DAWN SATURDAY FEBRUARY 2, 2019

Earlier gains undermined as inflation resurges to over 7pc

PBS data cites faster rupee depreciation, demand pressure as reasons

By Mubarak Zeb Khan

ISLAMABAD: Influenced by faster rupee depreciation and demand pressure, inflation resurged to 7.2 per cent year-on-year in January, undermining earlier gains, according to data released by the Pakistan Bureau of Statistics (PBS) on Friday.

The country's inflation has now crossed the four-year high of 6.78pc recorded in October last year — the period when global oil prices started declining. Inflation posted a marginal fall in November and December owing to a decline in prices of fresh vegetables and fruits in major urban centres.

The government has projected a 6pc annual inflation for the fiscal year 2018-19, but the figure has already crossed in the month of January. The average inflation was 3.92pc in FY18 and 4.16pc the year before.

The State Bank of Pakistan's (SBP) tightening monetary policy has come on the back of the rising inflation amidst depreciating rupee and high global crude prices in the last two years. Policy rates are already at their six-year highs, after the SBP raised the key rate by 25 basis points to 10.25pc on Jan 31 this year. The central bank has raised interest rates by 4.50pc since January last year.

On the face of it, the most dominating push to inflation came from non-food-non-energy (core inflation) component which typically represents the underlying demand pressures on the economy. Core inflation, measured by excluding volatile food and energy prices, was recorded at 8.7pc year-on-year and 1.1pc on a monthly basis. Core inflation has been steadily rising for the past couple of months despite tightening of monetary policy.

The gradual build-up of domestic demand is evident from the upswing in core inflation. Of the 89 commodity groups of CPI (Consumer Price Index), it covers the price movement of 43 items. Motor vehicle prices have increased because of the rupee depreciation. Upward trend in the prices of footwear and household equipments have also been reported.

In January this year, food inflation increased by 2.4pc on an annual basis and 0.3pc on monthwise. Prices of non-perishable food items were up by 4.7pc, while those of perishable products fell by 16.6pc.

According to the SBP's first quarterly report, food inflation remained stronger than last year, as prices of major items such as wheat and sugar recovered from their depressed levels that had persisted throughout FY18. This recovery has come at a fiscal cost as subsidy-led exports played an important role in offloading surpluses.

Furthermore, the impact of fuel prices was also felt on most food items, as retailers passed on the impact of higher transportation costs to consumers. This impact was more pronounced in the case of milk and meat.

The food items whose prices increased the most in January included tomatoes (27.55pc), garlic (22.83pc), Brufen tablets (14.02pc), sugar (6.15pc), Flagyl tablet (5.51pc) and pulse moong (2.73pc). In the same category, however, prices of chicken declined by 18.06pc, potatoes by 15.01pc, peas by 11.36pc, lemon by 9.92pc, onion by 5.50pc, cabbage by 5.17pc and eggs by 1.27pc.

On the other hand, non-food inflation went up 10.5pc and 1.4pc on yearly and monthly basis, respectively. This clearly shows that the direct impact of fuel prices on inflation was also strong.

In the non-food inflation, prices of electricity increased by 8.48pc, LPG by 5.95pc and house rent by 2.38pc. However, in the same category, prices of petrol super fell by 5.07pc, high speed diesel by 3.84pc, bricks by 1.70pc, CNG by 1.07pc and iron bar 1/2" by 0.86pc.

Since 2018 was an election year, both the outgoing and incumbent governments were reluctant to raise prices significantly to avoid public criticism. The outcome is that the current level of petrol prices in the country continues to stay closer to the level that is

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Earlier gains undermined

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observed across oil-exporting countries. Not only does this entail fiscal burden but it also maintains the domestic petrol demand at an elevated level.

According to the State Bank report, prices of transportation services were adjusted upward by 14.4pc — a double-digit growth after an interval of six years. The items that contributed the most to transport inflation were train fares for short distances (less than 100km), as well as fares of bus and air travel.

Prices of non-food items also remained under pressure on account of 10.04pc rise in education index, followed by 7.17pc increase in clothing and footwear and 11.59pc in housing, water, electricity, gas and other fuels during the period under review.

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Govt concedes serious violation of fiscal debt law

Total external debt, liabilities soar to $96.7bn

By Khaleeq Kiani

ISLAMABAD: Reporting total external debt and liabilities at $96.7 billion at end-September 2018, the government has conceded serious violations of the Fiscal Responsibility & Debt Limitation Act (FDRLA) on both fiscal and external fronts.

In its debt and fiscal policy statements for 2018-19 released on Friday, the Ministry of Finance said the total external debt and liabilities increased by about $1.4bn to $96.735 at the end of September 2018 from $95.342bn. It said the total external debt and liabilities posted a big increase of $11.86bn during the full year 2017-18 from $83.48bn at the end of fiscal year 2016-17.

