

Thursday, September 28, 2017 / 07 Moharram 1439 Hijri

Market Today (September 27, 2017)

| Opening | PSX | Gold Per 10 gm | KCA Spot Rate | Crude Oil USD /bbl. |
|---------|-----------|----------------|---------------|---------------------|
| | 42,290.00 | 41,014.00 | 6,835.00 | 52.21 |

(Source: Web)

Exchange rates issued by the Treasury Management Division of National Bank of Pakistan. September 27, 2017

| Country | Currency | Selling TT & OD | Buying TT Clear |
|--------------|----------|-----------------|-----------------|
| USA | USD | 105.45 | 105.25 |
| UK | GBP | 141.69 | 141.42 |
| Euro | EUR | 124.32 | 124.08 |
| Canada | CAD | 85.38 | 85.22 |
| Switzerland | CHF | 108.64 | 108.44 |
| Australia | AUD | 83.07 | 82.92 |
| Sweden | SEK | 13.1 | 13.08 |
| Japan | JPY | 0.9383 | 0.9365 |
| Norway | NOK | 13.35 | 13.33 |
| Singapore | SGD | 77.79 | 77.64 |
| Denmark | DKK | 16.71 | 16.68 |
| Saudi Arabia | SAR | 28.12 | 28.07 |
| Hong Kong | HKD | 13.65 | 13.62 |
| China | CNY | 16.28 | 16.25 |
| Kuwait | KWD | 349.34 | 348.68 |
| Malaysia | MYR | 25 | 24.95 |
| New Zealand | NZD | 76.03 | 75.89 |
| Qatar | QAR | 28.4 | 28.35 |
| UAE | AED | 28.71 | 28.66 |

(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)

REGULATORY DUTY WITHDRAWAL URGED

Lahore Chamber of Commerce and Industry (LCCI) president-elect Malik Tahir Javed has urged the government to save the auto part manufacturers who are in deep trouble because of adverse conditions, a statement said on Wednesday. Auto part manufacturers are one of the largest job and revenue providers in the country, but various challenges, including high input cost and duties and taxes on import of raw materials have put their survival on stake, he added. Javed demanded that regulatory duty on import of industrial steel materials by the auto parts sector should be withdrawn immediately, as these are not being produced or manufactured domestically. The regulatory duty has been increased in 2016 from 15 percent to 35 percent, which heavily increased the input cost of the value-added sectors producing fine quality auto parts and engineering products, he added. *(The News)*

