Saturday, May 27, 2017 | 30 Shahban 1438 Hijri

Market Today (May 25, 2017)				
Opening	**PSX**	**Gold Per 10 gm**	**KCA Spot Rate**	**Crude Oil USD /bbl.**
	52,869.01	42,985.00	6,835.00	48.90

(Source: Business Recorder)

Exchange rates issued by the Treasury Management Division of National Bank of Pakistan.
May 26, 2017

Country	Currency	Selling TT & OD	Buying TT Clear
USA	USD	104.7	104.5
UK	GBP	134.94	134.68
Euro	EUR	117.26	117.03
Canada	CAD	77.6	77.45
Switzerland	CHF	107.48	107.28
Australia	AUD	77.72	77.57
Sweden	SEK	12.04	12.02
Japan	JPY	0.9382	0.9364
Norway	NOK	12.44	12.42
Singapore	SGD	75.54	75.4
Denmark	DKK	15.76	15.73
Saudi Arabia	SAR	27.92	27.86
Hong Kong	HKD	13.43	13.41
China	CNY	15.5	15.47
Kuwait	KWD	345.03	344.37
Malaysia	MYR	24.48	24.43
New Zealand	NZD	73.38	73.24
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)

Federal budget draws fire from trade, industry

The federal budget 2017/18 on Friday drew mixed to negative reactions from the trade and industry sector, which, for the most part, remained under utmost pressure during the past four years. Abdul Basit, President Lahore Chamber of Commerce and Industry (LCCI), hailed the budget and the incentives announced for the industry including reduction in sales tax on import of poultry machinery from 17 to 7 percent. "The full waiver from sales tax on poultry machinery import would have been a better option," Basit said welcoming the waiver in the duty on the import of grandparent stocks and reduction of duty on parent stock. He said these budgetary measures would go a long way in speeding up the growth of poultry sector in the country."The duty on spices (chemicals) used for processing poultry should also have been waived as processed poultry is imported at 'zero rate',which means that the said substances are also zero-rated," said he. Terming it a major disappointment, the LCCI chief lamented that the sector did not receive any relief on raw material used in the manufacturing of poultry feed. "Feed is the major cost in poultry production," he said. Shahzad Malik, former president Rice Exporters Association of Pakistan, said the decision of establishing warehouses in the importing countries would facilitate small rice exporters. "It is dismaying to note the rice exporters did not receive any of the facilitations awarded to the five exporting," he said adding despite decline in exports rice fetches highest foreign exchange after textiles. Malik added that had the same subsidy been accorded to the rice exporters, the exports of the commodity would have increased by 20-25 percent. Mubasir Bashir, official at FINCA Microfinance Bank Ltd, deplored the continuation of super tax. "This has effectively nullified the one percent reduction in the corporate income tax," he said. Bashir further said that the government failed to highlight the measures to be taken to close the gap between available resources and the expenses."Poverty, as such, has not declined as much as claimed by the government. Instead of depending on different surveys, the government should stick to the globally accepted formula of income of $2 per person per day," Bashir said. Farooq Iftikhar, chairman LPG Association of Pakistan, regretted that the budget has not addressed the menace of substandard cheap LPG in the country. "The LPG production is in the hands of public sector. The Oil and Gas Regulatory Authority (OGRA) determines the well-head price of locally produced LPG and the public sector companies charge 5 year signature bonus in advance that makes the local LPG pricier than inferior imported LPG," Iftikhar said. Furthermore, traders were not happy slammed the budget for making things more difficult for non-filers by targeting them through indirect taxes. Mian Ashraf, the former chairman Steel Melters Association also supported traders and asked the Federal Board of Revenue (FBR) to bring the non-compliant sectors to task through direct action. "Businesses should not be burdened with the responsibility of collecting taxes from non-filers and then depositing it in to the exchequer." Earlier, Finance Minister Ishaq Dar unveiled the last budget of the Pakistan Muslim League-Nawaz (PML-N) government with a total outlay of Rs4.75 trillion. He set a target tax-to-GDP ratio at 13.7 percent of GDP, according to a prepared text of his speech. The government has set ambitious tax collection goals for the 2017/18 fiscal year, which begins July 1, after falling just short of targets this fiscal year, according to the budget statement. The government projected it would expand tax revenue in 2017/2018 to 4.33 trillion rupees from 3.83 trillion rupees, according to the document. A fiscal deficit target of 4.1 percent of GDP for 2017/18 was also set. The current year's fiscal deficit is estimated to be 4.2 percent, Dar said in the speech. That misses the original target of 3.8 percent. Pakistan's economy grew an estimated 5.3 percent in the year to July 2017 - short of the government's 5.7 percent target but at the fastest rate since 2007 - amid a rise in agriculture output and steady service sector performance. *(The News)*

Construction cost to go higher as govt withdraws 'special tax regime'

