Tuesday, May 23, 2017 | 26 Shahban 1438 Hijri

Market Today (May 22, 2017)				
Opening	**PSX**	**Gold Per 10 gm**	**KCA Spot Rate**	**Crude Oil USD /bbl.**
	51,374.00	43,071.00	6,835.00	50.73

(Source: Business Recorder)

Exchange rates issued by the Treasury Management Division of National Bank of Pakistan. May 22, 2017			
Country	**Currency**	**Selling TT & OD**	**Buying TT Clear**
USA	USD	104.7	104.5
UK	GBP	136.15	135.89
Euro	EUR	117.2	116.97
Canada	CAD	77.42	77.27
Switzerland	CHF	107.49	107.28
Australia	AUD	77.94	77.79
Sweden	SEK	11.99	11.97
Japan	JPY	0.9391	0.9373
Norway	NOK	12.5	12.47
Singapore	SGD	75.49	75.35
Denmark	DKK	15.75	15.72
Saudi Arabia	SAR	27.92	27.86
Hong Kong	HKD	13.45	13.42
China	CNY	15.22	15.19
Kuwait	KWD	344.8	344.15
Malaysia	MYR	24.31	24.26
New Zealand	NZD	72.64	72.5
Qatar	QAR	28.75	28.7
UAE	AED	28.51	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)

Govt urged to allocate funds for refunds The Lahore Chamber of Commerce and Industry (LCCI) has urged the government to allocate adequate funds in the federal budget 2017-18 for payment of refunds as businessmen are bearing huge financial cost on their own hard earned stuck-up money. In a statement issued here on Monday, LCCI President Abdul Basit, Senior Vice President Amjad Ali Jawa and Vice President Muhammad Nasir Hameed Khan said that delay in release of huge refunds, that runs into billions, has triggered serious liquidity crunch for the exporters and manufacturers that might lead to closure of several industrial units. On the other hand, Information Technology University (ITU) Punjab in collaboration with Punjab Higher Education Commission is holding first Job Fair for the first batch of students from BS Computer Science, BS Electrical Engineering and third batch of MS Computer Science at Arfa Software Technology Park. The graduate batch of ITU year 2017 has a wide array of experience in a diverse arena providing a clear edge in the job markets of electrical engineering and computer sciences. They have sound theoretical understanding coupled with experience in practical environment as interns. The presence of CEO's and representatives of the hiring companies will be a morale-boosting factor for the ITU graduates. A host of companies including IBM, Oracle, Dell, HP, Teradata, Ebryx, Infotech, Lenovo, Huawei, PTCL, U-Blox, Teradat, Microsoft, MicroTech Industries, Lamudi, INBOX, Polycom, Wateen, Mobilink, Warid, Zong, Telenor, Careem, Sofizar Pvt Ltd, Mantaq Systems, FRAG Games, Mindstorm Studios Game Strom Studios, Tower Technologies, Suparco Lahore, Haier, Transfo Power Technologies, Nespak, Mentor Graphics, Punjab Information Technology Board and others are setting up their stalls at the event. ***(The Nation)***

