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SHAHID LEGAL GROUP

SLD NEWS UPDATES

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News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

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Business & Finance » Taxes

APPELLATE TRIBUNAL DIRECTS FBR TO CREATE CONDUCTIVE ENVIRONMENT

Hamid Waleed Published about an hour ago

LAHORE: An appellate tribunal has directed the Federal Bureau of Revenue (FBR) to guide officers towards its mission and create an environment conducive to businesses.

It added that it is crucial to address the conduct of tax officials who misuse the national exchequer, which can lead to significant waste of taxpayers' money in futile litigation.

According to details, a non-resident UAE-based company filed income tax returns within the specified time frame and claimed refundable taxes for services, imports, banks, utilities, etc. However, the department initiated income tax audit proceedings, and after examining and analyzing the records and considering the relevant laws, a significant income tax demand was created against the company.

The department maintained that the taxpayer was filing returns under the incorrect assumption that WHT deducted at the import stage and for services was an adjustable/refundable income tax, whereas the same was final tax liability. It further pointed out that the taxpayer was not operating as an "industrial undertaking" but as a service provider, making WHT on services provided a final tax.

However, the taxpayer stressed that the department's stance was flimsy, biased, patently illegal, and vindictive.

The relevant appellate forum held that Section 170 in conjunction with Section 120 of the ITO allowed for refunds based on an assessment order issued by the commissioner on the day the return was furnished. If an amount was paid in excess of the chargeable tax determined in the assessment order, it can be claimed as a refund under subsection (1) of Section 170. Section 170 grants the commissioner the power to verify whether the claimed refund is supported by evidence but does not suggest that the Commissioner can question the correctness of a return that has attained the status of an assessment order by the fiction of law, it added.

It further maintained that the Commissioner cannot go beyond the assessment order while exercising jurisdiction under section 170 of the ITO. If the Commissioner believes the tax deducted should be treated as final tax, he should assume jurisdiction under Section 122 of the Ordinance by issuing a show cause, the forum stressed.

According to the forum, the refunding authorities are limited to verifying refund documents and ensuring tax payment to the federal treasure. They cannot discuss the taxpayer's business or determine whether the income is presumptive or whether WHT is final, adjustable, or minimum.

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REGISTERED PERSONS: COMMISSIONER IR AUTHORISED TO CONDUCT GST AUDIT

Sohail Sarfraz Published about an hour ago

ISLAMABAD: The Commissioner, Inland Revenue has been authorized to conduct sales tax audit of any registered person. The FBR has explained sales tax audit through a circular issued on Monday.

According to the FBR, in order to make the audit selection and procedure more effective, section 25 has been revamped. Under the amended section, the Commissioner on the basis of reasons to be recorded in writing, may direct the Officer of Inland Revenue, not below the rank of Assistant Commissioner to conduct audit of sales tax affairs of any registered person.

The Commissioner shall communicate the reasons of selection in audit through a notice to the registered person based upon the scrutiny of available record including sales tax and FED record, Income Tax returns, the withholding statements, financial statements or third-party information. These reasons shall not include mere verification of input tax, output tax, refund claims and compliance of legal provisions without identifying the risk factors.

The powers of the Commissioner to direct conduct of audit are independent of powers of the Board u/s 72B of the Sales Tax Act, 1990. The officer concerned shall conduct audit of the sales tax affairs based on the record and evidence obtained and other documents maintained or furnished.

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TAX REFUNDS TO LARGE TAXPAYER COMPANIES: FIA ISSUES ANOTHER NOTICE TO MEMBER IR (OPERATION)

Recorder Report Published August 5, 2024

ISLAMABAD: Federal Investigation Agency (FIA) has issued another notice to Mir Badshah Khan Wazir Member Inland Revenue (Operation) Federal Board of Revenue (FBR) to appear before the FIA in the matter of tax refunds to large taxpayer companies by the officials of Large Taxpayer Office (LTO) Lahore.

According to second notice issued by the FIA to the FBR Member, whereas, it appears that the Member is acquainted with the facts/circumstances of enquiry that is under probe under Federal Investigation Act, 1974 r/w Chapter-XIV of the Code of Criminal Procedure 1898.

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The notice said that the noted inquiry is under probe in this agency on the allegations of corruption, kickbacks bribery, corrupt practices, misconduct, illegal approval of tax refunds to large taxpayer companies etc. by the officers/officials of LTO Lahore

In this regard, FBR Member was called upon (in person through notices u/s 160 CrPC but the Member failed to appear on July 26, 2024. Therefore, the Member is once again called upon to appear in person) before the FIA Office, Anti-Corruption Circle, Lahore on August 5 (Monday) without fail, and explain his position, FIA notice said.

FBR Member is further required to bring original CNIC and the following record/Information in his possession or with respect to above said matter, so as to clarify his position vis a-vis probe

The record included summary of Large Taxpayer Companies of LTD Lahore in which refund have been issued; list of all moveable/Immoveable assets within Pakistan (Properties, Investments or accounts held directly or indirectly by him, his spouse or family and any other information/record pertaining to above said matter, FIA notice added.

It is pertinent to mention that FIA had summoned FBR officers, including Member IR Operations, in refund issued to large companies. The FBR Member had submitted a written reply to the first notice of the FIA.

In recent past, the FBR had suspended officers after speed money issue surfaced in this refund case.

Later, Lahore High Court (LHC) has barred FIA from taking coercive measures against the FBR officers who have been summoned in tax refund cases.

