Market Today (September 5, 2017)				
Opening	PSX	Gold Per 10 gm	KCA Spot Rate	Crude Oil USD /bbl.
	41,389.99	44,742.00	6,639.00	49.18

(Source: Macrotrend)

Exchange rates issued by the Treasury Management Division of National Bank of Pakistan. September 07, 2017			
Country	**Currency**	**Selling TT & OD**	**Buying TT Clear**
USA	USD	105.5	105.3
UK	GBP	137.66	137.4
Euro	EUR	125.81	125.58
Canada	CAD	86.28	86.12
Switzerland	CHF	110.3	110.09
Australia	AUD	84.28	84.12
Sweden	SEK	13.37	13.34
Japan	JPY	0.9674	0.9656
Norway	NOK	13.53	13.51
Singapore	SGD	78.24	78.09
Denmark	DKK	16.91	16.88
Saudi Arabia	SAR	28.13	28.08
Hong Kong	HKD	13.62	13.6
China	CNY	16.53	16.5
Kuwait	KWD	350.03	349.37
Malaysia	MYR	25.02	24.97
New Zealand	NZD	76.02	75.88
Qatar	QAR	28.6	28.55
UAE	AED	28.72	28.67

(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

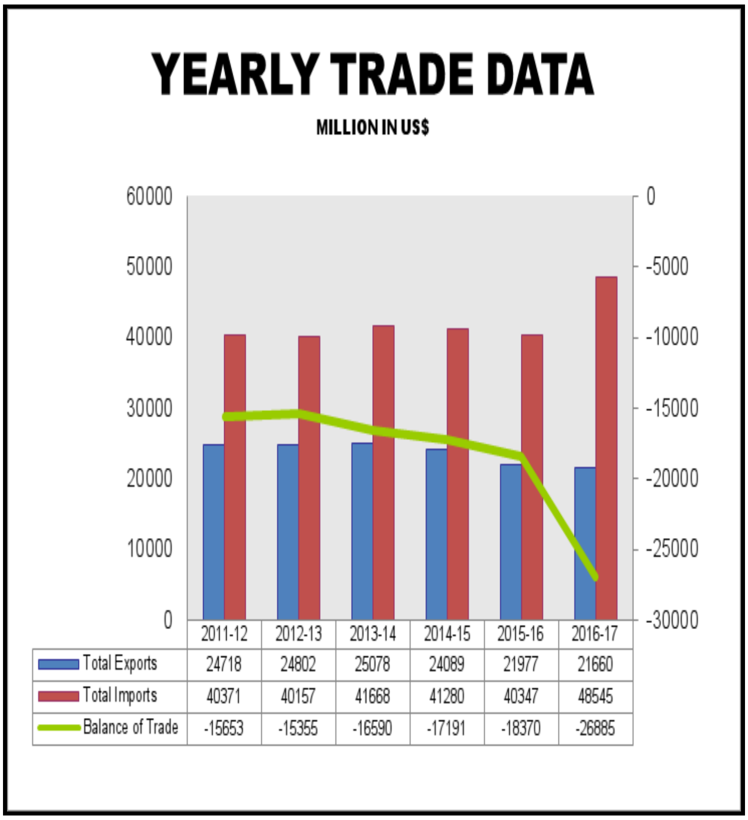
(Source: Economic Survey of Pakistan 2015-16)

