



BUSINESS BULLETIN

September 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.

Rabi-ul-Awwal

- The third month of the Islamic calendar, holds special significance in the Hearts of Muslims worldwide.
- The Muslims celebrate the birth of the Last Messenger in this month with religious spirituality.
- Many cultural and religious events were arranged to highlight the teaching and preaching of the Last Prophet.

ECONOMIC EVENTS

- \$3.206 billion was borrowed by the country in (July-August) of FY'24, other than \$1.2 billion from IMF in lieu of a Stand-by-Agreement and \$1 billion disbursed from UAE, the total \$5.406 billion received.
- The inflation rate in Sept-23 on a yearly basis was increased to 31.4%, as compared to last month of 27.4%. The average inflation in 1st Quarter of FY'24 clocked at 29.04% as compared to Last year's 25.11%.
- Pakistan's trade deficit reduced to \$5.29 billion in 1st Quarter of FY'24 as compared to \$9.16 billion in FY'23, which declined by 42.25% due to the drop in imports.
- Pakistan's exports also reduced in 1st Quarter of FY'24 by 3.8% to \$6.9 billion from \$7.17 billion of the previous FY.
- The exports of Textile Group declined by 9.49% in 1st two months of FY'24. The exports of July-August of FY'24 were \$2.766 billion compared to \$3.056 billion in FY'23.
- Xinjiang Jingyi Cheng Group, during a meeting with FPCCI Vice President Amin Ullah Baig, announced the establishment of an electric vehicle (EV) plant in Pakistan and showrooms in major cities of the country.
- The caretaker government took a stringent crackdown on smuggling, hoarding, hawala, hundi, and other illegal activities in currency trading and Rs 660 million were recovered by FIA.
- Also, 170 cases were registered and 239 people were arrested in this crackdown.
- Similarly, 90 middlemen were involved in hoarding activities that caused artificial shortages and increases in prices in the country of Urea. During the crackdown, around 90,000 bags of fertilizers were confiscated from various parts of Sindh.
- Crackdown on power thief recovered the amount Rs 10 billion, the report presented to the Senate Committee.
- The petroleum prices increased twice for Sept-2023, the accumulated increase in prices of High-Speed Diesel (HSD) and Petrol was Rs 40.93 and Rs 35.78 per litre respectively. The prices were already increased in Aug-2023 by Rs 39.90 and Rs 37.45 per litre respectively.
- The Price for petroleum products for the next 15 days decreased by Rs 8 for Petrol and Rs 11 for HSD. The new Price of Petrol is Rs 323.38 and HSD is Rs 318.18.

POLITICAL FRONT

- Ministry of Commerce Dr. Ejaz & General Secretary GCC Finalize the Free Trade agreement (PAK-GCC FTA). After 2009, it was the first FTA by GCC with Pakistan.
- The Federal cabinet on Monday granted the approval to appoint Lt. General Munir Afsar as chairman of the NADRA. He was awarded with the Hilal-i-Imtiaz (military) and with civil award for a paper on rapid geospatial data generation.
- Justice Qazi Isa took the Oath as the 29th Chief Justice of Pakistan. The ceremony was held at the President's house in Islamabad.
- The Supreme Court in its major verdict, scrapped the National Accountability Ordinance (NAO) and ordered to restore of all the cases against public officer-holders.
- Dr. Amjad Saqib, the new chairman of Benazir Income Support Programme (BISP) was appointed by President Arif Alvi.
- The Election Commission of Pakistan (ECP) announced to conduct the General Election in the Last week of January 2024. On October 23, ECP would discuss the code of conduct for general elections in meetings with political parties.
- Caretaker PM Anwaar-ul-Haq Kakar attended the 78th opening session of the United Nations General Assembly (UNGA) and received a warm welcome from UN Secretary-General.
- Caretaker PM managed to meet with MD IMF and discuss providing relief on electricity bills.
- Caretaker PM also addressed the delegation of the US Pakistan Business Council (USPBC) and to enhance the investment in Pakistan in sectors like agriculture, tech sector including fintech, pharmaceuticals and health, and digital banking sectors.