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FBR EXPANDS DEFINITION OF TAX FRAUD TO CLOSE LOOPHOLES

August 5, 2024

Karachi, August 5, 2024 – In a decisive move to combat tax evasion and bolster revenue integrity, the Federal Board of Revenue (FBR) has significantly broadened the definition of sales tax fraud.

Announced through Circular No. 3 of Sales Tax on Monday, the updated guidelines under the Finance Act, 2024, bring numerous acts and omissions into the ambit of tax fraud.

The newly defined parameters are aimed at tightening controls and ensuring that all forms of tax evasion are addressed effectively. According to the FBR, the revised definition now encompasses a wide range of fraudulent activities, reflecting a more comprehensive approach to curbing tax malpractices.

Under the updated regulations, the definition of tax fraud includes:

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- **Suppression of Taxable Sales/Receipts:** Deliberately not reporting or underreporting sales or receipts to evade tax liabilities.
- **False Claims of Input Tax Credit:** Illegitimately claiming tax credits for inputs not genuinely received or used.
- **Uninvoiced Supply of Taxable Goods:** Providing taxable goods without issuing a tax invoice, undermining tax collection mechanisms.
- **Issuance of False Tax Invoices:** Issuing invoices without actual goods supply to wrongfully claim input tax credits or refunds.
- **Evasion through Undue Input Tax Credit:** Engaging in practices to wrongfully obtain tax credits or refunds by other means.
- **Delayed Tax Deposits:** Failing to deposit collected taxes within three months of the due payment date.
- **Creation of False Records:** Generating or using fake financial records or documents to evade taxes or claim inadmissible refunds, using various methods.
- **Tampering with Evidence:** Altering or destroying documents and evidence necessary for tax compliance.
- **Dealing with Confiscatable Goods:** Handling goods that are subject to confiscation under tax laws.
- **Unregistered Taxable Supplies:** Making taxable supplies without appropriate sales tax registration.
- **Intentional Tax Losses:** Engaging in actions specifically designed to cause a loss of tax revenue.

The FBR has made it clear that these acts or omissions will be deemed intentional unless the accused can prove otherwise. This shift places the burden of proof on individuals to demonstrate that their actions were not intended to commit tax fraud.

The expanded definition reflects the FBR's commitment to a more rigorous enforcement of tax laws and is expected to enhance the agency's ability to detect and penalize fraudulent activities. By addressing a broader spectrum of tax fraud scenarios, the FBR aims to protect public revenue and ensure a fair tax system.

The enhanced measures are part of the FBR's broader strategy to modernize tax administration and address persistent issues of evasion and non-compliance. As these changes take effect, businesses and individuals alike will need to adapt to the stricter regulatory environment and ensure that their tax practices are fully compliant with the new standards.

FBR ROLLS OUT MAJOR REFORMS FOR SUPPLY CHAIN DIGITIZATION

August 5, 2024

Karachi, August 5, 2024 – In a significant move to modernize and streamline the tax system, the Federal Board of Revenue (FBR) has unveiled new provisions aimed at digitizing the supply chain. Announced on Monday, these changes are part of the Sales Tax Act, 1990, and come in the wake of the Finance Act, 2024.

The FBR's Circular No. 3, issued today, outlines the key updates introduced under the recent Finance Act. These reforms are designed to enhance efficiency and compliance within the tax framework by leveraging digital technology.

One of the major changes is the introduction of the term 'Licensed Integrator,' defined under a new clause (15A) in Section 2 of the Sales Tax Act. A Licensed Integrator is essentially an entity authorized by the FBR to provide electronic invoicing systems. These systems are crucial for integrating registered persons, ensuring that all transactions are processed in a standardized, electronic format.

In conjunction with this, a new provision, serial No.25AA, has been added to Section 33 of the Act. This new addition outlines penalties for Licensed Integrators who fail to meet integration requirements. This move underscores the FBR's commitment to enforcing compliance and maintaining the integrity of the digitization process.

Additionally, Section 23 of the Sales Tax Act has been revised to mandate that certain registered persons issue electronic invoices. This requirement will be subject to conditions and restrictions as set by the FBR. This change aims to ensure that all relevant transactions are captured electronically, reducing the scope for errors and fraud.

Further reforms include the addition of new sub-sections (4) and (5) to Section 40C of the Sales Tax Act. These amendments grant the FBR the authority to require specific individuals or classes of individuals to integrate their electronic invoicing systems with the FBR's Computerized System. This integration will facilitate real-time reporting of sales, enhancing transparency and efficiency in tax reporting.

The FBR's latest reforms are expected to have a transformative impact on the tax landscape, making it easier to track and manage transactions while reducing manual processing errors. As businesses adapt to these new requirements, the aim is to foster a more transparent and efficient tax system that benefits all stakeholders involved.

The FBR's proactive approach to supply chain digitization marks a significant step forward in modernizing Pakistan's tax administration, aligning it with global standards and improving overall economic efficiency.

FBR ANNOUNCES SURGE IN ACTIVE TAXPAYERS TO 5.23 MILLION

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August 5, 2024

Karachi, August 5, 2024 – The Federal Board of Revenue (FBR) has announced a significant increase in the number of active taxpayers in Pakistan, reaching 5.23 million for the tax year 2023.

This surge reflects the success of recent initiatives aimed at broadening the tax base.