The statements put the country's total debt and liabilities at Rs30.875 trillion at the end-September 2018 from Rs29.89tr at end-June 2018. It said the total debt and liabilities had increased by about Rs4.7tr to Rs29.89tr during 2017-18 from about Rs25.11tr at the end of fiscal 2016-17.

The statement said the FDRLA 2005 required the government to reduce total public debt and maintain it within prudent limits thereof. It required limiting of federal fiscal deficit excluding foreign grants to 4pc of GDP during the three years, beginning from the financial year 2017-18 and maintaining it at a maximum of 3.5pc of GDP thereafter.

The government could not honour this requirement as federal fiscal deficit (excluding grants) was recorded at Rs2.243tr or 6.5pc of GDP during 2017-18, thus, remained higher than the threshold of 4pc. Also, the total debt servicing was recorded at Rs1.893tr while the interest servicing was Rs1.348tr.

The law also required ensuring that within a period of two financial years, beginning from 2016-17, the total public debt shall be reduced to 60pc of the estimated GDP. However, the "total public debt and total debt of the government as percentage of GDP stood at 72.5pc and 67pc respectively at end June 2018, thus, remained higher than the 60pc-threshold".

Another clause required ensuring that within a period of five financial years, beginning from 2018-19 total public debt shall be reduced by 0.5pc every year and from 2023-24 and going up to 2032-33 a reduction of 0.75pc every year to reduce the total public debt to 50pc of GDP and thereafter maintaining it to 50pc or less of GDP.

The debt reduction path in terms of GDP has been envisaged after 2017-18 to reduce the public debt to GDP ratio to 50pc by 2032-33 and thereafter maintaining it at or below that level.

The law also barred the government not to issue new guarantees, including those for rupee lending, bonds, rates of return, output purchase agreements and all other claims and commitments that may be prescribed, from time to time, for any amount exceeding 2pc of GDP in any financial year provided that the renewal of existing guarantees shall be considered as issuing a new guarantee.

This clause was also violated as the government issued new guarantees including rollovers amounted to Rs324bn or 0.94pc of GDP in 2017-18.

The Ministry of Finance explained that during 2017-18, external debt and liabilities recorded an increase of $11.9bn to $95.3bn by end June 2018. Out of this total increase, external public debt contributed $7.7bn and stood at $70.2bn at end June 2018.

The increase in external debt and liabilities was mainly on account of burgeoning current account deficit which led to a considerable increase in external financing requirements during 2017-18.

In addition, revaluation losses on account of US dollar depreciation against international currencies also contributed towards the increase in external public debt during 2017-18, the statement said.

The statement said the government was now giving priority to revenue mobilisation and rationalisation of current expenditure to bolster macroeconomic stability. It said the performance of many public sector entities had deteriorated over past many years but the government had taken an initiative to set up "Sarmaya-e-Pakistan Holding Ltd (SPHL)" to revive loss-making public sector enterprises.

The most critical aspect and objective of SPHL is to get these entities out of the administrative control of various ministries and put them under professional management with requisite sectoral expertise. Further, the government is introducing policies to ease methods of revenue collection such as digitisation of tax collection.

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'Karachi's encroachment issue needs to be analysed in context'

No survey was conducted before razing 1,700 shops of Empress Market

By Peerzada Salman

KARACHI: One of the first sessions of the inaugural Adab Festival Pakistan at the Sindh Governor House on Friday was on the subject of Karachi: Encroachments and Demolitions, moderated by Rumana Husain.

The first question that the moderator put to the panellists was about the Supreme Court's order on clearing encroachments.

Mohammad Toheed said during the anti-encroachment drive at Empress Market, 1,700 shops and 12 markets were demolished. There was no survey done prior to carrying out the operation.

Faisal Siddiqui said the context in which the Supreme Court gave the order needed to be looked into. There was a time when Karachi was governed by a certain political party in a "fascist" manner. Once it moved out of the picture, the party that got hold of the city's reins didn't seem to care much about it. It is against this backdrop that the court intervened. Where there is a vacuum such as this, these things happen.

He said the second context before the Supreme Court was some "competing rights". The first was rule of law; second, right to housing; third, right to rehabilitation; fourth, rule of law implemented without discrimination. Another context is that there are two voices to be heard: voices of legal and executive minds. Mr Siddiqui remarked that the problem was solvable but it needed to be looked at bearing its contexts in mind.

Dr Noman Ahmed of the NED University of Engineering and Technology responded to a query about the Karachi Strategic Development Plan. He said it was now defunct. He told the moderator plans were often made but they did not get legal protection.

Karachi Commissioner Iftikhar Shallwani said the Supreme Court's orders were to be implemented by the executive, which meant chief secretary, secretary, commissioner, etc.

When the court order first came in October after which action on the Empress Market was taken, it was the local government that was required to implement it.

