



your partner in success

Salman & Raheel Chartered Accountants

MONTHLY BULLETIN

May 2024

021-34916144

0309-5551161

info@srca.com.pk

www.srca.com.pk

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

- As of 24-May-2024, the foreign exchange reserves with SBP increased by \$1035 million from last month Apr'24. The reserves held with SBP are \$9.094 billion and reserves with commercial banks stood at \$5.222 billion.

LIQUID FOREIGN EXCHANGE RESERVES (MILLION US\$)

END PERIOD	NET RESERVES WITH SBP	NET RESERVES WITH BANKS	TOTAL LIQUID FX RESERVES
03-May-24	9,120.3	5,338.6	14,458.9
10-May-24	9,135.5	5,490.9	14,626.4
17-May-24	9,157.0	5,428.4	14,585.4
24-May-24	9,093.7	5,221.7	14,315.4

- The current government is focusing on the IT sector, the same as caretaker government. In the high-official meeting in the presence of Prime Minister Shehbaz Sharif, the government announced the establishment of 10 new Software Technology Parks across the country by next year.
- On 23-May-2024, PM Shehbaz Sharif visited the UAE for a one-day visit, where he met with UAE President Sheikh Mohamed bin Zayed Al Nahyan and discussed strengthening the Pakistani economy, supporting it, and enhancing cooperation between the two countries.
- The UAE had announced the allocation of \$10 billion for investment in promising economic sectors in Pakistan.
- The country borrowed \$7.142 billion from multiple financing sources during the first 10 months (July-April) of the current fiscal year 2023-24, compared to \$8.123 billion borrowed in the same period of 2022-23.
- SBP is working with 25 banks and has selected 50 major cattle markets to enable QR co payment methods through the RAAST Instant Payment System, to facilitate the masses for payments.
- Faysal Funds, Pakistan's leading Asset Management Company, recently hosted a grand ceremony to celebrate a major milestone in its journey - becoming the first certified Shariah Compliant Asset Management Company in Pakistan.
- As compared to 15-May-2024, the price of petrol decreased by Rs 4.74 and the cost of High-Speed Diesel decreased by Rs 3.86.

Products	Prices as of 1st May (A)	Prices as of 15th May (B)	Prices as of 1st Jun (C)	Monthly Increase / Decrease (C-A)
MS (Petrol)	288.49	273.1	268.36	-20.13
High-Speed Diesel (HSD)	281.96	274.08	270.22	-11.74

Political Front

- Prime Minister Shehbaz constituted a six-member committee to be headed by the finance minister for developing the "Home-grown Economic Development Plan"
- PM Shehbaz Sharif has included eight more economic experts, including professors and personnel from the universities of Oxford and Cambridge, in the 'Home-grown Economic Development Plan' committee
- KP Finance Minister on 24-May-2024, presented the provincial budget of Rs. 1,754 billion for FY25, with a surplus of Rs100 billion.
- It was an unusual move where the Provincial Assembly presented the budget before the federal budget.
- On 16-May-2024, CM Punjab Maryam Nawaz promised to introduce a Rs 400 billion package for farmers within the next four months, where each farmer will get Rs150,000 on each crop through Kisan Card.
- The chairman of the Chinese Company "MCC Tongsin Resources" expressed his interest in investing in Pakistan's mining sector during the meeting with PM Shehbaz Sharif.
- Key directives from PM Shehbaz Sharif while chairing the high-profile meeting on trade & business;
 - 1- Consultation with the private sector while formulating policies regarding trade and business.
 - 2- Immediate measures & initiatives must be taken to increase the exports, as well as the exports of non-traditional items.
 - 3- The performance record of the trade & investment officers will be reviewed who are posted aboard to enhance the trade.
 - 4- Ordered immediate payment of certified duty drawback to exporters.