According to official data released on Monday, the number of active taxpayers has risen sharply from 3.35 million at the launch of the Active Taxpayers List (ATL) on March 1, 2024. The latest update, based on income tax returns filed up to August 4, 2024, highlights a remarkable increase of 1.88 million active taxpayers over the past five months.

FBR officials attribute this rise to stringent measures implemented under the new Budget 2024, which have effectively encouraged non-compliant taxpayers to fulfill their tax obligations. “The significant growth in active taxpayers is a clear indicator of the effectiveness of our recent strategies and reforms,” an FBR source stated. “Our efforts to expand the tax net and improve compliance are yielding positive results.”

The FBR has been updating the ATL on a weekly basis, and the current numbers reflect ongoing efforts to enhance tax collection and compliance. The government aims to boost the number of active taxpayers to 10 million, which would help widen the tax net and improve the tax-to-GDP ratio. This ambitious goal underscores the government’s commitment to enhancing fiscal responsibility and economic stability.

Looking ahead, the FBR anticipates that the number of active taxpayers for the tax year 2024 will see further growth, thanks to recent changes in the income tax statute. These changes include increased penalties for non-filers and late filers, which are expected to incentivize more individuals and businesses to comply with tax regulations.

The deadline for filing income tax returns for the tax year 2024 is September 30, 2024. The FBR encourages all taxpayers to file their returns by this date to avoid penalties and contribute to the country’s economic development.

Overall, the surge in active taxpayers is a promising development for Pakistan’s tax system, reflecting both the effectiveness of recent reforms and the increasing willingness of citizens to meet their tax obligations. The FBR continues to work towards expanding the tax base and improving fiscal transparency, with the goal of strengthening the nation’s financial foundation.

Markets » Cotton & Textile

COTTON SPOT RATES

KARACHI: official KCA spot rates for local dealings in Pakistan rupees on Monday, (August 05, 2024)...

Recorder Report Published about an hour ago

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KARACHI: official KCA spot rates for local dealings in Pakistan rupees on Monday, (August 05, 2024)

The kca official spot rate for local dealings in Pakistan rupees

For base grade 3 staple length 1-1/16"
Micronaire value between 3.8 to 4.9 ncl

Rate	Ex-gin for	Upcountry price	Spot rate Ex-Karachi	Spot rate ex. Khi. as on 03-08-2024	Difference Ex-karachi
37.324 KG Equivalent	17,800	235	18,035	17,835	+200/-
40 KGS	19,076	252	19,328	19,114	+214/-

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SPOT RATE GAINS RS200 PER MAUND

Recorder Report Published about an hour ago

LAHORE: The Spot Rate Committee of the Karachi Cotton Association (KCA) on Monday increased the spot rate by Rs 200 per maund and closed it at Rs 17,800 per maund.

The local cotton market remained bullish and the trading volume remained low because the arrival of the Phutti is very slow because of rains.

Naseem Usman told Business Recorder that the rate of cotton in Sindh is in between Rs 17,600 to Rs 17,900 per maund. The rate of Phutti in Sindh is in between Rs 6,700 to Rs 7,300 per 40 kg.

The rate of cotton in Punjab is in between Rs 17,300 to Rs 18,000 per maund. The rate of Phutti in Punjab is in between Rs 7,400 to Rs 8,400 per 40 kg.

The rate of cotton in Balochistan is in between Rs 17,000 to Rs 17,300 per maund. The rate of Phutti in Balochistan is in between Rs 6,800 to Rs 7,400 per 40 kg.

Around, 200 bales of Tando Adam were sold in between Rs 17,700 to Rs 18,000 per maund, 400 bales of Fort Abbas were sold at RS 18,500 per maund and 400 bales of Khanewal were sold at Rs 18,350 per maund.

The Spot Rate Committee of the Karachi Cotton Association increased the spot rate by Rs 200 per maund and closed it at Rs 17,800 per maund. Polyester Fiber was available at Rs 375 per kg.

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Business & Finance » Money & Banking

INDIAN RUPEE ENDS AT RECORD LOW

Reuters Published about an hour ago

MUMBAI: The Indian rupee closed at its weakest level on record on Monday pressured by likely outflows from local equities and the unwinding of carry trades as fears of an economic slowdown in the United States roiled markets.

The rupee ended at its all-time low of 83.8450, down 0.1% from its close at 83.8025 in the previous session.

Benchmark Indian equity indices, the BSE Sensex and the Nifty 50, closed lower by about 2.7% each, their worst single day decline in over two months.

Aggressive dollar bids from foreign banks, likely on behalf of custodial clients, pressured the rupee through the day's session, a foreign exchange trader at a state-run bank said.

But intervention from the Reserve Bank of India helped limit the rupee's losses, traders said.

The RBI "for now is protecting (the rupee) near 83.85 levels but it's quite likely that it moves to 84 this week if the pressure continues," a trader at a foreign bank said.

The dollar index fell about 0.5% to 102.6, its lowest since March, while Asian currencies were up 0.1% to 1.7% with the offshore Chinese yuan touching its strongest level since January.

DOLLAR DOWN AS US RATE CUT BETS RISE

Reuters Published about an hour ago

NEW YORK: The US dollar sank to a near 7-month low against a basket of peers on Monday, and sold off sharply against the euro and the Japanese yen, as a slew of economic data last week raised the prospect of a US economic downturn and bigger rate cuts from the Federal Reserve.

