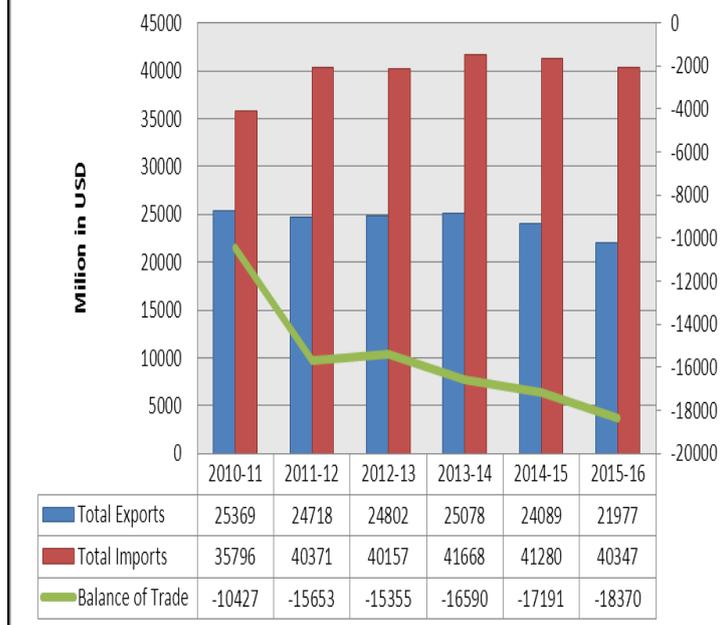
Trade Balance	-\$1,852 mln
Exports	\$1,742mln
Imports	\$3,594mln

### Weekly (March 31, 2017)

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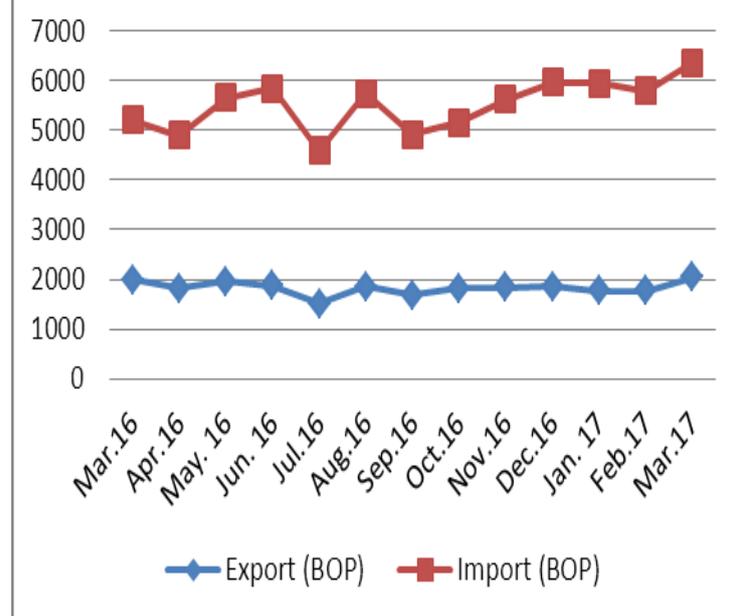
(Source: Business Recorder)

## Yearly Trade Data



(Source: SBP)

## Monthly Trade Data



(Source: SBP)

expeditiously after deducting the disputed amount, which may be settled separately. (Dawn)

### FBR chalking out roadmap to reduce size of black economy

The Federal Board of Revenue (FBR) is chalking out a roadmap to reduce the quantum of the underground economy in Pakistan to minimise the size of the black economy by at least 30 percent in a period of three years. It is learnt that the strategy to reduce the size of the underground economy was discussed during the last meeting of the Tax Reforms Implementation Committee (TRIC) held at the FBR House. Masoud Naqvi, Member, TRIC made a detailed presentation on action plan to reduce the quantum of the underground economy in Pakistan. It was recommended that a high level committee be set up and an action plan be prepared on a priority basis with measurable and identified issues and actions with specific responsibilities or responsible agencies and co-ordination agencies. He stressed that the project may be launched on urgent basis with a view to successfully fight the informal economy with efficient monitoring. The action plan should be monitored and evaluated by the high level committee for the fight against the informal economy. The committee was also informed that initial task will be to determine the reasons for the informal economy and identify actions to capture informal economy in the formal sector. The action plan be initially developed for a period of three years with an objective to minimise the size of the informal economy by at least 30 percent. He also stated that success of the fight against the informal economy is possible with the continuous, resolute and focused monitoring of the fight as a state policy and the high level committee to review the Annual Performance and modifying the strategic actions based on the recommendations of the committee for monitoring and steering. The Executive Committee would be responsible for monitoring the rate of various co-ordination agencies and to achieve the desired targets. The need to start this important initiative was agreed. After thorough deliberations it was decided that in the light of recommendations a detail note for Finance Minister may be prepared suggesting committee and co-ordinating Ministries in May, 2017. (Business Recorder)

### Chinese tech giant Alibaba Group set to enter Pakistan; signs first MoU

Pakistan signed a Memorandum of Understanding with Alibaba Group Holdings Limited to promote Pakistan's worldwide exports by Small and Medium Enterprises (SMEs) through e-commerce. Alibaba Group's Executive Chairman, Jack Ma and Prime Minister Nawaz Sharif witnessed the signing ceremony. Speaking at the headquarters of the e-commerce giant, the prime minister appreciated the success and performance of the Alibaba group. "I am glad my meeting with Jack Ma at the World Economic Forum in January has come to fruition in the shape of the MoU we have just signed," the premier said. "My appreciation of Ma's dynamism and performance of [the Alibaba] group comes not only from its success as a e-commerce giant but more so from the focus of the group on job creation and livelihood generation," he added. "Indeed, the Alibaba group is a business with strong humanistic dimension. These are the values that are the pivot of the policies my government has pursued with determination and commitment since taking office in 2013." "E-commerce is a powerful tool to stimulate economic activity, effort, innovation and entrepreneurship across all sectors of the economy," the prime minister added. (Dawn)

### Market watch: KSE-100 succumbs to profit-taking as MSCI euphoria settles

The KSE-100 Index plunged 574.68 points, as index-heavy stocks and profit-taking dragged the index down. The decline comes after the Pakistan Stock Exchange (PSX) was upgraded to the MSCI Emerging Markets status, with investors factoring in the country's weightage and addition/deletion of stocks in the MSCI Pakistan Index. At close, the Pakistan Stock Exchange's (PSX) benchmark KSE 100-share Index recorded a fall of 574.68 points or 1.1%, to end at 51,813.19. According to Elixir Securities, Pakistan equities closed lower with the benchmark KSE-100 Index settling as much as 1,000 points down from its intra-day record high on profit-taking. (Express Tribune)