Dagha says fall in exports a big challenge for Pakistan

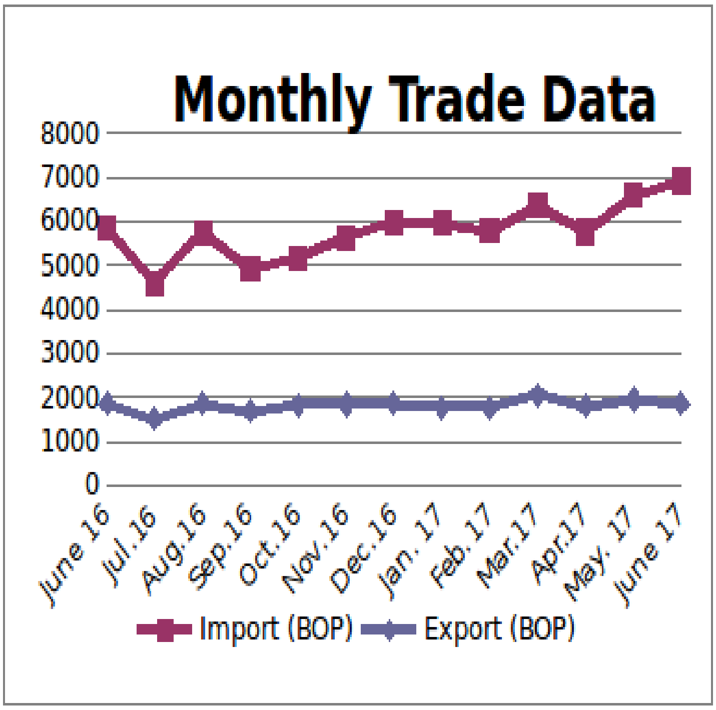
Federal commerce secretary Muhammad Younus Dagha said that the sharp fall in Pakistan's exports is a big challenge for the country, b added that the textile sector must regain its original place on the world markets by scaling up innovation of its products, better branding and higher output. The trade secretary hinted at bringing in a policy to ensure food security, especially wheat and sugar through increased cultivation space for cotton. He said that policy deals with wheat and sugar cultivations, two of the country's major food crops, needs a fresh approach. Without compromising food security, the cultivation area for cotton has to be increased, Dagha said. He said that duty drawback schemes like DTRE were significant benefits for exporters but they failed to yield results because they lacked implementation. He said that the government is engaged in lobbying for the extension of Pakistan GSP-Plus regime in the European Union, which is ending next year. He agreed with the complaining textile exporters on refund problems that have hurt both output and businesses, saying the payback system needs to be smoothed. However, he made it clear to the exporters that the government should not expect to do everything for the private sector as it is genuinely responsible for policy farming. He said that the textile sector never made an effort to carry out research to boost its product innovation, branding and production growth, which cost it to lose its share on the world market against regional nations. Everything the government cannot do and too much demands from the government is also unjustified, Dagha said, adding that the government in its textile package has set a seven percent duty drawback, which is a kind of incentive for value-added textile sector. He said that ninety percent of the textile sector concerns are genuine but citing high cost of production as the only reason for the fall in export is unjustified. He said that the country largest textile sector badly needs conversion of its manufacturing into innovations and fashion trending to attract the world buyers. On the other hand, he said, the regional competitors mastered the skill to introduce new garment products in world markets. Pakistan productivity is much less than that of its competitors, he said, suggesting that growth in output is also needed for a higher number of exports. He said that the textile sector also failed to attract fresh investments while the real estate market is flooded by investors. He mentioned financial insecurity in Pakistan as another reason for low exports, saying that investors in Bangladesh and India bring back their savings to their own countries, while the local businessmen send their earnings out once the country falls into a crisis. With real estate, he said, the investors also find stocks exchange a better place to trade in shares for greater returns. Dagha said that the GSP-Plus status has helped the country exports with an increase of 53 percent to EU markets, which has fetched some USD 2 billion in additional revenue for the national exchequer. Earlier, Muhammad Jawed Bilwani, chairman of the Pakistan Apparel Forum, said that the government should bring down the soaring cost of manufacturing to bring it at par with those of the regional competing countries and introduce a separate tariff slab for textile sector. Pakistan Industrial Gas Tariff is 126 percent higher than Bangladesh, 62.87 percent greater than India and 26.5 percent higher than Vietnam. Pakistan Industrial Electricity Tariff is 22.2 percent higher than Bangladesh and India and 37.5 percent higher than in Vietnam, he showed through presentation. Water rates in all other cities of Pakistan are 0.50 dollars, while in Karachi the charge is USD 2.30. Pakistan wages are 110 percent higher than those of Bangladesh, 24.21 percent than India and 25.8 percent than Vietnam, he added. Strategic Trade Policy Framework 2015-18 has failed to achieve it desired targets to enhance exports to USD 35 billion and to improve exports competitiveness, he said, adding that the government, therefore, should set realistic targets to revise the trade policy keeping in view the facts and taking the relevant stakeholders on board. He