The dollar index, which tracks the US currency against a basket of six others, was down 0.7% to 102.39, after sinking as low as 102.15, its weakest since January 12.

The euro was up 0.5% to \$1.0968, after rising as high as \$1.1009, its strongest since January 2. Against the yen, the dollar fell 2.3% to 143.13, close to the weakest level for the year.

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Weaker-than-expected US jobs data, along with disappointing earnings reports from large technology firms and heightened concerns over the Chinese economy, have sparked a global sell-off in stocks, oil and high-yielding currencies in the past week as investors sought the safety of cash.

The selling continued on Monday, with US Treasury yields falling further, stock indexes in the red, bitcoin dumped and the dollar losing ground.

“As traders continue to pile into bets that the Fed is going to ease a very large amount more this year than thought even as recently as Wednesday, USD is taking a bit of a beating with a couple notable exceptions,” Helen Given, FX trader at Monex USA in Washington, said.

“Friday’s NFP report was a bit of a shock to the global system and markets are very worried that the US may no longer be a viable driver of global growth,” she said.

Treasury yields have been falling sharply since last week, when the Federal Reserve kept the policy rate in its current 5.25% to 5.50% range while Chair Jerome Powell opened the possibility of a rate cut in September.

But by Friday, after data showed the unemployment rate had jumped, expectations for rate cuts rose.

The Japanese yen’s surge comes as traders aggressively unwound carry trades. So-called carry trades, where investors borrow in money from economies with low interest rates such as Japan or Switzerland to fund investments in higher-yielding assets elsewhere, have been popular in recent years.

On Monday, Fed fund futures reflected traders pricing a near 100% chance of a 50 basis point cut at the central bank’s September meeting, according to CME FedWatch. Futures imply 127 basis points of cuts this year, LSEG data showed.

“The Japanese equity selloff during Asian trading spooked markets in a big way, coupled with the Yen’s resurgence, and we may be seeing the so-called ‘panic spiral’ that many have been concerned about,” Monex’s Given said.

Meanwhile, the Swiss franc, another popular carry trade funding currency, was about 1% higher at 0.8499 to the dollar. The franc, a traditional safe haven, was also trading at a seven-month high.

“(It) all seems a significant over-reaction to one weak jobs report, particularly when we know that the FOMC shan’t over react from a policy perspective,” Michael Brown, market analyst at Pepperstone in London, said.

The dollar found some relief against the British pound as the marked deterioration in global investor risk sentiment sapped demand for riskier currencies.

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The depreciation of Mexico's peso extended into its third day on Monday, and the US dollar rose 1.9% to 19.53 pesos, on investor risk aversion.

In cryptocurrencies, bitcoin and ether plunged on Monday to multi-month lows as investors a rushed out of risky assets. Bitcoin was down 14% to \$54,078, heading for its largest one-day fall since November 2022. Ether was down slid as much as 21% to its lowest since January.

ASIAN CURRENCIES: RINGGIT UP 2.3PC, HIGHEST SINCE APRIL 2023

Reuters Published about an hour ago

BENGALURU: Asian equities plunged to multi-year lows on Monday as investors rushed out of risky assets and into safe-haven bonds on fears the Federal Reserve's protracted fight against inflation may have tipped the United States into a recession.

Bleak US economic data last week triggered worries about whether the US Federal Reserve will be able to engineer a soft landing for the world's largest economy, and if more aggressive rate cuts would be needed to stave off a slowdown.

Coupled with rising tensions in the Middle East and worries over tech earnings, the ongoing sell-off in equities amplified with tech-heavy benchmarks like Taiwan and South Korea plunging around 8% each.

Taiwan stocks are now down around 18% since their all-time high in mid-July but were still up more than 11% since the start of the year. South Korean shares, which ended last week marginally in the black over the year, are now 6% in the red territory.

"What we are looking at now is a situation where the market is viewing what's going on in the US macro economy as ticking the recession box," Robert Carnell, regional head of research, Asia-Pacific at ING, said.

"It's all flicked from being inflation falling fast enough and the Fed easing in September, to the economy is perhaps hurtling off the rails and the Fed not going to be able to do enough to stop that from getting worse."

MSCI's broadest gauge of Asia-Pacific equities outside of Japan fell 3% to mark its worst day since mid-June 2022.

An index of Asian emerging markets equities, in which Taiwan holds nearly a quarter of weightage, lost 3% to hit an over three-month low.

Yields on the regional bonds eased sharply, with those on the 10-year notes in India falling to its lowest level since March 2022. Yields in Indonesia also slipped to their lowest since mid-May.

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In Southeast Asia, the Singaporean benchmark declined as much as 3.6% to mark its worst day in more than two years, while stocks in Indonesia, Thailand and the Philippines lost between 2% and 3%.

Currencies in the region leapt higher as the dollar weakened on rising bets of deeper rate cuts by the Fed.

The Malaysian ringgit soared 2.3% to its highest since late April last year, marking its best day since January 2016, while the usually tepid Singapore dollar jumped 0.4% to trade at its highest level this year so far.

Regarding the ringgit, analysts at Maybank wrote “there is more positive idiosyncratic optimism towards the MYR amid the government reforms, better than expected growth and more foreign investor interest”.

The Indonesian rupiah advanced 0.4% to a nearly three-week high while the stocks shed 2%, largely unchanged from earlier in the day after data showed annual economic growth held just above 5% in the June quarter.

