



CPDI BUDGET WATCH

Economy tightened: Monetary Policy at 15% after a 125 bps hike

[Profit.pakistantoday.com.pk](https://profit.pakistantoday.com.pk) (July 07, 2022)

KARACHI: The Monetary Policy Committee (MPC) at the State Bank of Pakistan (SBP) has decided to hike the policy rate by 125 basis points bringing it to 15 percent, the highest since 1999. The discount rate is now 16 percent, the highest since July 1998. In addition to hiking the policy rate, the SBP announced that the interest rates on EFS and LTFF loans are now being linked to the policy rate to strengthen monetary policy transmission. The SBP states that this is being ... [Read More](#)

Pakistan, France ink \$22m agreement to restore Lahore Fort

[Tribune.com.pk](https://tribune.com.pk) (July 07, 2022)

ISLAMABAD: Pakistan and France have signed a €22 million (more than \$22 million) financing agreement to extend technical and financial support for the renovation of Lahore Fort. The government and the French Development Agency (FDA) signed the agreement on Thursday. According to a statement released by the French Embassy, Heritage and Urban Regeneration in Lahore (HURL) project is part of the Walled City Lahore Master Plan aimed at the renovation and restoration ... [Read More](#)

ECC okays import of 0.5m tonnes of wheat

[The News](https://thenews.com.pk) (July 06, 2022)

ISLAMABAD: The Economic Coordination Committee of the Cabinet has granted approval for the import of 500,000 tonnes of wheat at \$439.4 per tonne against the initial tender price of \$515.49 per tonne. Besides, the ECC allowed import from Afghanistan in Pak Rupees and allocated Rs51.224 billion in subsidies for the provision of five essential items through the Utility Stores Corporation (USC) in the current fiscal year. The ECC also approved a supplementary grant of Rs193 billion for ... [Read More](#)

IMF advises Pakistan to maintain flexibility in exchange rate

[Profit.pakistantoday.com.pk](https://profit.pakistantoday.com.pk) (July 06, 2022)

ISLAMABAD: Resident Representative IMF in Pakistan Esther Perez Ruiz has said that to realise the export potential, Pakistan needs proactive policies such as exchange rate flexibility, efficient allocation of resources, elimination of subsidies and the creation of a business conducive environment in the country. The Fund's resident representative was addressing an event "Trade Connectivity" organised by the Economic Advisory Group (EAG) and Policy ... [Read More](#)

SBP may raise rates by 125 bps to tame 13-year high inflation: experts

The Dawn (July 05, 2022)

ISLAMABAD: The State Bank of Pakistan (SBP) looks set to raise its key policy rate by 125 basis points at its review on Thursday, as it attempts to tackle 13-year high inflation, according to the median estimate in a snap poll of 10 economists and market watchers. The economists, analysts and senior professors surveyed were widely split on the quantum of increase by the SBP, with views ranging from 50 to 200 basis points. Two respondents did not see a need for a rate [Read More](#)

Pakistan, Iran operationalise barter trade

Profit.pakistantoday.com.pk (July 05, 2022)

ISLAMABAD: Pakistan and Iran on Tuesday operationalised the trade mechanism across their shared border, Profit has learnt. In this regard, while addressing a press conference, Minister of National Food Security and Research Tariq Bashir Cheema claimed that full-fledged barter trade will resume in December. "The minister said that all barriers on the transit trade have been abolished," he added. As an experimental trial, an apple from Iran will hit... [Read More](#)

IMF programme on track, not being postponed: Miftah Ismail

The News (July 04, 2022)

ISLAMABAD: Finance Minister Miftah Ismail Monday clarified that the \$6-billion loan programme of the International Monetary Fund (IMF) is on track and there is no truth in reports that the lender has delayed it. Sharing a report on his Twitter handle, Miftah Ismail announced: "I have been reading with some amusement all the tweets and stories about IMF programme being postponed or delayed due to some anti-corruption law." The IMF programme is on track, He added. On June 28, Ismail said that... [Read More](#)

FBR increases FED on air travel

Profit.pakistantoday.com.pk (July 04, 2022)

ISLAMABAD: The Federal Board of Revenue (FBR) has increased the excise duty on club, business, and first class from Rs10,000 to Rs50,000. In a clarification, the FBR quotes the Federal Excise Rules, 2005 stating that the duty shall be charged and collected at the time of issuing the international ticket. This means, any ticket issued before July 1, 2022, does not have additional duties applicable on it. However club, business, or first class tickets bought after July 1, 2022 will have to ... [Read More](#)

Sindh govt relaxes market timings ahead of Eidul Azha

Business Recorder (July 03, 2022)

KARACHI: The Sindh provincial government said that the decision, which comes into effect tonight, was made to facilitate the traders and the public. Under the amended notification, businesses will be allowed to operate late at night till July 10. "The restrictions will be re-enforced from July 11," it added. Earlier, the Punjab government also ... [Read More](#)

Trade deficit hits highest level on record as imports soar

The Dawn (July 03, 2022)