Economic Indicators	
Annual (2015/16)	
Foreign Debt	$62.649bn
Per Capita Income	$1,512
GDP Growth	4.24%
Average CPI	8.6%
Monthly (June, 2017)	
Trade Balance	$-3,189 mln
Exports	$1,865 mln
Imports	$5,054 mln
Weekly (July 14, 2017)	
Reserves	$20.830 mln

(Source: SBP)



(Source: SBP)



(Source: SBP)

proposed the government to found Textile Export Promotion Council besides regulating the five zero rated export sectors under an Act instead of SRO system. He urged the government to declare Value Added Textile Sector as a federal subject without any intervention of the provinces. He also demanded a cross-subsidy for textile sector to offset its financial losses amid soaring output cost. ***(Business Recorder)***

Contract for TV ads services: Filers to pay 7pc, non-filers 13pc WHT

The Federal Board of Revenue (FBR) will charge 7 percent withholding tax from filers and 13 percent from non-filers on any contract for advertisement services rendered by TV satellite channels from July 1, 2017. The income tax circular 4 of 2017 issued by FBR for payments to non-residents on execution of a contract under a construction, assembly or installation project, tax rates for filer is 7 percent and non-filer is 13 percent; any contract for construction or services rendered relating thereto, tax rates for filer is 7 percent and non-filer is 13 percent and any contract for advertisement services rendered by TV satellite channels, tax rates for filer is 7 percent and non-filer is 13 percent; In case of payments to permanent establishment of a non-resident for the sale of goods, tax rates for filer is 4 percent (company) for non-filer is 7 percent (company); payments to permanent establishment of a non-resident for the sale of goods, tax rates for filer is 4.5 percent (non-company) for non-filer is 7.75 percent (non-company). For payments to permanent establishment of a non-resident for rendering services, tax rates for filer is 8 percent (company) for non-filer is 14 percent (company) and payments to permanent establishment of a non-resident for rendering services, tax rates for filer is 10 percent (non-company) for non-filer is 17.5 percent (non-company). The FBR said that the payments to permanent establishment of a non-resident for the execution of a contract, tax rates for filer is 7 percent and non-filer is 13 percent. For payments for sale of goods, tax rates for filer is 4 percent (company) for non-filer is 7 percent (company) and payments for sale of goods, tax rates for filer is 1.5 percent (non-company) for non-filer is 7.75 percent (non-company). The payments for rendering of services is subjected to tax rates for filer is 8 percent (company) for non-filer is 14.5 percent (company) and payments for rendering of services, tax rates for filer is 10 percent (non-company) for non-filer is 17.5 percent (non-company). For payments for contracts, tax rates for filer is 7 percent (company) for non-filer is 12 percent, payments for contracts, tax rates for filer is 7.5 percent (non-company) for non-filer is 12.5 percent (non-company). Payment for rent (company), tax rates for filer is 15 percent of gross rent and 17.5 percent of gross rent for non-filer. In case of prize on prize bond or cross word puzzle, tax rate for filer is 15 percent and non-filer is 25 percent. In case of commission/discount to a petrol pump operator, tax rate for filer is 12 percent and non-filer is 17.5 percent. For gas bill of a CNG station, tax rates for filer is 4 percent and non-filer is 6 percent and advance tax on sale by auction, tax rates for filer is 10 percent and non-filer is 15 percent. Prior to the Finance Act, 2017, the upper limit for import of raw material by an industrial undertaking for its own use, without collection of tax at the import stage under section 148 of the Ordinance, was 110 percent of the raw material imported and consumed by such industrial undertaking in the previous tax year. The limit for import of raw material by industrial undertakings, without collection of income tax at the import stage, on the basis of exemption certificate issued by the Commissioner, has been increased from 110 percent to 125 percent of the raw material imported and consumed in the previous tax year. Furthermore, henceforth industrial undertakings importing edible oil, plastic raw materials falling under PCT Heading 39.01 to 39.12 and packing material shall not be entitled to exemption certificate under clause (728) of Part IV of the Second Schedule to the Ordinance. ***(Business Recorder)***