He then told the moderator about the meeting that he had with the shopkeepers of Empress Market after he took charge of office on Oct 23, 2018. He argued that "we have to implement orders with due diligence".

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Values of properties revised upward

RECORDER REPORT

ISLAMABAD: The Federal Board of Revenue (FBR) has revised upward the values of residential and commercial properties in Karachi, Lahore, Islamabad Hyderabad, Sukkur, Rawalpindi, Peshawar, Quetta, Abbottabad, Mardan, Gujranwala, Sialkot, Faisalabad, Sargodha, Jhang, Gujrat, Sahiwal, Multan, Jhelum and Bahawalpur.

In this regard, the FBR issued 20 notifications here on Friday to categorise the different localities/areas for fixation of valuations of immovable properties across the country.

The area-wise categorisation for valuations of Karachi revealed that the city has been divided into 193 major areas/localities for valuations of immovable properties.

Arif Yousuf Jeewa, former Chairman Association of Builders and Developers of Pakistan (ABAD) told *Business Recorder* that the FBR has upward revised properties in Karachi. Over 100 percent values of immovable properties have been revised upward in some sectors of DHA Karachi. In remaining areas of Karachi, the FBR has upward revised values of immovable properties by 15-20 percent, he added.

Under the revised values of immovable properties in Jhang, the values have been revised in 623 different areas.

Under SRO 120(I)/2019, the FBR has notified value of immoveable properties in

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Values of properties revised upward

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respect of 196 categories of areas of Karachi.

As per SRO 118(I)/2019, the FBR has notified values of immoveable properties in respect of areas/categories of Jhang.

The FBR has also revised values of immovable properties of 538 areas of Gujrat.

Under SRO 130(I)/2019, the FBR has revised values of immovable properties in Sukkur. In case of Sukkur, the value is per square yard of the covered area of ground floor plus covered area for the additional floor; (ii) commercial property built up value is per square yard of the covered area of the ground floor plus covered area of the additional floor, if any; (iii) built up industrial property value is per square yard of the plot area per square foot; (iv) the value in respect of a residential building consisting of more than one storey shall be increased by 25% for each additional storey i.e. value of each storey other than ground floor shall be calculated @ 25% of the value of the ground floor; (v) a property which does not appear to fall in any of the categories shown in the below bath room; and (ix) area-wise categories are in the following Appendix-I and Appendix-II.

In 701 areas of Sialkot, the FBR has revised values of immovable properties.

The FBR has revised values of immovable properties of 31 area of Sargodha under SRO 128(I)/2019.

In 338 areas of Sahiwal, the FBR has revised values of immovable properties.

Under SRO 126(I)/2019, the FBR has notified the value of immoveable properties in respect of 28 areas/categories of Rawalpindi.

The FBR has notified values of immoveable properties in respect of 426 areas of Quetta.

The FBR has revised values of immovable properties of 339 area of Peshawar under SRO 124(I)/2019.

Under SRO 123(I)/2019, the FBR has notified value of immoveable properties in respect of 593 areas of Multan.

The FBR has also revised values of immovable properties in 17 areas of Mardan.

Under SRO 121(I)/2019, the FBR has notified value of immoveable properties in respect of 1234 areas/categories of Lahore.

the additional floor; (ii) commercial property built up value is per square yard of the covered area of the ground floor plus covered area of the additional floor, if any; (iii) built up industrial property value is per square yard of the plot area per square foot; (iv) the value in respect of a residential building consisting of more than one storey shall be increased by 25% for each additional storey i.e. value of each storey other than ground floor shall be calculated @ 25% of the value of the ground floor; (v) a property which does not appear to fall in any of the categories shown in the below Appendix shall be deemed to fall in the adjacent lowest category of the Appendix; (vi) whether the land has been granted for more than one purpose viz residential, commercial and industrial, the valuation in such a case shall be the mean/average prescribed rate; (vii) a flat means the covered residential tenement having separate property unit number/sub-property unit number; (viii) in residential, multi storey building, additional storey shall be charged if it consists of bed room and

Appendix shall be deemed to fall in the adjacent lowest category of the Appendices; (vi) whether the land has been granted for more than one purpose, viz residential, commercial and industrial, the valuation in such a case shall be the mean/average prescribed rate; (vii) a flat means the covered residential tenement having separate property unit number/sub-property unit number; (viii) in residential, multi storey building, additional storey shall be charged if it consists of bed room and

The FBR has also revised values of immovable properties in 892 areas of Jhelum.

Under SRO 117(I)/2019, the FBR has revised values of immovable properties in 90 areas of Islamabad.

In case of 26 areas of Hyderabad, the FBR has notified value of immoveable properties in respect of areas/categories of Hyderabad.

Under SRO 116(I)/2019 dealing with Hyderabad, the value is per square yard of the covered area of ground floor plus covered area for

bath room.

The FBR has notified the value of immoveable properties in respect of 186 areas of Gujranwala.

