



# MONTHLY BULLETIN

**AUGUST 2023**





# INTRODUCTION

This newsletter's efforts are meant to update the reader with a concise summary of the developments that influence the economic landscape of Pakistan.

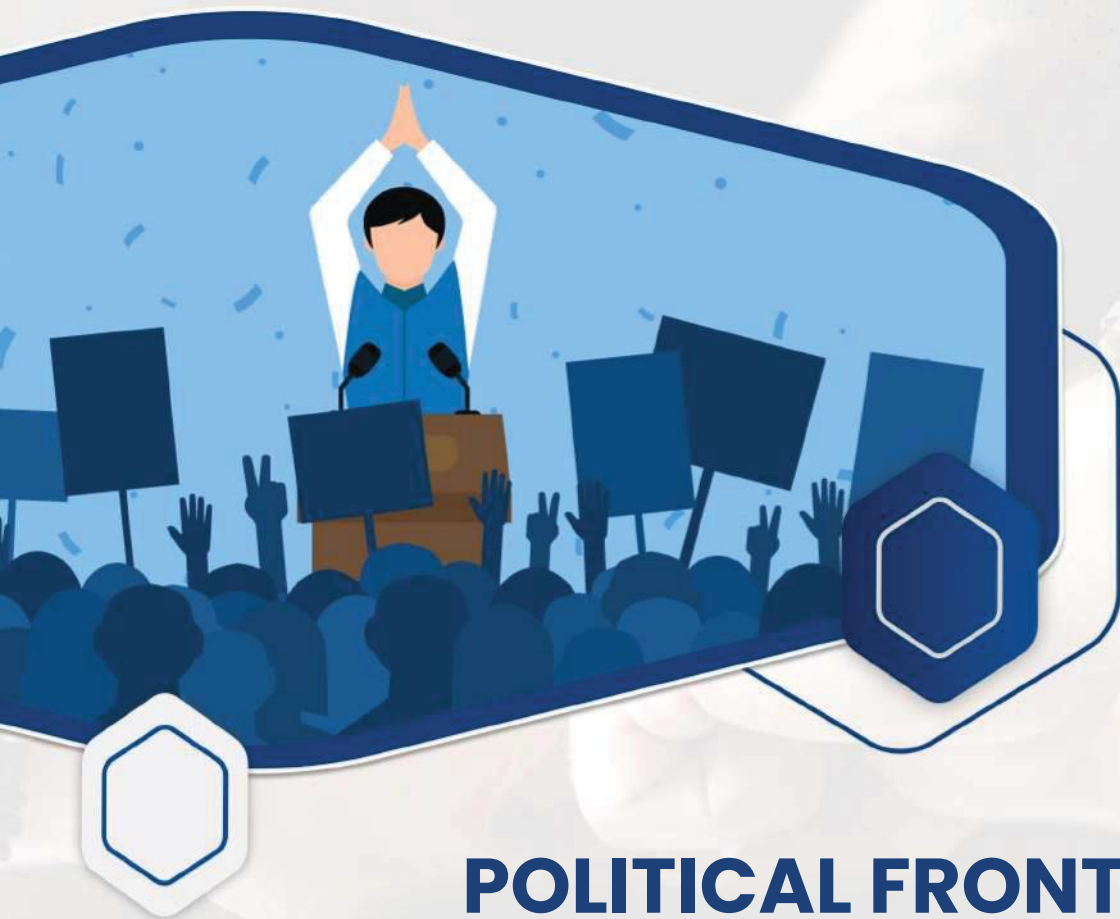






## ECONOMIC EVENTS

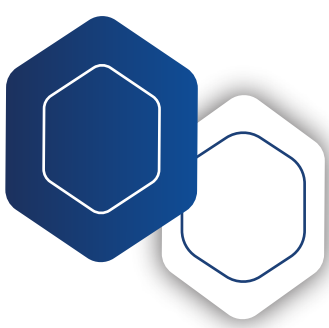
- Analysts expect a rate hike of up to 100- 300bps in the coming SBP's monetary policy announcement.
- Mashreq, one of the leading financial institutions, has announced its successful incorporation in Pakistan and will commence banking operations very soon.
- The FBR has decided to implement an Integrated Risk Management System (IRMS) through the Pakistan Single Window (PSW) to ensure trade compliance and trade facilitation to reduce the time and cost of doing business.
- The PTCL announced its board's decision to the acquisition of a telecom company, Telenor Pakistan. The binding offer will be tabled after getting a confirmation from the State Bank of Pakistan, regarding the mode of payment.
- The petroleum prices increased twice for Aug-2023, the accumulated increase in prices of High-Speed Diesel (HSD) and Petrol was Rs. 39.90 and Rs. 37.45 per litre respectively.
- The Price for petroleum for the next 15 days also increased by Rs. 14.91 for Petrol and Rs. 18.44 for HSD.
- Federal Minister for IT & Telecom, and Science & Technology "Dr Umar Saif" said enabling PayPal and stripe payment gateways in Pakistan is a "high priority" for the current setup. Also expressed that the IT industry can "fix Pakistan trade imbalance"
- The Balochistan government signed a joint venture agreement with Platinum Mining Company (PMC), a private entity, to develop the country's first mineral processing project in the province.