ISLAMABAD: Pakistan's trade deficit ballooned to an all-time high of \$48.66 billion in the outgoing fiscal year from \$30.96bn a year ago, indicating an increase of 57 per cent on the back of higher-than-expected imports, provisional official data showed on Saturday. The trade deficit reached such an alarming level despite a ban imposed on more than 800 items in May. The coalition government's battle against a bloated trade gap has failed to produce the desired result as it widened by 32.... [Read More](#)

PSX weekly review: KSE-100 ends FY22 on high note

Geo.tv (July 02, 2022)

KARACHI: The bulls staged a comeback at the Pakistan Stock Exchange (PSX) after a week of bearish trade as the benchmark KSE-100 finished the last week of FY22 with a gain of 579 points or 1.41% to settle at 41,630 points. Interest in selected stocks kept the market buoyant as sector-specific developments spurred buying interest. The index maintained an upwards momentum on the back of the approval of the federal budget for the fiscal year 2022-23. The market finished three of the five ... [Read More](#)

FPCCI supports transformation to Riba free economy: Chief

Dailytimes.com.pk (July 02, 2022)

KARACHI: Irfan Iqbal Sheikh, president FPCCI, has said that the business community supports the transformation of Pakistan's economy and banking system to a Riba-free system in accordance with the decision of the Federal Shariat Court (FSC); which requires ban the Riba (interest) from the economy and banking system completely in a period of five years. FSC has set 2027 as the deadline for the complete ban on interest; terming it enough time period to implement the decision. The verdict requ ... [Read More](#)

Pakistan rolls out 'single window' for ease of trade

The News (July 01, 2022)

ISLAMABAD: Pakistan has rolled out the first phase of the Pakistan Single Window (PSW) for integrating different departments for facilitating imports and exports and reducing the cost of doing business in the country. The PSW integrates trade and transportation with different departments, in line with Pakistan's commitment under Article 10.4 of the World Trade Organization's Trade Facilitation Agreement (TFA). The departments include Pakistan Customs, Department of Pl ... [Read More](#)

Pakistan refuses to abolish death penalty for GSP+

Tribune.com.pk (July 01, 2022)

ISLAMABAD: Pakistan has refused to ratify the "tough conditions" placed by the European Union (EU) including the abolition of death penalty for the extension of new Generalised Scheme of Preferences Plus (GSP+) status for 2024 due to "legal and political implications". Islamabad has decided to expedite engagement with the EU to seek some waiver regarding the ratification of new protocols. The GSP is an entrenched trade and development pol ... [Read More](#)

NA passes Budget as Pakistan inches towards IMF loan

The Nation (June 30, 2022)

ISLAMABAD – The National Assembly on Wednesday passed 'the finance bill 2022-23' with a majority of votes bringing the coalition government close to the revival of the IMF loan programme. Unlike stiff resistance by the opposition during the passage of finance bills, the government got the federal budget 2023 approved in the assembly claiming that it aimed to tax the rich and give relief to the poor. The government, in the finance bill, approved imposing a super tax between... [Read More](#)

Haste in enforcing riba ruling to add to financial issues: experts

The News (June 30, 2022)

KARACHI: Bankers and analysts fear that any haste to make Pakistan's banking and economic system riba-free to comply with the Federal Shariat Court's ruling might add to financial problems, though it could help the Islamic finance industry grow stronger. The Federal Shariat Court's (FSC) ruling declaring the current interest-based banking system against Shariah and ordering the government to transition to an interest-free economy was challenged on Saturday in the Supreme Court ... [Read More](#)

Current account deficit exceeds \$15bn mark in 11 months

The Dawn (June 29, 2022)

KARACHI: The current account deficit (CAD) sharply widened to \$15.2 billion in the first 11 months of the outgoing fiscal year compared to just \$1.183bn in the corresponding period last year. The State Bank of Pakistan's (SBP) latest data showed that the CAD was more than doubled when compared with \$618 million in April. The May deficit was even higher than March's \$1.015bn. The economy has been trapped by a soaring CAD and falling foreign exchange reserve... [Read More](#)

Bears hold sway for second consecutive day at PSX

Geo.tv (June 29, 2022)

KARACHI: The Pakistan Stock Exchange (PSX) has remained under pressure since yesterday due to profit-taking ahead of the financial year closing. The stock market opened in the green, however, it later succumbed to the selling pressure as the bears staged a comeback. The market closed in the red with a loss of over 400 points. At close, the benchmark KSE-100 index closed at 41,297.73 points with a loss of 467.89 points or 1.12%. According to Topline Securities, Pakistan equities witness ... [Read More](#)

A: Amendments to finance bill may be presented today

Business Recorder (June 28, 2022)

ISLAMABAD: The government is likely to present amendments to the Finance Bill 2022, in the National Assembly Tuesday (June 28) with additional taxation measures including the imposition of 10 percent supertax on 13 sectors/industries. Sources said that the amendments to the Finance Bill are still being given a final shape as the opposition member of the Senate Standing Committee on Finance has described the changes as a 'mini-budget'. Senator Mohsin ... [Read More](#)