In case of Faisalabad, the FBR has notified the value of immoveable properties in respect of 811 areas of Faisalabad.

The FBR has notified value of 7 immoveable properties in respect of areas of Abbottabad.

The FBR has notified value of immoveable properties in respect of 424 areas of Bahawalpur.

Filers who availed amnesty scheme

FBR suspends notices about source of investment

MUHAMMAD ALI

KARACHI: The Federal Board of Revenue (FBR) has suspended all notices issued to inquire source of investment from filers who availed amnesty scheme; it is learnt.

According to sources, field formations across the country have started issuing notices to filers, asking the source of investment declared in the amnesty scheme. The said action taken by the field formation has not only shaken the confidence of taxpayers and tax practitioners but also raised disenchantment among filers, who availed tax amnesty scheme.

In order to mitigate the situation, the board has now expressed serious concerns against the notices being issued to the filers to inquire source of investment declared in tax amnesty scheme. Replying to a question, sources said that Member (IR-Operation) in his

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FBR suspends

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written communication with field formation declared such actions against the law and warned the field formation to deal strictly in case of violation.

"Such actions by the field formation are against the law and would be dealt with strictly by the FBR," Member (IR-Operation) stated in the letter.

Furthermore, sources said that chief commissioners of all regional tax offices and large taxpayers units were now directed to look into the matter personally.

To another question, sources said that Member (IR-Operation) had also ordered all chief commissioners to refrain their field formation from such illegal actions and ensured that no further notices would be issued.

Sindh Business Registration Portal to be launched on 20th: CS

RECORDER REPORT

KARACHI: Sindh Chief Minister Syed Murad Ali Shah will launch Sindh Business Registration Portal (SBRP) on February 20.

Chief Secretary Syed Mumtaz Ali Shah said this in a meeting that was held with Adviser to the Prime Minister on Commerce and Textile Industries Abdul Razak Dawood to discuss means for ease of doing business in Sindh province.

Federal Additional Secretary Board of Investment Farina Mazhar, Provincial Secretaries for BOI, Excise, Planning and Law departments and other officials attended the meting.

Mumtaz told the meeting that Sindh Business Registration portal would beneficial for inverters and industrialists with regard to registration and taxation procedures.

"This portal will be one-window solution which will reduce time from 7 to 1 day," he said.

The CS said that the Sindh Building Control Authority had reduced its time to issue permit for construction from 60 days to 30 days.

"Sindh Board of Revenue has also reduced property registration time from 207 days to just 7 days" he said, adding that Sindh Environment Agency had reduced process for Environment Checklist from 30 days to 15 days while KW&SB was also now providing new commercial connection just in 21 days instead of 61 days.

Mumtaz Shah said that due to efforts of Sindh government, Pakistan's ranking has improved to 136th in DB 2019 Report, an unprecedented improvement scaling up from 147th position in 2018 – this effort must go on consistently with full impetus.

The PM's adviser Abdul Razak Dawood said the federal government was providing its all assistance to facilitate the foreign and local investors to invest in Sindh. He said all out facilities and conducive environment were being provided to investors and businessmen community for more investment in the province.

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SBP's quarterly report

Textile exporters fail to raise their share in US imports

RIZWAN BHATTI

KARACHI: Despite higher demand, Pakistani textile exporters failed to increase their share in US imports, mainly due to price competitiveness.

The US's total textile and apparel imports grew at a higher rate in the first quarter of this fiscal year (Q1FY19) than they had last year, as robust economic growth and low unemployment encouraged consumers to spend more. Retail sales of clothing and accessories in the US rose 5.4 percent YoY in Q1FY19, as opposed to rising by 1.1 percent in Q1FY18.

However, the State Bank of Pakistan (SBP), in its recent report revealed that, despite higher imports by the US, Pakistan's overall textile and apparel exports to the country could not benefit and instead declined by 0.9 percent YoY in quantum terms.

Even within the cotton apparel segment, the growth in Pakistan's quantum exports in Q1FY19 was lower than last year, despite a rebound in the US' cotton apparel imports in the quarter under review.

Pakistan's non-cotton apparel exports to the US dropped by a sharp 14.6 percent in quantum terms, as the exporters found it hard to control costs in the wake of spiking polyester staple fiber (PSF) prices in local currency terms. PSF prices have risen more rapidly in Pakistan than they have in China and India, which made it harder for Pakistani exporters to compete against their peers.

At the same time, to Pakistan's detriment, a gradual shift in the US' sourcing of textile and apparel products also seems to be underway, both in response to the trade tensions with China and evolving consumer preferences.

The report said that the ongoing trade tensions with China have induced US retailers to look for other low cost producers. This increasingly means countries that enjoy concessional or duty-free market access to the US, such as Cambodia. Usual suppliers like India and Vietnam have also benefitted.