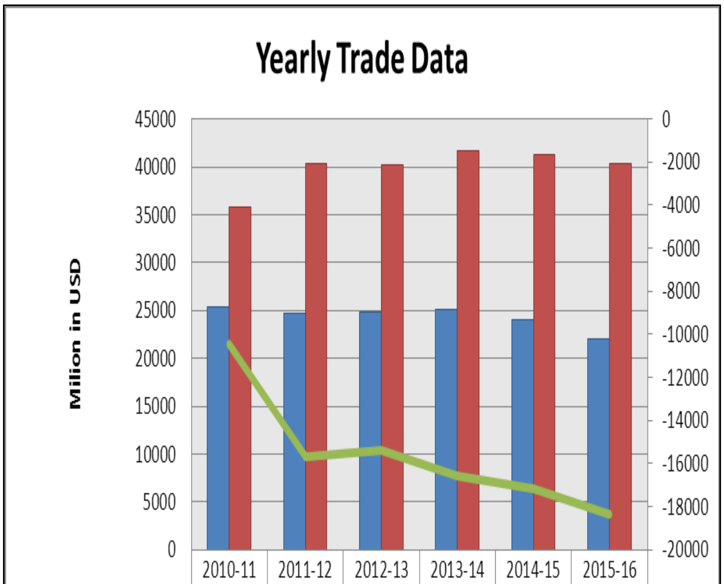
As anticipated, Finance Minister Ishaq Dar said that the government will withdraw its special income tax regime for the construction sector after it failed to meet the required tax collection target in fiscal year 2016-17. In a brief moment of anger, Dar said the government collected only Rs112 million under the new tax regime against a conservative estimate of Rs8 billion. "Due to this, the regime will be withdrawn," said the finance minister during his budget speech on the floor of the National Assembly. *(Express Tribune)*

Pakistan to launch state-of-the-art e-payment gateway

Finance Minister Ishaq Dar announced on Friday that Pakistan would open international electronic payment gateways ahead of the likely arrival of PayPal and Alipay in the country. While presenting the budget for 2017-18 in the National Assembly, the finance minister said the State Bank of Pakistan (SBP) was developing a state-of-the-art e-gateway at a cost of Rs200 million. "The system will

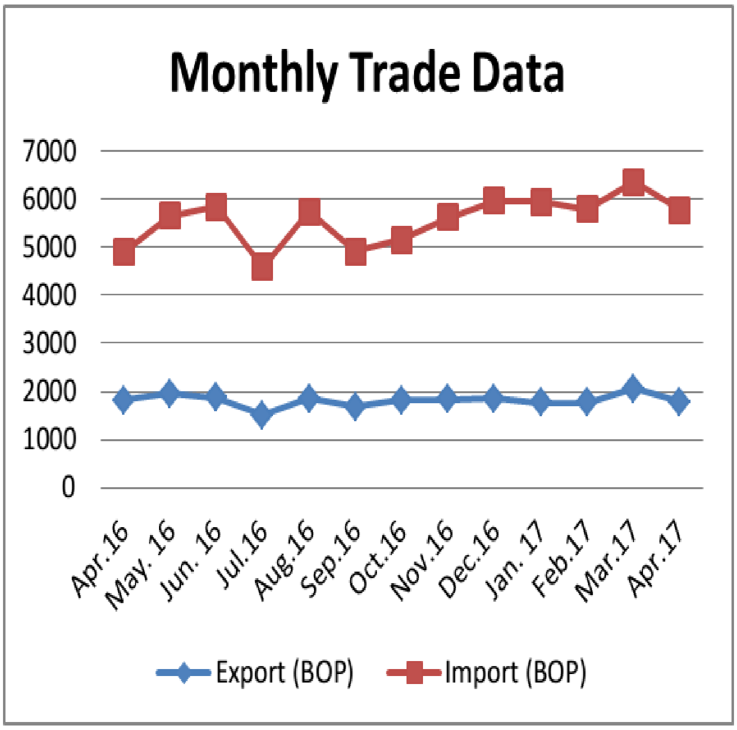
Economic Indicators	
Annual (2015/16)	
Foreign Debt	$62.649bn
Per Capita Income	$1,512
GDP Growth	4.24%
Average CPI	8.6%
Monthly (Feb. 2017)	
Trade Balance	$-1,852 mln
Exports	$1,742mln
Imports	$3,594mln
Weekly (March 31, 2017)	
Reserves	$21,550.5 mln

(Source: Business Recorder)



	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Total Exports	25369	24718	24802	25078	24089	21977
Total Imports	35796	40371	40157	41668	41280	40347
Balance of Trade	-10427	-15653	-15355	-16590	-17191	-18370

(Source: SBP)



(Source: SBP)

facilitate transactions through mobile banking," he said. "The Rs200-million investment is being undertaken by the SBP." *(Express Tribune)*