Elsewhere, the Philippine peso and Thai baht added around 0.4% each, while the Indian rupee was slightly lower. China’s yuan jumped as much as 0.8% to highest level since the start of the year.

RUPEE FALLS 13 PAISAS AMID RISING DOLLAR DEMAND FOR IMPORTS

August 5, 2024

Karachi, August 5, 2024 – The Pakistani Rupee experienced a decline of 13 paisas against the US Dollar on Monday, closing at PKR 278.63 compared to PKR 278.50 at the end of last week.

This depreciation is attributed to increased demand for foreign currency driven by import requirements and corporate payments.

Currency experts noted that such movements are common at the start of the week due to heightened demand for dollars. “Typically, the rupee faces pressure on Mondays as companies and importers settle their foreign currency needs,” said Rizwan Ahmed, a forex analyst. “This week’s decline is consistent with these usual patterns.”

Despite the dip, the long-term outlook for the rupee remains optimistic, bolstered by recent improvements in the country’s foreign exchange reserves. The official reserves held by the State Bank of Pakistan (SBP) increased by \$75 million, reaching \$9.102 billion as of July 26, 2024, up from \$9.027 billion the previous week. This rise reflects the central bank’s ongoing efforts to stabilize the economy amidst global and domestic financial pressures.

Additionally, data from the Pakistan Bureau of Statistics (PBS) highlighted a decrease in the trade deficit for July 2024. The deficit fell by 19.05% to \$1.95 billion from \$2.41 billion in June.

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This improvement was partly due to a significant reduction in import costs, which dropped by 14.27% to \$4.26 billion in July from \$4.96 billion the month before. However, exports also saw a decline of around 10%, decreasing to \$2.31 billion from \$2.56 billion.

“While the drop in exports is a concern, the reduction in import bills has provided some relief to the rupee,” explained Dr. Farhan Malik, an economist at a local think tank. “The narrowing of the trade deficit is a positive development, helping to alleviate pressure on the currency.”

Looking forward, the rupee’s stability is expected to benefit from anticipated inflows under the International Monetary Fund (IMF) loan program, which could further bolster foreign reserves and provide additional support to the currency.

Overall, while the rupee’s short-term depreciation reflects immediate market pressures, the combination of improved reserves and reduced trade deficits offers a more favorable outlook for the currency in the near future.

Stock & Commodity

GOLD AND SILVER PRICES IN PAKISTAN ON AUGUST 6, 2024

August 6, 2024

The latest prices for gold and silver in Pakistan, as of 2:05 AM on August 5, 2024, have been updated and are as follows, along with the previous closing prices in the bullion market:

- Gold 24 Karat is currently priced at Rs 256,500 per Tola
- Gold 24 Karat is available at Rs 219,907 per 10 grams
- Gold 22 Karat is being sold at Rs 201,582 per 10 grams
- In the international market, the price of Gold stands at \$2,427 an ounce

As for silver on August 6, 2024:

- Silver 24 Karat is priced at Rs 2,900.00 per Tola
- Silver 24 Karat is currently available at Rs 2,486.28 per 10 grams
- In the international market, the price of Silver is at \$28.07 an ounce

Investors and individuals interested in the precious metals market should be aware that these prices are indicative and can fluctuate over time. The website providing these rates emphasizes that it cannot be held responsible for any errors. Therefore, it is highly recommended that investors exercise caution and seek professional advice before making any investment decisions.

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Gold and silver have historically been seen as attractive investment options, particularly during times of market volatility and economic uncertainty. However, it's crucial to note that these investments carry inherent risks and are subject to market fluctuations. As such, investors are urged to stay well-informed, conduct thorough research, and make investment decisions that align with their investment objectives and risk tolerance.

The prices of gold and silver often respond to various economic and geopolitical factors, including inflation, interest rates, currency fluctuations, and global events. As these influences are constantly changing, staying updated on the precious metals market is essential for those looking to invest in gold and silver. In Pakistan and across the globe, the world of precious metals continues to be of great interest to investors and individuals alike.

SCHWAB, FIDELITY, OTHER ONLINE BROKERAGES FACE DISRUPTION ON FRENETIC TRADING DAY

Reuters Published about an hour ago

BENGALURU: Online services at brokerages Charles Schwab and Fidelity Investments faced an outage on Monday, frustrating investors looking to trade on a day when many dumped anything risky from stocks to crypto on fears of a U.S. recession.

Some users were having problems logging into their accounts, the trading apps confirmed, without elaborating.

Wall Street's main indexes plunged on Monday as weak economic data, drab second-quarter earnings from technology majors, and geopolitical tensions revived concerns about a recession and dampened hopes of a soft landing.

Bouts of extreme market volatility can sometimes trigger such technical problems, which also raise questions about the capacity of brokerages to handle high volumes.

Fidelity later said it had resolved the issue.

WALL STREET PLUNGES AS US RECESSION FEARS HURT RISK APPETITE

Reuters Published about an hour ago

NEW YORK: Wall Street's main indexes slumped on Monday as risk appetite among investors dropped on fears of a US recession following weak economic data last week, sending tremors across global markets.

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Market worries eased a bit as the day progressed and stocks pared losses after data showed US services sector activity in July rebounded from a four-year low amid a rise in orders and employment.

Traders attributed some weakness in stocks also to unwinding of sharp positions of carry trades, where investors borrow money from economies with low interest rates such as Japan or Switzerland to fund their bets in high-yielding assets elsewhere.