Pakistan is at a disadvantage on both counts, as its costs tend to skew upwards and it also does not enjoy duty-free access to the US. Even though Pakistan is a beneficiary under the US' GSP scheme, its textile and apparel products do not fall under the duty-free regime.

In contrast to the US, Pakistani exporters did quite well in the EU, where they managed to increase their market share. While the growth in the EU's overall textile and apparel imports actually declined in Q1-FY19 in volume terms.

In fact, countries enjoying duty-free access to the EU, namely Bangladesh, Pakistan and Cambodia, experienced sizable export growth, at the expense of China and India. Moreover, Vietnam's exports to the EU also maintained their momentum, as the two parties edged closer to ratifying the free trade agreement.

Going forward, the SBP has warned that Pakistan's textile exporters are likely to face a tough time, given the shifting dynamics in the US, and Vietnam's expected surge in the EU market.

First, in September, Bangladesh announced a 51.0 percent increase in the minimum wage for its garment workers, which will go into effect in January 2019. The wages were last increased in 2013. Any net increase in production costs in the country could allow Pakistani exporters to compete more effectively in the EU and possibly increase their market share at Bangladesh's expense.

Second, the EU launched a six-month review process in October 2018 to determine the continuity of Cambodia's duty free access to the bloc under the Everything-But-Arms (EBA) scheme, following controversial elections in the country in July.

While the eventual outcome of this review is uncertain, Pakistani exporters would stand to gain if Cambodia's garment exports to the EU, which are rising quite rapidly, come under the normal duty regime, the report said.

Overall textile exports grew by 0.6 percent YoY and reached US$ 3.3 billion in Q1FY19, after rising by 7.9 percent in Q1FY18.

INTERNATIONAL
THE NEWS
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COMMENT

Economy struggles as govt takes one step forward, two steps back

By Mansoor Ahmad

LAHORE: One step forward, and two steps back continue to keep economic uncertainty constant. Devaluation had some positive impact on exports, but it increased the import cost and foreign debt in rupee terms; higher mark-up increased the domestic debt servicing cost.

This government has now started taking some commendable steps in ease of doing business.

The reduction of tax filing from 46 to 16 is on step. Increase in gas and power rates has however enhanced the cost of doing business for all domestic industries and 35 percent of the exporters that are outside the five preferred sectors.

Economy was moving up on the strength of high growth in the cement and auto sectors, while the textiles were in trouble. These fast growing sectors lost the growth momentum because of filer and non-filer controversy.

The auto sector might partially recover as non-filers have been allowed to buy up to 1300cc cars.

The construction sector would remain under pressure as non-filers are banned from buying property above Rs5 million.

The five exporting sectors got double relief, as the tariff of gas and power has been reduced to the regional level.

Secondly, duties on most of their imported inputs have been reduced or abolished and the regulatory duties have been withdrawn.

While relief in gas tariff would benefit industries located in Punjab, the relief on power would be for all five exporting sectors located anywhere in the country.

In electricity alone, an average mill of 25,000 spindles would get a relief of Rs2 million per month or Rs24 million per year.

This relief, along with the benefit of huge devaluation would surge the exports for a while even on obsolete technology.

Textile players admit that even after these facilitations it would not be possible to revive over 100 mills that were closed down in last two years.

The decision of the central bank to increase the interest rates by 25bps was unexpected, but the decision was probably taken on regular printing of notes by the SBP on governments' demand that would fuel inflation.

This government has retired commercial bank's debt by borrowing from the central bank. The decline in petroleum rates and subdued domestic demand has kept the inflation in check to some extent. Still in the first six months of this fiscal, it averaged six percent against only 3.8 percent in the corresponding period of last fiscal.

This government seems to be in a hurry to open Pakistan for tourists. It has relaxed visa for 50 countries. There is no doubt that Pakistan has the potential to become a tourist attraction.

However, there is a need to do some homework in this regard. We currently lack decent accommodation facilities at most of the attractive tourist places.

The law and order has greatly improved, but is still far from ideal. Tourism should be promoted with extreme caution, as any untoward episode at the start would take years to repair and restart.

We should work immediately to resolve these two issues. Pakistan is a great place for religious tourism. We have some control at religious places.

We have some highly revered Hindu temples.

The Buddhist have so much to see about Buddha in Taxila and other places, and Sikhs have so many religious places that they would love to visit.

We should in fact start with religious tourism and activate our embassies in Far East for Buddhists and Hindus and in Canada, United States and England for Sikhs. For the time being, we cannot expect many pilgrims from India.

Finally, the government would have to find out a way to restart development work. We are currently consuming all the debt we get from abroad without doing any development work.

Prudent development projects have the capability to payback the debt and create surplus for further development. Foreign loans carrying high interest would burden the economy for decades if used only for consumption.