Non-filers of tax returns could be burdened further

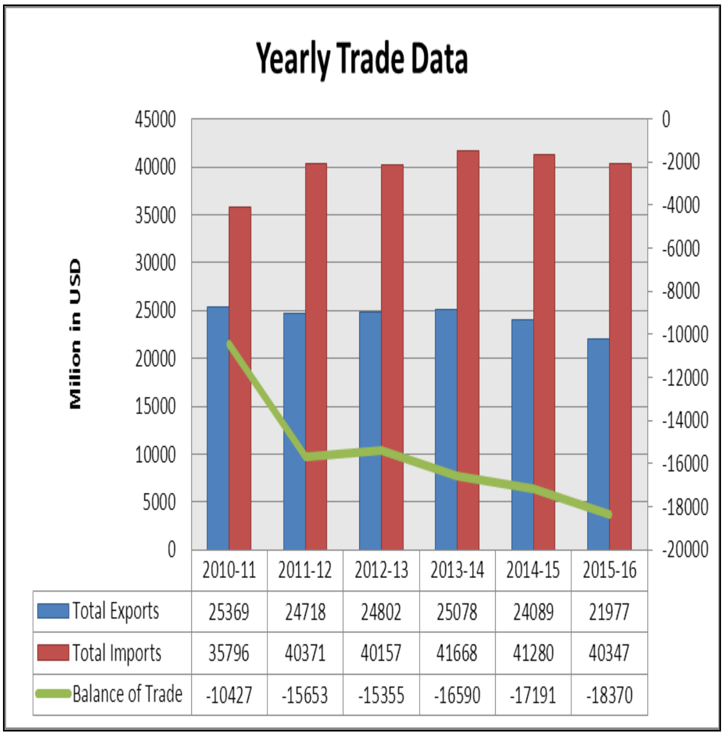
Tax rates for the people who stay out of the net will go up phenomenally, including on dividend income that may be slapped with 25% levy, as the government finds solace in penalising the non-filers of income tax returns. The Federal Board of Revenue (FBR) has proposed that almost all withholding taxes should be doubled, but only a certain percentage of the additional tax should be returned to those who subsequently file tax returns, The Ministry of Finance. Owing to elections next year, Finance Minister Ishaq Dar did not want to take tax measures that may antagonise different lobbies or annoy traders and businessmen. The upcoming budget will be the last for the current PML-N government. Dar and Finance Secretary Tariq Bajwa were very critical of FBR's budgetary proposals. Dar did not accept the proposal to increase the 2% Further Tax to 3%, which is applicable on unregistered persons, which would have increased sales tax to 20%. Only 150,000 file sales tax returns. However, the minister endorsed the proposal of increasing the minimum tax rate, applicable to all companies and individuals earning more than Rs10 million annually. Most of the tax measures that had passed through the scrutiny process despite his reservations would add to the burden on existing taxpayers, in the finance ministry. The FBR argued that without these measures, it could not add Rs500 billion to tax receipts next year. It expressed reservations about rejection of many of its proposals. Like previous years, the FBR failed to come up with proposals that could widen the tax base without further burdening the existing taxpayers. However, since the government is targeting over Rs4 trillion in revenue collection in fiscal year 2017-18, the finance ministry is focusing more on increasing income tax for all non-filers of tax returns. This means increasing the tax rates for all income earners except for 1.1 million individuals and companies that file tax returns. The government may increase the tax on dividend income for non-filers from 20% to 25% in the next budget. It will be the second consecutive year when this tax rate will go up, which will enhance the burden on non-filers by another 25%. The government may also enhance the tax on dividend income for return filers from 12.5% to 15%. ***(Express Tribune)***

ADB approves $20m loan for micro, small and medium enterprises

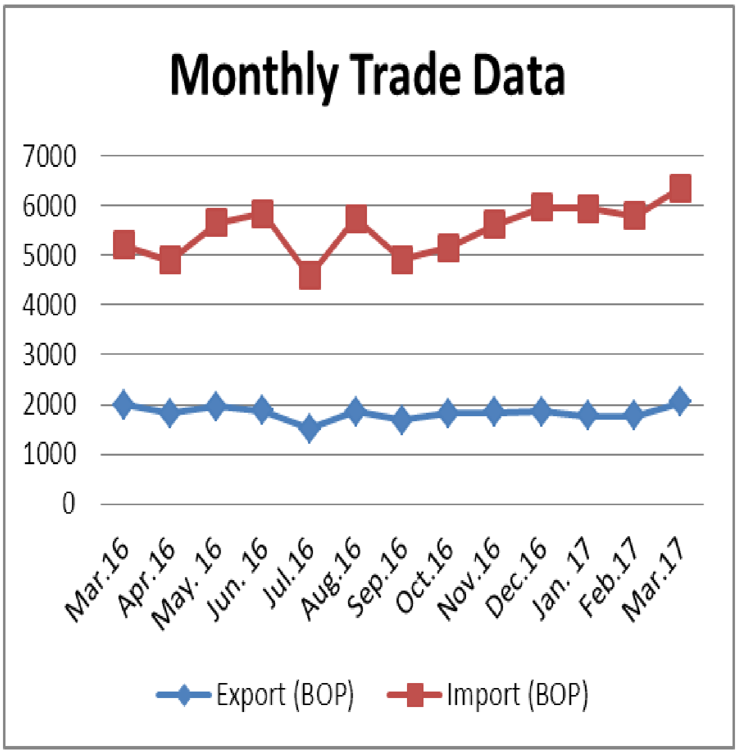
The Asian Development Bank (ADB) has approved a $20 million loan to help Khushhali Microfinance Bank Limited (KMBL) expand access to credit for agriculture-related borrowers and small businesses in Pakistan. The assistance will help KMBL increase the provision of financial services to micro, small, and medium-sized enterprises from 5,700 at present to over 30,000 by 2020. "Agriculture and small business are critical sectors in Pakistan's economy that play a significant role in job creation and poverty reduction," said ADB Private Sector Financial Institutions Division Director Christine Engstrom. "ADB assistance will help support KMBL's goal to improve financial inclusion to these sectors through their extensive expertise and outreach to under-served populations." Additionally, women are expected to comprise up to 25% of the

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

(Source: Business Recorder)



(Source: SBP)