The so-called Magnificent Seven group of stocks - the main driver for the indexes hitting record highs this year - were set to lose a combined \$650 billion in market value.

Apple fell 3.9% after Berkshire Hathaway halved its stake in the iPhone maker, in a sign that billionaire investor Warren Buffett is growing wary about the broader US economy or lofty stock market valuations.

Nvidia slid 6.1%, while Microsoft and Alphabet fell about 3% each.

“A 5%+ stock market correction is not unusual given the 15% return in the first half and the balanced risks in this late-stage economic cycle,” said Jason Pride and Michael Reynolds at Glenmede.

“Investors should actively rebalance portfolios back to long-term policies and closely monitor risks that could tip the US toward recession.”

At 11:30 a.m. ET, the Dow Jones Industrial Average was down 863.70 points, or 2.17%, at 38,873.56, the S&P 500 was down 129.55 points, or 2.42%, at 5,217.01, and the Nasdaq Composite was down 465.25 points, or 2.77%, at 16,310.92.

A weak jobs report and shrinking manufacturing activity in the world’s largest economy, coupled with dismal forecasts from the big US technology companies, pushed the Nasdaq 100 and the Nasdaq Composite into a correction last week.

The disappointing jobs data also triggered what is known as the “Sahm Rule”, seen by many as a historically accurate recession indicator.

Traders now see an 92.5% probability that the US central bank will cut benchmark rates by 50 basis points in September, compared with an 11% chance seen last week, according to CME’s FedWatch Tool.

Chicago Fed President Austan Goolsbee downplayed recession fears, but said Fed officials need to be cognizant of changes in the environment to avoid being too restrictive with interest rates.

The CBOE Volatility index, also known as Wall Street’s “fear gauge”, breached its long-term average level of 20 points last week and was now at 72.94.

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US Treasury yields tumbled to their lowest in a year and a closely watched gap between two- and 10-year Treasury notes turned positive for the first time since July 2022, usually indicating the economy is heading into a downturn.

STOXX 600 HITS SIX-MONTH LOW IN GLOBAL ROUT ON US RECESSION FEARS

Reuters Published about an hour ago

PARIS: The main European stocks index hit its lowest in over six months on Monday as fears of a slowdown in the world's largest economy knocked equities globally, with energy and utility stocks at the forefront of a broad-based market slide.

The STOXX 600 closed 2.2% lower, but off the day's low. The continent-wide index logged its steepest three-day decline since June 2022, closing below the key 500-point mark for a second day.

The "fear gauge" Euro STOXX volatility index hit its highest level since March 2022, reflecting a sharp rise in investor anxiety.

Risk-off sentiment prevailed on fears that the United States could tip into recession, sharply hitting Wall Street and equity markets elsewhere, and steering hopes of interest rate cuts to stimulate economic growth.

However, news of a rebound in US services sector in July offered some relief to investors, helping US and European stocks pare some of the day's losses.

Among major European bourses, Germany's DAX, France's CAC 40, Britain's FTSE and Spain's IBEX 35 fell between 1.4%-2.3%, hitting multi-month lows intraday.

"Traders were already concerned over the global demand growth outlook," said David Morrison, senior market analyst at Trade Nation. "Add this (higher likelihood of US slowdown), with the economic uncertainty over China and Europe, can only suggest weaker demand for oil and other energy products going forward." Economic concerns back home were also underscored by euro zone business activity growth stalling last month.

Traders now see a 78% chance of a 50-basis-point Federal Reserve rate cut in September, while bets of a second cut by the European Central Bank stand at 88%, according to LSEG data.

In a bruising session for all the European sectors, energy hit a six-month low, tracking lower oil prices, while utilities touched an over one-month low. Banks also tumbled to a four-month low on US recession fears.

Meanwhile, technology and chemicals were some of the least hit sectors, although down around 1% each.

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Among single movers, Europe's largest copper producer Aurubis slumped 12% after a third-quarter pre-tax profit miss.

On the flip side, Infineon rose 1.3% following job cut plans, while OCI jumped 13% on plans to sell its Clean Ammonia project in Texas to Woodside Energy for \$2.35 billion.

Galderma rose 1.3% after L'Oreal said it would acquire a 10% stake in the Swiss skincare firm.

CHINA STOCKS TRACK GLOBAL PEERS LOWER ON US RECESSION FEARS

Reuters Published about an hour ago

SHANGHAI: China stocks closed lower on Monday, tracking global markets, as fears of a US recession sent investors fleeing from risk even after data showed growth in China's services activity accelerated in July.

Investors globally rushed into safer bonds after bleak US economic data triggered worries about whether the Federal Reserve will be able to engineer a soft landing and whether it requires more aggressive interest rate cuts to stave off a slowdown in the world's largest economy.

Meanwhile, in China, the world's second-largest economy, growth in the services activity accelerated in July, helped by new orders, although momentum in overseas demand eased to its slowest in 11 months, a private-sector survey showed on Monday.

The Caixin/S&P Global services purchasing managers' index (PMI) rose to 52.1 from 51.2 in June, pointing to expansion for the 19th straight month.

Still, China grew much more slowly than expected in the second quarter and faces deflationary pressures and a protracted property slump, with retail sales growth in June grinding to its weakest pace since early 2023.

At the close, the Shanghai Composite index was down 1.54% at 2,860.70.