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Textile sector for upfront subsidy in gas bills

By Nasir Jamal

LAHORE: Punjab's textile industry continues to be at loggerheads with the Ministry of Petroleum over the payment mechanism for subsidy on imported gas to five zero-rated export-oriented sectors.

The industry wants upfront payment of subsidy and is demanding that the ministry should instruct the Sui Northern Gas Pipelines Limited (SNGPL) to make it a part of the bills by charging them the new reduced price of $6.5mmBtu.

The ministry, on the other hand, is insistent that factories pay the bills raised on the basis of actual price of liquefied natural gas (LNG) as the amount paid on their bills beyond the subsidised price would be reimbursed to them and adjusted in their next billing cycle. This means the additional amount paid by the industry on their January bills will be adjusted in their February bills.

"We have proposed to the SNGPL that the utility should raise our gas bills on the 16th of every month after receiving the subsidy amount from the ministry instead of 1st of every month," All Pakistan Textile Mills Association (Aptma) Chairman Ali Ahsan told *Dawn* on Friday.

He said the factory owners were already facing significant liquidity crunch due to a variety of reasons including the inordinate delays in release of their tax and other refunds by the Federal Board of Revenue (FBR).

"The monthly subsidy amount on the gas bills of the five zero-rated industry in Punjab is estimated to be between Rs2 billion and Rs2.5bn. This is a huge amount and unless our proposal is accepted, it would worsen the liquidity crunch facing the exporters."

The government has already transferred a sum of Rs25.7bn to the petroleum ministry to subsidise the gas bills of the zero-rated sectors till June end.

Minister for Finance Asad Umer had announced the subsidy in September on the use of LNG by the export industry from Punjab to equalise fuel prices across the country.

Exporters in Sindh and Khyber Pakhtunkhwa enjoy priority access to domestic gas since both the provinces are gas producing regions. However, the industry in gas-starved Punjab was forced to use expensive imported gas and paying more than double of what industry in Karachi or Khyber Pakhtunkhwa pays.

The subsidised gas price had come into force from October 15 but many users have gone to the court to prevent the gas company from charging them beyond the new rate.

SECP refers amendments to finance ministry

ISLAMABAD: The Securities and Exchange Policy Board (SEPB), upon the recommendations of its regulations committee, has referred several amendments to the ministry of finance, according to a notification issued by the Securities and Exchange Commission of Pakistan (SECP) on Friday.

The board was also apprised on the progress made by the SECP in order to facilitate the market, promote ease of doing business and reduce fees across the board.

Pakistan Business Council Chief Executive Officer Ehsan Malik, in a presentation to the board, pointed out various anomalies and difficulties in the Companies Act, 2017, such as section 452, which relates to global register of beneficial ownership of shareholding in foreign companies, section 208 pertaining to party transactions, as well as other provisions.

The SEPB acknowledged the recommendations and directed the SECP to look into matters and ensure necessary rectification in the most expeditious manner.—APP

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'Sharp decline in investor confidence'

By Our Staff Reporter

KARACHI: Overseas investors' confidence has seen a sharp decline in July-Dec 2018 due to change in economic landscape with pressures on the balance of payments front, depreciating rupee, rising interest rates and subsequent inflationary pressures dampening investor sentiment.

The findings of the business confidence survey (BCS), conducted by the Overseas Investors Chambers of Commerce and Industry (OICCI), revealed that the investor confidence declined to negative 12 per cent compared to the positive 14pc in the first half of 2018, according to the

The results were largely influenced by the negative sentiment in the services sector – which represents nearly 30pc of the total respondents – and partially by the retail and wholesale trade and manufacturing sectors.

According to the BCS findings, score of respondents from the services sector was 29pc negative down from the 23pc positive in the previous Jan-May 2018 BCS.

On the other hand, confidence amongst retail and wholesale trade sectors — representing 30pc of the total sample size, also receded to 5pc negative from 6pc positive in the first half of 2018.

The manufacturing sector, which represents the remaining 40pc of the respondents, was at 4pc negative, down from the 15pc positive during the last BCS.

President OICCI Irfan Wahab Khan, interpreting the findings of the wave 17 survey, said that the results were largely anticipated while adding that the business friendly measures announced by the government in the supplementary finance bill are timely and provide clarity towards policy direction of the incumbent government.

He said that some of these measures are likely to overturn the prevalent negative sentiment of the business community and help move the economy towards growth and spur investment.

Khan hoped the government will collaborate with key stakeholders in its process of developing a robust economic recovery plan, outline the export growth strategy, leverage technology and goods governance framework to deliver on the vision for economic growth in the near to medium term.

Indigenous reforms to fix economy: DFID

By Our Reporter

ISLAMABAD: It is important for Pakistan to develop a home-grown economic reforms programme, with focus on widening the tax base and increasing investment and competitiveness, said DFID Chief Economist Dr Rachel Glennerster on Friday.