World Updates

PALESTINE UNDER ATTACK

Latest casualty figures as of June 1

PALESTINE	KILLED	INJURED	PRISONERS FREED
	36,898	87,407	240
ISRAEL	KILLED	INJURED	HOSTAGES RELEASED
	1,139	8,730	110














- Aramco, one of the world's leading integrated energy and chemicals companies, completed the acquisition of a 40 percent equity stake in Gas & Oil Pakistan Ltd. ("GO") in line with its global retail expansion.
- Similarly, Aramco acquired a 100 percent equity stake in Esmax Distribución (Esmax), a leading diversified downstream fuels and lubricants retailer in Chile.
- On 19-May-2024, the Helicopter of the Iranian President crashed in East Azerbaijan province. President along with the Iranian foreign Minister and other government officials were martyred in the crash in the incident.
- India's foreign exchange reserves rose for a third consecutive week and hit a record high of \$648.70 billion as of 17-May-2024.
- South Korea announced the 26 trillion won (\$19 billion) support package for the country's vital semiconductor industry, about 17 trillion won through the state-run Korea Development Bank to back large-scale investments by semiconductor companies.
- Russia will likely open its first liquefied petroleum gas (LPG) terminal on the Pacific Ocean coast with joint investments from China to export by the end of 2025.

Financial World

Forex Update

- The Inter Bank rate of PKR depreciated by Rs 0.10 in May'24 and closed at 278.70.
- The closing rate of major currencies on 31st May 2024 were;

INTER BANK RATES

Currency	Symbol	Bank Buying TT Clean	Bank Selling TT & OD
 Australian Dollar	<u>AUD</u>	184.54	184.87
 Canadian Dollar	<u>CAD</u>	203.26	203.62
 China Yuan	<u>CNY</u>	38.61	38.68
 Danish Krone	<u>DKK</u>	40.33	40.4
 Euro	<u>EUR</u>	301.14	302.95
 Hong Kong Dollar	<u>HKD</u>	35.7	35.76
 Japanese Yen	<u>JPY</u>	1.77	1.77
 Saudi Riyal	<u>SAR</u>	74.12	74.25
 Singapore Dollar	<u>SGD</u>	205.44	205.81
 Swedish Korona	<u>SEK</u>	25.66	25.71
 Swiss Franc	<u>CHF</u>	303.51	304.05
 Thai Bhat	<u>THB</u>	7.56	7.58
 U.A.E Dirham	<u>AED</u>	76.22	76.35
 UK Pound Sterling	<u>GBP</u>	353.66	354.3
 US Dollar	<u>USD</u>	278.4	278.7



- The KSE-100 index closed at 75,878.47 points after an increase of 4,775.92 points, the index closed at 71,102.55 points last month.
- In the last six months, the KSE-100 index increased by more than 14,187 points, which shows growth of 23%.



Important Economic Indicators as of 31st May 2024

Currency (PKR to USD) Rs. 278.7

Stock Market (KSE-100 Index) 75,878.47

Unemployment Rate 6.9% (E)

Inflation Rate 15.5% (E)

Interest Rate 22%

Corporate Tax Rate 29%

Personal Income Tax Rate 35%

GDP Annual Growth 2.3% (E)

Consumer Confidence 33.1 (E)

Brent Crude Oil \$ 81.63/Bbl

WTI Crude Oil \$ 77.16/Bbl

Gold per Tola Rs. 244,498

Tax World

- Up to 21,870 shopkeepers and retailers registered with 'Tajir Dost App' in May-2024. Lahore (6,706) and Karachi (5,512) have the largest numbers.
- From Jul'23-May'24, the FBR collected Rs 8,126 billion against the revenue collection target of Rs 8,159 billion, reflecting a shortfall of Rs 33 billion.
- In May'24, FBR collected Rs. 760 billion against the target of Rs. 745 billion, reflecting an increase of Rs. 15 billion.
- For next year's budget, the GST rate might increase to 19% to meet the set revenue target.
- In addition, the tax slab for the salaried class will be increased as per sources.

Quote

- ❖ Most people miss the opportunity because it is dressed in overalls and look like work
- ❖ The habit of saving is itself an education; it fosters every virtue, teaches self-denial, cultivates the sense of order, trains to forethought, and so broadens the mind



MSR
your partner in success

Salman & Raheel Chartered Accountants