The blue-chip CSI300 index was down 1.21%, with its financial sector sub-index lower by 0.48%, the consumer staples sector up 1.32%, the real estate index up 0.01% and the healthcare sub-index down 0.26%.

The smaller Shenzhen index ended down 2.08% and the start-up board ChiNext Composite index was weaker by 1.893%.

At the close of trade, the Hang Seng index was down 247.15 points or 1.46% at 16,698.36. The Hang Seng China Enterprises index fell 1.64% to 5,876.64.

The sub-index of the Hang Seng tracking energy shares dipped 4.9%, while the IT sector dipped 0.68%, the financial sector ended 2.12% lower and the property sector rose 2.18%.

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Around the region, MSCI's Asia ex-Japan stock index was weaker by 4.18%, while Japan's Nikkei index closed down 12.4%.

MIDDLE EASTERN STOCKS SLUMP ON US RECESSION FEARS

Reuters Published about an hour ago

DUBAI: Stock markets in the Middle East ended lower on Monday, with the Dubai index falling most, on fears that the United States could be heading for recession, while concerns about a widening conflict in the region added to the worries.

The US unemployment rate jumped to near a three-year high of 4.3% in July amid a significant slowdown in hiring, heightening fears the labour market was deteriorating and potentially making the economy vulnerable to a recession.

The worryingly weak July payrolls report saw markets price in a 78% chance the Federal Reserve will not only cut rates in September, but ease by a full 50 basis points. Dubai's main share index plunged 4.5%, its biggest intraday fall since May 2022, dragged down by a 7.6% slide in blue-chip developer Emaar Properties.

The concerns that the Fed could be late in reducing its interest rates could reverberate in all financial markets, said Bas Kooijman CEO and asset manager of DHF Capital S.A.

"A recession in the US could have a broad economic impact and could affect the economies in the GCC."

In Abu Dhabi, the index closed 3.4% lower, hit by a 7.3% decline in the country's biggest lender First Abu Dhabi Bank.

Meanwhile, the United Arab Emirates' non-oil private sector expanded at its slowest pace in almost three years in July, a survey showed on Monday, with both output and new order growth easing.

PAKISTAN STOCKS PLUNGE 1,141 POINTS AMID GLOBAL DOWNTURN

August 5, 2024

Karachi, August 5, 2024 – The Pakistan stocks experienced a significant drop on Monday, with the benchmark KSE-100 index falling by 1,141 points.

This decline comes as a result of negative trends observed in global financial markets.

The KSE-100 index closed at 77,085 points, down from Friday's closing of 78,226 points. The sharp drop represents a 1.46% decrease in the index, highlighting the volatility and susceptibility of the local market to international financial fluctuations.

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Analysts at Topline Securities Limited pointed to the global downturn as the primary cause of today's market plunge. "The Pakistan stocks has mirrored the global downtrend, with significant declines across various sectors," said a senior analyst. "The KSE-100 index saw a fluctuation range between a high of 78,330 and a low of 76,943 points during the session."

The sell-off was broad-based at Pakistan stocks, impacting several key sectors. Notably, the Power, Exploration & Production (E&P), IT, and Banking sectors experienced substantial declines. Major contributors to the market drop included companies such as HUBC, HBL, POL, SYS, and BAML, which collectively accounted for a 484-point decline in the index.

Trading activity on the Pakistan stocks was also notably high, with 500 million shares changing hands, valued at Rs 21 billion. KOSM emerged as the most actively traded stock of the day, with over 86 million shares exchanged.

The global financial markets have been under pressure due to a combination of factors including economic uncertainties, geopolitical tensions, and changes in global trade policies. These global influences have created a ripple effect, impacting stock exchanges worldwide, including Pakistan.

The local market's reaction underscores its interconnectedness with international financial trends. Investors and analysts will be closely watching for any signs of stabilization or further decline in global markets, as these factors will continue to influence Pakistan's stock performance in the near term.

Despite the current downturn, market participants remain hopeful for a rebound, contingent on improvements in global economic conditions and investor sentiment. The PSX and its stakeholders are expected to closely monitor these developments and adjust their strategies accordingly.

GOLD PRICES FALL BY RS 300 IN KARACHI MARKETS AMID GLOBAL DECLINE

August 5, 2024

Karachi, August 5, 2024 – Gold prices in Karachi experienced a notable drop of Rs 300 today, reflecting a broader trend of decline in the international gold markets.

The 24-karat gold per tola, a key measure of gold pricing in Pakistan, closed at Rs 256,500, down from last Saturday's closing price of Rs 256,300.

Similarly, the 24-karat gold per 10 grams saw a decrease of Rs 258, finishing the day at Rs 219,907, compared to Rs 220,165 previously. This reduction in local gold prices is attributed primarily to a downturn in the global gold markets, where gold prices fell significantly.

In the international arena, gold prices dropped by \$16 per ounce, closing at \$2,427. This decline follows a previous closing price of \$2,443 per ounce. Analysts and market experts have pointed

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to several factors influencing this decrease, including shifts in investor sentiment and changes in macroeconomic conditions.

According to local bullion market analysts, the drop in global gold prices has directly impacted domestic pricing. “The decrease in international gold prices has created a ripple effect in local markets,” said Ahmed Khan, a senior analyst at Karachi’s Bullion Exchange. “When global prices fall, it naturally leads to a corresponding decline in local prices, as seen today.”