## POLITICAL FRONT

- The former government finalized the Anwaar-ul-Haq Kakar as Caretaker Prime Minister, belonging from Balochistan and served as the spokesperson of the Government of Balochistan from 2015 to 2017. He was also elected to the Senate member as an independent candidate from Balochistan in 2018.
- In the first media interaction, Caretaker Prime Minister Anwaar-ul-Haq Kakar urged the nation to pay their electricity bills.
- The PM also said, his government sought the IMF's permission to spread the electricity bills over a six-month period but has not yet received a response.
- Interim Finance Minister Shamshad Akhtar in her policy, Pakistan is an import-dependent country and the commodity prices have to be passed on, as we do not have the fiscal space and any room for subsidies, which is going to hurt people - whether in the shape of electricity or fuel prices.
- The caretaker government decided to end the existing system for the sales and distribution of electricity and Ready to Handover DISCOs to Provinces.
- The government decided to end the uniform tariff of electricity across the country and transfer the responsibility of electricity rates and subsidies to the provinces.
- The PM expressed his hope from SIFC to receive \$60 to 70 billion investments in the next three to five years.
- The Election Commission of Pakistan (ECP) has decided to publish the list of final constituencies by November 30, to ensure polls are held as early as possible.





# FINANCIAL WORLD

## FOREX UPDATE

- PKR record devalued against the Dollar.
- The Dollar's MoM increase in the Open Market was Rs. 35.5 and in Inter Bank was Rs. 18.
- The closing rate of major currencies on 31st Aug-2023 are



## INTER BANK RATES

Currency	Symbol	Bank Buying	Bank Selling
Australian Dollar	AUD	197.34	197.84
Canadian Dollar	CAD	225.11	225.61
China Yuan	CNY	41.81	41.91
Danish Krone	DKK	44.54	44.64
Euro	EUR	332.1	332.7
Hong Kong Dollar	HKD	38.85	38.95
Japanese Yen	JPY	2.07	2.1
Saudi Riyal	SAR	81.31	81.46
Singapore Dollar	SGD	225.63	226.13
Swedish Korona	SEK	27.94	28.04
Swiss Franc	CHF	346.66	347.16
Thai Bhat	THB	8.7	8.74
UK Pound Sterling	GBP	387.32	387.97
US Dollar	USD	305.04	305.54







## OPEN MARKET FOREX RATES

Currency	Symbol	Buying	Selling
Australian Dollar	AUD	206	210
Canadian Dollar	CAD	235	240
China Yuan	CNY	41.75	42.15
Danish Krone	DKK	44.22	44.62
Euro	EUR	348	351
Hong Kong Dollar	HKD	38.72	39.07
Japanese Yen	JPY	2.3	2.38
Saudi Riyal	SAR	86	86.8
Singapore Dollar	SGD	233	238
Swedish Korona	SEK	26.74	27.04
Swiss Franc	CHF	345.28	347.78
Thai Bhat	THB	8.61	8.76
UK Pound Sterling	GBP	407	411
US Dollar	USD	325	328



## CAPITAL MARKET

- The KSE-100 index closed at 45,002 points, the leading PSX index dropped by 3031.59 points as compared to last month's index of 48,034 points.
- The decrease in index points reflects the investor's concern over the rising economic instability.
- The serious concerns are Rupee's free fall, shoot up fuel prices, high Inflation and the possibility of to hike policy rate in the coming Monetary policy.

## IMPORTANT ECONOMIC INDICATORS AS OF AUG-23

Currency (PKR To USD) Rs.328  
 Stock Market (KSE-100 Index) 45,002  
 Unemployment Rate 6.5%  
 Inflation Rate 27.4%  
 Interest Rate 22%  
 Corporate Tax Rate 29%

Personal Income Tax Rate 35%  
 GDP annual growth 0.5% (E)  
 Consumer Confidence 35.3(E)  
 Brent Crude oil \$86.83/Bbl  
 WTI Crude Oil \$83.63/Bbl  
 Gold Per Tola Rs. 239,800







## TAX WORLD

- The net revenue collection reached Rs. 669 billion in August 2023, up by Rs. 20 billion, against the projected target of Rs. 649 billion.
- FBR initiated negotiations with the Republic of Iraq on the Convention for the Elimination of Double Taxation with respect to; 1- Tax on Income 2- Tax on Capital 3- Prevention of Tax Evasion and Avoidance.
- Till Sept 2023, FBR suspends the proposal regarding the increase in the valuation of immovable properties Under Sector 7E.
- FPCCI formally asked the caretaker Finance Minister Shamshad Akhtar to withdraw Section 7E of the income tax ordinance, as it is considered to be ineffective for the economy.
- The Federal Board of Revenue in last week of Aug-23, again froze the bank accounts of Pakistan International Airlines (PIA) due to non-payment of Rs. 8 billion in Federal Excise Duty (FED).

## QUOTE

- Don't sit down and wait for the opportunities to come. Get up and make them
- Value the person who given you time, it's not time, they share a part of life with you.

## RESILIENCE

- Vision
- Composure
- Collaboration
- Tenacity
- Reasoning