In a statement, Dr Glennerster further said that the United Kingdom Department for International Development (DFID) has pledged its support to Pakistan in providing assistance to raise more tax revenue, improve the business environment and invest in greener energy initiatives.

She further said that DFID is committed to supporting the government's drive to grow the economy and improve investment climate. This will improve living standards and create jobs for younger people entering the market, she added.

The DFID chief economist during her three-day visit in Islamabad discussed technical assistance and support for economic reforms to improve investment climate with Minister for Finance Asad Umer and other officials.

Construction major recipient of FDI

KARACHI: The country's construction sector emerged as the leading recipient of the foreign direct investment (FDI) during the first six months of current fiscal year with inflows concentrated in the China-Pakistan Economic Corridor (CPEC) related projects.

The construction sector received $288 million during the six months under review despite an 18 per cent slump against the $351m received during the same period last year.

However, the construction and housing sector representatives were not optimistic with high FDI figures lamenting that the overall construction and housing sector is in trouble due to legal proceedings initiated by the government and judiciary.

Property developer and senior member of the Association of Builders and Developers (Abad) Abdul Hameed said that, "I am sure these FDIs are coming under the CPEC and not for the general construction and housing industry in the country".—Staff Reporter

روزنامہ 92 نیوز کراچی، ہفتہ، 2 فروری، 2019ء

فرانس کے ساتھ تجارت بڑھانے کی ضرورت ہے، میاں زاہد حسین

یورپین یونین پاکستان کے لئے سب سے بڑی برآمدی منڈی کی حیثیت رکھتا ہے

کراچی (کامرس رپورٹر) پاکستان بزنس مین اینڈ انٹلیکچولز فورم کے صدر میاں زاہد حسین نے کہا ہے کہ پاکستان کے فرانس کے ساتھ سیکیورٹی، دفاع، سائنس وٹیکنالوجی اور تجارتی ومعاشی شعبوں میں دیرینہ تعلقات ہیں تاہم دونوں ملکوں کے مابین بہترین تجارتی پوٹینشل کے باوجود تجارت کم ہے، جس میں اضافہ کی ضرورت ہے۔ 2016 میں پاکستان سے فرانس ہونے والی برآمدات 2.7 ارب ڈالر پوٹینشل کے باوجود 143 ملین ڈالر تھیں جبکہ درآمدات کا تقریباً 10 ارب ڈالر کا پوٹینشل ہونے کے باوجود صرف 6 ملین ڈالر تھیں۔ یورپین یونین پاکستان کے لئے سب سے بڑی برآمدی منڈی کی حیثیت رکھتا ہے اور تقریباً 34 فیصد کا حصہ دار ہے تاہم پاکستان سے کل برآمدات میں فرانس کا حصہ محض 5 فیصد ہے جبکہ درآمدات میں ایک فیصد سے بھی کم ہے۔

روزنامہ اوصاف کراچی، ہفتہ، 02 فروری 2019ء

سندھ میں سرمایہ کاری کیلئے سہولیات فراہم کررہے ہیں، عبدالرزاق داؤد

وزیراعظم کے مشیر برائے کامرس، ٹیکسٹائل اینڈ انڈسٹری کی چیف سیکریٹری سندھ سے ملاقات