REFORMING THE TAX SYSTEM

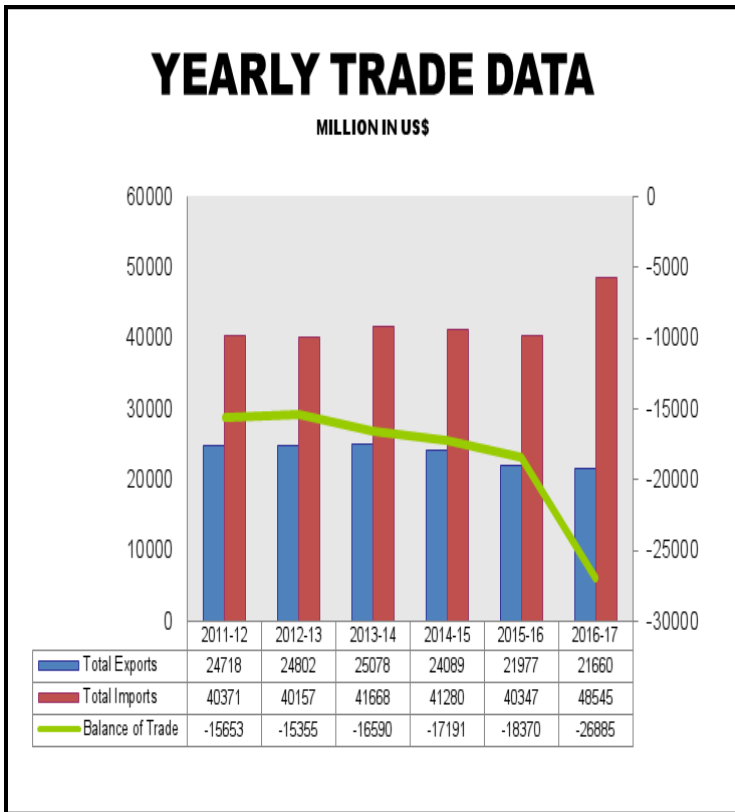
Pakistan continues to suffer from acute resource constraints for decades now making it increasingly difficult for the official economic managers to balance the budget without resorting to heavy domestic and external borrowings. And at times successive governments have also resorted to tax amnesty schemes which the Tax Reforms Commission (TRC) finalized in 2013 had identified as one of the major factors causing distortions in the country's economic system. Indeed, these schemes have been identified as incentives for dishonesty. Legitimate fear of the 'corrupt-core' tax collectors is often quoted by tax evaders as an excuse for not paying their tax dues. Even today it is the same fear that keeps the non-filers from documenting their real incomes. Intriguingly, no government since the very inception of the country has done anything so far to save the non-filers from the high handedness of the tax collector, though digitisation has made it so easy to eliminate the physical interface between the taxpayer and tax collector. According to the Tax Reforms Commission Report made finalized in 2013 revenue collection is said to be crucially influenced by the administrative capacity to perform key functions, the existence or absence of a comprehensive, coherent tax code and adequate systems of registering taxpayers, as well as monitoring, recording and controlling payments and declarations in a timely manner. The Federal Bureau of Revenue (FBR) does not even notify taxpayers when they fail to file or pay on time. There is no system of selecting and performing audits and collection activities effectively. Overall organisational development and management training in tax administration is ignored blatantly. In audit selection, no clear criteria based on automated systems and good data is used. Revenue forecasting for each tax type, taxpayer type and geographic region is not done at all. *(Pakistan Observer)*

PAKISTAN SETS NEW RULES OF ENGAGEMENT WITH US

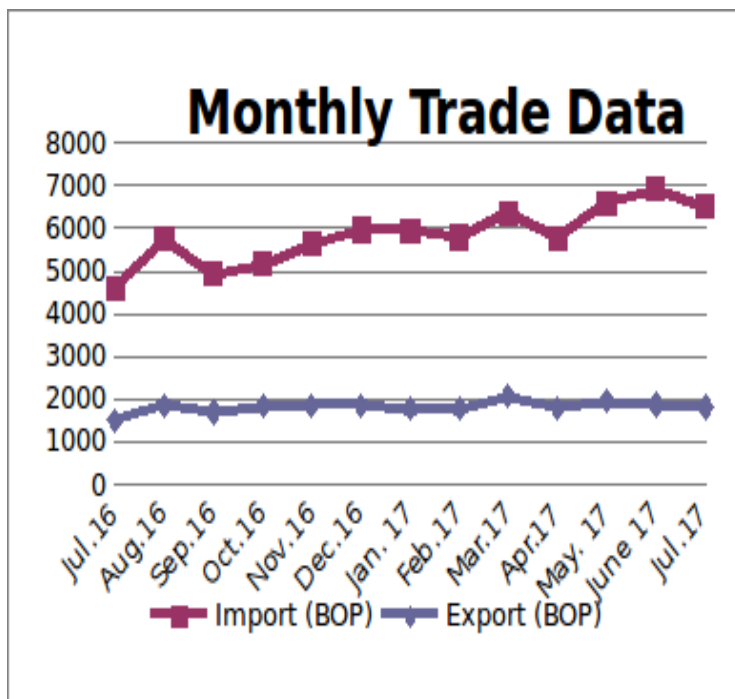
In her original itinerary she was supposed to visit Bangladesh and Sri Lanka, but she had sudden change of plan. Her office intimated the Foreign Office that the US president's focal person for the region would also visit Islamabad to discuss the Donald Trump administration's new strategy for Afghanistan. Pakistan, already upset by Trump's diatribe, had other ideas. Just hours before Acting Assistant Secretary of State for South and Central Asia Alice Wells was to land in the federal capital on August 28,