WORLD UPDATES

- The 5th meeting of the Moscow Format Consultations on Afghanistan, attended by China, Pakistan, Russia, India, Iran, Kazakhstan, Kyrgyzstan, Turkmenistan and Uzbekistan.
- The countries asked the Afghan Interim Government to take effective measures to dismantle, eliminate, and prevent all sorts of terrorist groups.
- The United Nations adopted the agreed framework of the 5th International Conference on Chemicals Management held in Germany. This Global Framework on Chemicals sets concrete targets and guidelines across the lifecycle of chemicals.
- Multiple statements from US officials and Israel's premier created hope for a Deal between Saudi Arabia & Israel.
- In Türkiye, the terrorist act of bomb blast happened in front of the Interior Ministry buildings in Ankara.

Financial World **FOREX UPDATE**

- The five leading banks announced to enter in the Exchange Company (EC) business in Sept-23 after the SBP initiative to strengthen controls and Structural Reforms.
- It includes the Bank Alhabib Ltd, MCB Bank Ltd, United Bank Ltd, Meezan Bank Ltd and Faysal Bank Ltd.
- PKR's 17th successive increase against the US Dollar in Sept-23, strengthened the Pak Rupee.
- This happened after the action taken on smuggling, strengthened controls on Exchange Companies and the sale of dollars by Exporter.
- The Open Market rate of PKR appreciated by Rs. 39 in Sept'23.
- The closing rate of major currencies on 30th Sept 2023 were;

OPEN MARKET FOREX RATES

Currency	Symbol	Bank Buying	Bank Selling
Australian Dollar	AUD	189	191
Canadian Dollar	CAD	220	222.2
China Yuan	CNY	40.24	40.64
Danish Krone	DKK	41.83	42.23
Euro	EUR	307	310
Hong Kong Dollar	HKD	37.93	38.28
Japanese Yen	JPY	1.63	1.71
Saudi Riyal	SAR	76	76.75
Singapore Dollar	SGD	208	210
Swedish Korona	SEK	26.62	26.92
Swiss Franc	CHF	323.01	325.51
Thai Bhat	THB	8.12	8.27
UK Pound Sterling	GBP	353.3	357
US Dollar	USD	286.15	289

CAPITAL MARKET

- The KSE-100 index closed at 46,232 points, the leading PSX index increased by 1230 points as compared to last month's index of 45,002 points.
- The monetary policy committee on Sept 14, 2023, announced to maintain the Policy rate at 22 percent.

Important Economic Indicators as of Aug-23

- Currency (PKR To USD) Rs. 289
- Stock Market (KSE-100 Index) 46,232.59
- Unemployment Rate 6.5%
- Inflation Rate 31.4%
- Interest Rate 22%
- Corporate Tax Rate 29%
- Personal Income Tax Rate 35%
- GDP annual growth 0.5% (E)
- Consumer Confidence 26.2
- Brent Crude oil \$95.43/Bbl
- WTI Crude Oil \$90.78/Bbl
- Gold Per Tola Rs. 206,338



PAKISTAN CONSUMER HITS RECORD LOW

Consumer confidence in Pakistan plunged to 26.2 in Sept-2023 from 33.4 in the previous month. This was the lowest reading since the records started in 2012. The Institute of Business Administration (IBA) and the State Bank of Pakistan (SBP) conducted the survey.

Month	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	% change (Sep-23)
CCI	33.2	29.5	29.9	28.9	34.8	36.7	35.8	33.4	26.2	-21.5

Tax World

- The FBR collected Rs 2,041 billion, which exceeded Rs 63 billion more than its assigned target of Rs 1,978 billion in 1st quarter of FY'24.
- The FBR has extended the last date for filing the income tax returns up to October 31, 2023.
- The FBR has received 1.93 million income tax returns up to September 30, 2023, as compared to 1.87 million last year, reflecting an increase of around 60,000 Tax returns.
- Sindh Revenue Board (SRB) has collected Rs 52.12 billion during the first quarter of the fiscal year (2023-24) against Rs36.12 billion during the first quarter of the last financial year (2022-23), showing a remarkable growth of 44 percent.
- The Ministry of Finance has hinted at revising tax on retail, agriculture and real estate, alongside a wealth tax on movable assets under the economic revival plan.

Quote

- Darkness cannot drive out darkness: only light can do that. Hate cannot drive out hate: only love can do that.
- Spread love everywhere you go. Let no one ever come to you without leaving happier

Emotional Intelligence

- Self-Awareness
- Self-Regulation
- Empathy
- Social Skills
- Intrinsic Motivation



————— Salman & Raheel Chartered Accountants —————

 021-34916144

 0309-5551161

 info@srca.com.pk

 www.srca.com.pk