Revenue target for coming year increased to Rs4,713bn

Revenues collected from internal resources as well as privatisation proceeds have declined in the outgoing fiscal year, but loans and grants from foreign resources have registered an increase. Despite the decline in revenue collection in 2016-17, the collection target has been increased to Rs4,713 billion in the federal budget for 2017-18. The Gross Revenue Receipts comprise internal resources, external resources and privatisation proceeds. In the last budget, the government set a revenue collection target of Rs4,441.96bn, but it managed to collect Rs4,099.8bn instead. The decline in collections was mainly due to drop in key components of internal resources. In the outgoing year the collections from internal resources have amounted to Rs3,230.49bn against a target of Rs3,759.26bn, a shortfall of about 14 per cent. For 2017-18 the target for collections from internal resources has been enhanced to Rs3,913.9bn. Meanwhile, in the outgoing year the government has been able to bag only Rs17.77bn in privatisation proceeds against a target of Rs50bn. For the upcoming fiscal this target has not been changed. For the outgoing year, the net revenue receipts of the federal government have been revised downwards by 5.9 per cent to Rs2,616bn against the target of Rs2,779bn. The net revenue receipt of the federal government is obtained after shares of the provinces are taken away from the gross revenue figure. *(Dawn)*

'Rs34bil tax relief in Budget 2017, new taxes worth Rs120bil'

Government has increased taxes on talc, imported shoes, garments, perfumes and juices. Chairman Federal Board of Revenue (FBR) Doctor Arshad told media about Rs. 34 billion tax relief and new taxes worth Rs. 120 billion in Budget 2017. The new tax revenue will include Rs. 40 billion income tax, Rs. 19 billion custom duty, Rs. 44 billion sales tax. 5% tax has been raised on imported shoes, clothes, watches, makeup supplies, perfumes, tin food, juices, mineral water, vitamin water and other 565 objects. Also, one percent duty has been imposed on all electronics products, including non filers, retailers, and distributers. Non filer petrol pump owners will have to pay one pc additional tax. Filers will pay 0.5% tax on their products. Tax revenue worth Rs. 8 billion will be collected by increasing 0.25 rupees worth duty on cement. *(Dunya News)*

Govt announces measures to facilitate taxpayers, trap evaders

The federal government on Friday proposed a number of measures to provide relief to existing taxpayers and also bring tax evaders into net to facilitate smooth development of various sectors of economy and help achieve higher economic growth in accordance with the country's actual potential. Finance Minister, Senator Mohammad Ishaq Dar while presenting the federal budget for the fiscal year 2017-18 before the National Assembly proposed different relief and revenue measures in Income Tax, Withholding Tax, Sales Tax, Federal Excise Duty and Customs Duty regimes. Dar said that the government during past four years continued structural reforms to devise a effective tax system and through Media Term Comprehensive Strategy it wanted to take the tax to GDP ratio up to 15pc. The Minister said that the Corporate Sector tax, which was being reduced by 1pc percent every year since 2013 would be 30pc percent during the fiscal year 2017-18. In order to promote Islamic Banking, the tax ratio on its different kinds would be same as is on the conventional banking sector. He said that for the encouragement of compliant taxpayers, the withholding tax on registration on 850 cc vehicles has been reduced from Rs. 10,000 to Rs. 7,500, on vehicles from 851cc-1000cc, the rate has been reduced from 20,000 to 15,000, on vehicles from 1001-1300 cc, the rate has been reduced from 30,000 to 25,000. However, The rates for non-filers will remain unchanged, Dar added. He said that there would be no withholding tax on the vehicles purchased under Prime Ministers Youth Loan Scheme. In order to promote relief on education expenses to low income groups, it was proposed that individuals having taxable income less upto Rs. 1.5 million should be given tax relief equal to 5pc of school fee upto Rs. 60,000 per child per annum, he added. *(Business Recorder)*

Pakistan Stock Exchange: Market capitalisation, value of shares go up from $51b to over $97b in 4 years

Finance Minister Ishaq Dar in his budget speech said that the market capitalisation – value of all shares – has gone up from $51 billion to over $97 billion in four years. The Pakistan Stock Exchange's (PSX) KSE-100 Index gave a return of over 45% in dollar terms in the calendar year 2016. It was Asia's top-performing market and the fifth in the world. Dar said the merger of three exchanges – Islamabad, Lahore, and Karachi – should be credited. "MSCI has already upgraded the PSX and it will be an emerging market from June 1." Meanwhile, Karachi Stock Exchange (KSE) 100 index closed lower on Friday having 52636.87 points with a negative change of 232.14 and volume of 116,428,700 shares. High and Low were 52874.63 and 52455.44 respectively. Total volume traded in the market was 431,773,260shares with 392 total traded companies out of which 186 were up 201 were down and 5 were unchanged. CEMENT was the top traded sector with total traded volume of 109,295,700 shares. It was followed by COMMERCIAL BANKS with a total traded volume of 54,828,300 shares. *(Daily Pakistan)*