(Source: SBP)

loan recipients. Also, a separate technical assistance program will support the establishment of a training academy as well as investments in KMBIs' technology up gradation program. ***(Express Tribune)***

Despite tax-free system, renewable energy tariffs are high in Pakistan

Solar PV auction prices in India have reached a new low of INR2.42 (3.7 US cents) per kilowatt-hour (kWh). In the last auction, winning bidders for two tenders in Bhadla include ACME (INR2.44/kWh, 200MW), Softbank (INR2.45/kWh, 300MW), Phelan (INR2.62/kWh, 50MW), Avaada (INR2.62/kWh, 100MW) and Softbank (INR2.63/kWh, 100MW). This is a 50% decrease in the last one year. Only several months ago, Pakistani solar companies (local and foreign) were not prepared to accept Rs10 (10 cents) per kWh. What is so wrong in Pakistan to get this kind of out-of-sync response from companies? There is nothing wrong with Pakistan. If there is something wrong, it is with local investors and companies who want to indulge in excessive profiteering. Their reference point is perhaps the dream price of Rs15 per unit (plus) of the Quaid-e-Azam (QA) Solar Park. If anything, the solar and even wind power prices should be lower in Pakistan since interest rates here are far below those in India. There cannot be as secure and risk-free tariff regime as is available in Pakistan. Almost all variables are covered and paid for (adjustable) including variations in exchange rate, fuel prices, operation and maintenance cost, etc and even climate variations. In India and even in Brazil, South Africa and Mexico, there are all kinds of requirements and constraints such as local content and local equity. There is no adjustment for inflation in India, whereas inflation rates there are higher than market economies. In Pakistan, there is no such constraint. There can be 100% foreign equity and profits and equity can be repatriated. There is no tax except 7% advance income tax on dividends and even that has been waived in some cases. One cannot expect more. And both the wind and solar resources are of higher intensity and quality, with higher capacity factors of 35% and 19% respectively, only second to the Middle East, Australia and parts of the US. There is only one country ie USA which offers an additional incentive in the form of PTC (Production Tax Credit) of 30%. Resultantly, prices of renewables have been lower eg three cents of wind power tariff for quite some time now. ***(Express Tribune)***

American expert: Business consultant thinks Pakistan has bright future

American business consultant Dr Terry Jackson coached Pakistani students and entrepreneurs on building effective marketing systems during a series of presentations last week in Islamabad, Lahore, and Karachi under 2017 Entrepreneurship Speaker Series of the US Embassy. According to a US embassy press release issued here Monday, Dr Jackson, who has more than 25 years of experience advising American businesses such as Exxon Mobil and Bristol Meyers Squibb, shared his best practices for marketing, and urged entrepreneurs to invest the necessary time in developing an effective marketing system while they are creating their initial business plans. "During my first visit to Pakistan, I have been very impressed by the creativity and drive of local entrepreneurs," Dr Jackson said. ***(Express Tribune)***

Asia ministers in push for China-led free trade pact

Asian trade ministers met Monday to hammer out the terms of a massive China-led pact that has taken centre stage as Washington pulls away from regional free trade deals in favour of bilateral agreements. The 16-nation Regional Comprehensive Economic Partnership (RCEP) is poised to become the largest free trade agreement in the world, covering about half of its population. It notably excludes the United States, which had been leading another regional trade pact — the Trans-Pacific Partnership (TPP) — until US President Donald Trump abruptly abandoned it in January after calling it a "job killer". At a meeting in Hanoi on Monday, the 19th time RCEP negotiators have met, the rhetoric in favour of free trade stood in stark contrast to Trump's "America First" campaign speeches. ***(Dawn)***

Textile, clothing exports record nominal decline

Pakistan's textile and clothing exports fell 0.92 per cent year-on-year to $10.29 billion in July-April mainly because of lower proceeds from raw material and low value-added products, such as cotton yarn and fabrics. Data released by the Pakistan Bureau of Statistics on Monday showed the decline in export proceeds was also evident in rupee terms. Exports of value-added products grew during the 10 months in terms of both value and quantity. Product-wise details show exports of readymade garments rose 5.34pc while those of knitwear dropped 0.17pc in July-April. Exports of bed-wear edged up 5.01pc while those of towels fell 4.38pc. In primary commodities, exports of cotton yarn witnessed a year-on-year decline of 3.68pc while those of cotton cloth and yarn (other than cotton) dropped 5.73pc and 29.48pc, respectively. Exports of made-up articles, excluding towels, increased 1.18pc and those of tents, canvas and tarpaulin grew 56.22pc. Proceeds from art, silk and synthetic textile exports declined 29.70pc while exports of raw cotton also recorded a year-on-year decline of 47.58pc. ***(Dawn)***