Pakistan receives MEFP from IMF for 7th, 8th reviews

Profit.pakistantoday.com.pk (June 28, 2022)

ISLAMABAD: - Pakistan has received the Memorandum of Economics and Financial Policies (MEFP) from the International Monetary Fund (IMF). Finance minister Miftah Ismail tweeted "Early this morning, the Government of Pakistan has received an MEFP from the IMF for combined 7th and 8th reviews". The government was expecting that IMF would share the MEFP as PMLN led coalition government has met all the demands last week regarding increase in electricity tariff ... [Read More](#)

KSE-100 recovers from Friday's bloodbath

Geo.tv (June 27, 2022)

KARACHI: After a frantic trading day on Friday, Pakistani stocks recovered ground on Monday, with the benchmark KSE-100 index fluctuating in both directions before finishing up 2.01% to halt the pessimism in the market. On Friday, a bloodbath was witnessed at the benchmark KSE-100 index, as investor concerns over the imposition of super tax and delay in inflows from the International Monetary Fund (IMF) all came into play. The market took positive cues from the news ... [Read More](#)

US helped Pakistan in reaching IMF accord: sources

The News (June 27, 2022)

ISLAMABAD: Pakistan's request to the US in reaching deal with the International Monetary Fund (IMF) "helped" the country, however, there were no concessions in conditions set for the revival of the loan programme. Speaking to Geo News today, "Naya Pakistan" anchor Shahzad Iqbal said that according to his information Islamabad did get the benefit from reaching out to the US because IMF's attitude at that time was very strict and the Fund was putting harsh con... [Read More](#)

'Bangladesh has become role model for developing countries'

Business Recorder (June 26, 2022)

KARACHI: The Deputy High Commissioner of Bangladesh in Karachi Mahbubul Alam in his address under the auspices of QAHM, Institute of Nation Building, to the members of Board of Governors Karachi Council on Foreign Relations (KCFR) said that Bangladesh had become a role model for the developing countries. He said that Bangladesh's progress had been recognized by the United Nations for development and termed as a "remarkable success story." He added that 100 Specialised ... [Read More](#)

Finance Ministry says Pakistan-IMF deal to be sealed tomorrow

The Nation (June 26, 2022)

ISLAMABAD: The Pak-IMF deal providing Pakistan with the \$1 billion loans will be sealed by tomorrow as IMF plans to hand over Pakistan the economic and financial policy. According to the finance ministry, the International Monetary Fund (IMF) will hand over the economic and financial policy for the renewed deal providing an economic relief package to Pakistan. Finance Minister Mifta Ismail said in the NA session that although the country is rife with negative sentime... [Read More](#)

Govt plans to sell state units to foreign countries

Tribune.com.pk (June 25, 2022)

ISLAMABAD: The government on Friday decided to sell state-owned enterprises to foreign countries through negotiated deals instead of conducting transparent bidding and also ruled out the possibility of handing over management control of power distribution companies to the private sector. The decisions taken by the Cabinet Committee on Privatisation (CCOP) mark a departure from the privatisation path laid in an Act of parliament, which was aimed at ensuring maximum gains [Read More](#)

SBP gets \$2.3bn Chinese loan

The Dawn (June 25, 2022)

KARACHI: Finally, the government succeeded to get rollover the Chinese loan of \$2.3 billion and the State Bank of Pakistan (SBP) received the amount in its account on Friday. Finance Minister Miftah Ismail tweeted he was pleased to announce that Chinese Consortium loan of RMB15bn (roughly \$2.3bn) has been credited into SBP account, increasing foreign exchange reserves. With the inflows of \$2.3bn Chinese loan the total SBP reserves entered double digit to touch \$10.5bn. Earlier on April 1 ... [Read More](#)

PM Shehbaz slaps 10% 'super tax' on large-scale industries

Business Recorder (June 24, 2022)

ISLAMABAD: Prime Minister Shehbaz Sharif announced on Friday 10% poverty alleviation tax or super tax on large industries in his "bid to relieve the general public of tax pressures". "The collection from this tax will be used to alleviate poverty in Pakistan and will be funded by the high income earners," he said after a meeting with the government's economic team. The tax will be applicable on cement, steel, sugar, oil and gas, fertiliser, LNG, textile, banks, automobile, beverages, chemicals and ... [Read More](#)

Govt to levy 'super tax' on affluent class to reduce budget deficit: Miftah

Tribune.com.pk (June 24, 2022)

ISLAMABAD: Finance Minister Miftah Ismail has said the government has decided to levy a super tax on the affluent class to reduce the budget deficit in order to end reliance on foreign assistance and take the country towards economic sovereignty. Winding up discussion on the budget for the next fiscal year, he said individuals and companies earning Rs150 million will have to pay one per cent additional tax, two per cent additional tax on 200 million rupees income, three per cent on 250 ... [Read More](#)

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