| Economic Indicators | |
|------------------------|--------------|
| Annual (2015/16) | |
| Foreign Debt | \$62.649bn |
| Per Capita Income | \$1,512 |
| GDP Growth | 4.24% |
| Average CPI | 8.6% |
| Monthly (July, 2017) | |
| Trade Balance | \$-2,887 mln |
| Exports | \$1,809 mln |
| Imports | \$4,696 mln |
| Weekly (July 14, 2017) | |
| Reserves | \$20.830 mln |

(Source: SBP)



(Source: SBP)



(Source: SBP)

she was informed by the Foreign Office to put off her visit. “ The apparent snub was a clear message to the US that there would not be business as usual in the aftermath of the new roadmap unveiled by Trump for Afghanistan on August 21,” said a senior Foreign Office official. *(Express Tribune)*

2ND LNG TERMINAL WILL BE READY BY NOV 15: PM

Prime Minister Shahid Khaqan Abbasi on Tuesday said that the country’s second LNG terminal will be commissioned by Nov 15. Talking to Dawn, Mr Abbasi said that if anyone, whether a client or contractor, claims for damages on the basis of delay in the project, they will have to prove the consequential loss. “ Two or three weeks ago, we visited the site and witnessed a lot of work done already,” the premier said. “ During the visit, the contractor told us to complete the project till Nov 1 or 15.” The terminal, which was earlier scheduled to be completed by June, has been hit by delays and its commissioning has been moved forward from June to August, then again to September. Now it has been reportedly planned to be functional by November 28th after a delay of six months as per the contractors request sent to client Pakistan LNG Terminal Limited (PLTL)—a subsidiary of the petroleum division. Further delays in the project could cause gas loadshedding in Punjab in the coming winter months. *(Dawn)*

Pakistan among 10 countries enjoying EU’s GSP Plus facility, says envoy

Ambassador Delegation of the European Union (EU) to Pakistan Jean-Francois Cautain has said that the EU-Pakistan Five Year Engagement Plan is proof of a confident relationship between the EU and Pakistan. Speaking at the programme arranged by the English Speaking Union of Pakistan at the Beach Luxury Hotel on Tuesday, he also said that the Generalised System of Preferences (GSP) Plus granted to Pakistan by the EU in 2014 had been very successful in building ties. “ We may have several issues such as migration, human trafficking, etc, but we are working with Pakistan to tackle all that. We need to look at legal ways of migration. We also need to fight smugglers together,” he said. “ But after GSP Plus, Pakistan’s exports have gone up by 38 per cent,” he said. “ The EU provides the GSP Plus facility to 10 countries including Pakistan,” he added. “ The EU also provides Official Development Assistance, or ODA, funds to Pakistan, especially for education,” Mr Cautain said, adding that this was his third visit to Pakistan. “ Earlier I was here working with an NGO in Peshawar. Pakistan is a country that I appreciate and love. *(Dawn)*

BEARISH RUN CONTINUES AS KSE-100 INDEX LOSES 376 POINTS

The Pakistan Stock Exchange (PSX) closed lower on Wednesday, with the benchmark KSE-100 Index losing 376 points, or 0.88 per cent, to close at 42,290. Volumes on the exchange remained low, with only 146.8 million stocks worth Rs5.4 billion traded. Only 99 of the 364 symbols traded advanced while 241 declined and 24 remained unchanged. “Market opened and traded in red territory from the word go as noise on political front due to appearance of country’s finance minister before accountability court on corruption charges,” an analyst’s note from Elixir Securities said. “Stocks closed bearish on investor concerns for an ADB development report warning over dismal economic outlook, external shocks and likely \$14.5bn current account deficit,” Ahsan Mehanti of Arif Habib Corporation noted. The technology sector dominated trading with 26.1m shares traded, while commercial banks and textile spinning followed with 21.6m and 19.3m shares traded respectively. *(Dawn)*