Builders, developers: Fixed tax regime to remain applicable for TY17 projects

The Federal Board of Revenue (FBR) has said that the fixed tax regime under provisions of section 7C and 7D will remain applicable for projects of developers and builders initiated and approved during

Tax Year 2017. According to the income tax circular 4 of 2017 issued by the FBR here on Wednesday, Finance Act, 2013 introduced minimum tax upon the income of builders from the business of construction and sale of residential or commercial buildings and the income of developers from the business of sale of residential or commercial plots. Thereafter, the minimum tax regime was abolished and a fixed tax regime for builders as well as developers was introduced through the Finance Act, 2016 whereby the tax liability was based on square footage of area developed/constructed under section 7C and 7D of the Income Tax Ordinance. The fixed tax regime available to builders and developers has now been abolished/withdrawn through the Finance Act, 2017.Tax shall now be charged on the income of builders and developers under the normal tax regime for the Tax Year 2018 onwards. However, for projects initiated and approved during Tax Year 2017 the provisions of section 7C and 7D shall remain applicable, subject to fulfillment of the following conditions:- Firstly, payment has been made by the developer/builder during the Tax Year 2017 in accordance with Rule 13S of the Income Tax Rules, 2002. Secondly, the Chief Commissioner has issued online schedule of advance tax installments to be paid under Rule 13U of the Income Tax Ordinance, 2002 in the case of builders and under Rule 13ZB of the Income Tax Rules, 2002 in the case of land developers. Thirdly, determination of perquisite in case of interest free/concessional loans by an employer to an employee [Section 13(7)]. ***(Business Recorder)***

CNG outlets: Advance tax on utility bills constitutes final tax on income: FBR

The Federal Board of Revenue (FBR) has said that the advance tax collected on the amount of gas bill as well as the electricity bill of a CNG station shall constitute final tax on the income of a CNG station. According to income tax circular 4 of 2017, the FBR has explained that the tax collected @ 4 percent on gas consumption bill of a CNG station under section 234A of the Income Tax Ordinance is treated as final tax in respect of income of a CNG station arising from the consumption of gas. Moreover, it was categorically specified in sub- section (4) of section 234A of the Ordinance that such taxpayers shall not be entitled to claim any adjustment of withholding tax collected or deducted under any other head, during the Tax Year. The intention behind this legislation was that in lieu of tax collected on gas consumption bill of CNG station being treated as final tax, such taxpayers would not be entitled to adjust tax collected or deducted under any other section /provision of law against such final tax. In spite of this, some confusion prevailed and there was litigation owing to varying interpretations with regard to the adjustment of taxes collected or deducted under other heads, particularly advance tax collected under section 235 of the Ordinance on electricity consumption against the final tax liability of CNG stations. In order to put this matter at rest, necessary amendment has been made through the Finance Act, 2017 whereby it has been explicitly stated that advance tax collected on the amount of gas bill as well as the electricity bill of a CNG station shall constitute final tax on the income of a CNG station. Therefore, forthwith: (i) The tax collected from gas bills and electricity bills shall be a final tax on the income of CNG stations. (ii) CNG stations shall be entitled to claim all adjustable advance taxes collected or deducted at source under any other head, except electricity. It has also been clarified through the Finance Act, 2017 that the amount of gas bill subject to collection of advance tax under section 234A of the Ordinance shall mean the gas bill inclusive of sales tax and all other incidental charges. Such clarification has been inserted with a view towards explaining the existing law therefore it shall have retrospective effect. The FBR has also explained the tax on electricity bills of commercial or industrial consumers to be treated as minimum tax on annual basis. Prior to the Finance Act, 2017, tax collected from commercial or industrial consumers on electricity bills up to Rs30,000 per month was treated as minimum tax (non-refundable). Consequently, if in any particular month the electricity bill exceeded this limit such tax became adjustable. ***(Business Recorder)***