کراچی (اسٹاف رپورٹر) وزیراعظم کے مشیر برائے کامرس، ٹیکسٹائل اینڈ انڈسٹری عبدالرزاق داؤد نے کہا کہ وفاقی حکومت سندھ صوبے میں انویسٹمنٹ کرنے والوں کو سہولیات فراہم کررہی ہے۔ یہ بات انہوں نے جمعہ کو چیف سیکریٹری سندھ سید ممتاز علی شاہ سے سندھ سیکریٹریٹ میں ملاقات کے دوران کی۔ ملاقات میں سندھ میں ایزی آف ڈوئنگ بزنس میں بہتری پیدا کئے جانے کے اقدامات کا جائزہ لیا گیا۔ مشیر برائے کامرس، ٹیکسٹائل اینڈ انڈسٹری نے کہا کہ کراچی پاکستان بزنس کا حب ہے جس کے لئے وفاقی حکومت صوبہ سندھ صوبے میں کاروبار شروع کرنے والوں کو سہولیات فراہم کررہی ہے انہوں نے کہا کہ وفاقی حکومت کراچی میں بزنس کمیونٹی کے لئے سازگار ماحول فراہم کررہی ہے۔ انہوں نے سندھ حکومت کی کارکردگی کو سراہتے ہوئے کہا کہ سندھ حکومت نے کاروبار شروع کرنے کے لئے پیش آنے والے مسائل کو حل کیا ہے۔ چیف سیکریٹری سندھ سید ممتاز علی شاہ نے کہا کہ سندھ میں کاروبار شروع کرنے کے عمل کو بہت زیادہ بہتر کردیا گیا ہے جس میں مزید اصلاحات لانے کے لئے 20 فروری کو سندھ بزنس پورٹل کو لاؤنچ کرلیا جائے گا۔ سندھ بزنس پورٹل سے بزنس کمیونٹی کو ون ونڈو سہولت فراہم کی جائے گی۔ انہوں نے بتایا کہ ون ونڈو سہولت کے ذریعہ پراپرٹی ٹیکس اور پراپرٹی رجسٹریشن کو مزید آسان بنایا گیا ہے۔ ممتاز علی شاہ نے وزیراعظم کے مشیر کو مزید بتایا کہ حکومت سندھ کی کاوشوں سے ایزی اف ڈوئنگ بزنس میں پاکستان کی رینکنگ میں 11 پوائنٹ کی بہتری ہے اور سندھ میں بزنس کمیونٹی کا اعتماد بحال ہوا ہے۔ ممتاز علی شاہ نے بتایا کہ واٹر بورڈ سے کمرشل کنکشن کے لئے ٹائم فریم کو 61 دن سے کم کرکے اب 21 دن کیا گیا ہے، سندھ ریونیو بورڈ نے پراپرٹی رجسٹریشن کو 208 دن سے کم کر کے 17 روز کیا ہے اسی طرح سندھ بلڈنگ کنٹرول اتھارٹی بھی اب این او سی 60 دن کے بجائے 30 روز میں جاری کرتی ہے جس سے بزنس کمیونٹی کے لئے کافی آسانیاں پیدا ہوئی ہیں۔ چیف سیکریٹری سندھ سید ممتاز علی شاہ نے امید کا اظہار کیا کہ رواں سال کی گئی اصلاحات کی وجہ سے پاکستان کی رینکنگ میں مزید بہتری آئے گی۔ ملاقات میں وفاقی ایڈیشنل سیکریٹری بورڈ آف انویسٹمنٹ، صوبائی سیکریٹری بورڈ آف انویسٹمنٹ، سیکریٹری ایکسائیز، سیکریٹری پلاننگ، اور دیگر افسران شریک تھے۔

ہفتہ، 02 فروری، 2019

روزنامہ اوصاف
Daily Ausaf

شرح سود بڑھنے سے مہنگائی میں مزید اضافہ ہوگا، ماہرین معاشیات

تحریک انصاف کی حکومت قائم ہونے سے اب تک شرح سود میں 2.75 اضافہ ہوا

کراچی (بزنس رپورٹر) ملک میں عام انتخابات 2018 سے قبل قائم ہونے والی نگراں حکومت کے قیام کے بعد اور تحریک انصاف کی حکومت قائم ہونے کے بعد سے اب تک اسٹیٹ بینک نے شرح سود میں 2.75 اضافہ کیا، مسلم لیگ حکومت کے خاتمے کے بعد 14 جولائی 2018 کو اسٹیٹ بینک نے شرح سود میں 100 بیسز پوائنٹس کا اضافہ کیا گیا تھا اور اس وقت شرح سود 7,50 فیصد تھی اور ساڑھے 7 ماہ کے بعد شرح سود بڑھتے ہوئے 10.25 فیصد پر پہنچ گئی۔ اس دوران کرنٹ اکاؤنٹ خسارہ اور تجارتی خسارہ بھی بڑھ گیا تاہم اسٹیٹ بینک نے اسے کم کرنے کی کوششیں ضرور کیں لیکن مہنگائی کو روکا نہیں جاسکا، جون 2018 (سال بسال) میں مہنگائی 5.2 فیصد تھی جبکہ دسمبر 2018ء میں مہنگائی بڑھ کر 8.4 فیصد تک پہنچ چکی ہے اور ماہرین معاشیات اس خدشے کا اظہار کررہے ہیں کہ شرح سود بڑھنے سے مہنگائی میں مزید اضافہ ہوگا۔ مہنگائی دسمبر 2018ء میں بڑھ کر 8.4 فیصد تک پہنچ چکی ہے لیکن یہ بھی توقع کی جارہی ہے کہ مہنگائی کسی تبدیلی کے بغیر 6.5 فیصد تا 7.5 فیصد تک رہ سکتی ہے۔ گورنر اسٹیٹ بینک گزشتہ دو مانیٹری پالیسیز میں اس خدشے کا اظہار کرچکے ہیں۔ معاشی ماہرین کا کہنا ہے کہ اسٹیٹ بینک آئندہ مانیٹری پالیسی میں مزید شرح سود بڑھا سکتی ہے۔

روزنامہ خبریں (12) 02 فروری 2019ء

کراچی: کراچی چیمبر آف کامرس اینڈ انڈسٹری کے صدر جنید اسماعیل ماکڈا فرسٹ ویمن بینک لمیٹڈ کی سی ای او نوشابہ شہزاد کو کے سی سی آئی کے دورے کے موقع پر شیلڈ دے رہے ہیں