Gold has long been a valuable asset for investors and consumers alike in Karachi, with fluctuations in its price often reflecting broader economic trends and uncertainties. The recent fall in prices might provide some relief to buyers, but it also underscores the volatility of the precious metal’s market.

Market watchers are keeping a close eye on global economic indicators and geopolitical developments that could influence gold prices in the coming weeks. As of now, the drop in prices is being seen as part of a larger trend rather than an isolated event.

In the interim, gold investors and consumers in Karachi are advised to stay informed about market trends and to consider the broader economic context when making decisions related to gold trading or purchases.

Business & Finance » Industry

2,864 NEW COS REGISTERED IN JULY

Recorder Report Published about an hour ago

ISLAMABAD: The Securities and Exchange Commission of Pakistan (SECP) registered 2,864 new companies in July 2024 with incorporation of 471 information technology companies.

According to an announcement of the SECP on Monday, this reflected an increase of 25% from the corresponding month last year and marked the highest number of companies ever registered in a month. The total number of registered companies now stands at 225,561.

About 58% of companies incorporated in July, 2024 were registered as private limited companies, 39% as single-member companies, and the remaining 39% as public unlisted companies, not-for-profit associations, trade organisations, and limited liability partnerships. As much as 99.8% of companies were registered online.

The information technology sector took the lead with incorporation of 471 companies, trading with 364 companies, services with 362, real estate development & construction with 284, tourism with 164, food & beverages with 139, ecommerce with 120, education with 111, textile with 65, marketing & advertisement with 64, corporate agricultural farming with 63, chemical with 53, healthcare, and power generation 51 each.

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Furthermore, cosmetics & toiletries, mining & quarrying with 47 each, fuel & energy with 46, engineering with 43, pharmaceutical with 40, transport with 32, auto & allied with 27, communications with 23, cables & electric goods with 22, arts & culture with 18, paper & board, and sports-allied with 17 each, logging with 16, and 107 companies were registered in other sectors.

Foreign investment has been reported in 86 new companies mainly by foreign investors from Afghanistan, Antigua and Barbuda, Australia, Azerbaijan, Canada, China, Germany, Greece, Iraq, Italy, The Netherlands, Poland, Qatar, Russia, Sri Lanka, Turkey, UK, US and Zambia. The major chunk of investment was received from China's investment in 64 companies, whereas Turkey invested in 03, Afghanistan, and UK in 2 each and remaining countries in 01 each.

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COUNTRY FACES SIGNIFICANT INSURANCE PROTECTION CHALLENGES: SECP

Sohail Sarfraz Published about an hour ago

ISLAMABAD: Securities and Exchange Commission of Pakistan (SECP) has warned that Pakistan is facing significant insurance protection challenges to increase insurance coverage for its essential assets, population and infrastructure.

A new report of the SECP on 'reinsurance-flood impact' revealed that climate change remained a bigger threat to Pakistan with floods in 2022, affecting 33 million people and submerging a third of the country. This disaster killed 1,700 people displacing 7.9 million people, and resulting in infrastructure damage and economic losses of US\$30 billion.

Due to these events, the global reinsurance cycle is in the period of hardening where reinsurance markets are contracting, premium rates are increasing, underwriting and claims terms and conditions are tightening. Coupled with increasing value of US dollar against Pakistani rupee, inflationary impacts and economic uncertainty, Pakistan faces significant insurance protection challenges in this regard.

The report said that objectives of risk retention within the country, local insurance industry capacity development and improved risk management in the backdrop of climate change events can be achieved via formation of Insurance Pools by adopting international best practices. An insurance pool is a type of structure or arrangement that allows insurance companies to pool their resources to share risks.

This can be helpful for insurance companies who want to offer coverage for a particular type of risk that they would not be able to cover on their own.

The government can make more efficient use of resources and enhancing capacity within the local insurance industry by converting the existing loan insurance scheme into a broad-based co-insurance pool structure. Subsequently, its scope can be enhanced to transform it into a disaster

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risk insurance pool providing national-level disaster risk insurance for crop, livestock, disasters, and micro-insurance. The pool formation may be considered for implementation of motor third-party liability insurance, and flood/ disaster support handouts made by the government whenever a disaster strikes, the report added.

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Technology

PTA TO REVISE RADIO FREQUENCY SPECTRUM, LICENCE FEE FOR RBS

Tahir Amin Published about an hour ago

ISLAMABAD: The Pakistan Telecommunication Authority (PTA) has decided to revise radio frequency spectrum and licence fee for the Radio Based Services (RBS) to cover the gaps between charges and administrative costs of managing licences as well as spectrum.

The PTA stated that the existing radio frequency spectrum and licence fee for RBS were implemented back in 2000 and no revision has been made since then. The revision in charges has been carried out in order to cover the gaps between RBS charges and administrative costs of managing licences as well as spectrum that have been ever increasing for the past 24 years.

The accumulative average inflation rate during the period is approximately 700 percent. Moreover, the value of services being provided through RBS licences and authorisations has also increased manifolds with advancement in technology and requirement of modern-day communication systems. Therefore, a revision of the rates is imperative.

The proposed revision has been carried out in the light of best international practices and with the aim to simplify the calculation of frequency charges making it independent of the terminal equipment such as mobile stations and walkie/talkies.

Moreover, instead of increasing the rates in a single step to bridge the gaps, a phased approach will be adopted through periodic revision in consultation with the stakeholders. The present revision would therefore be applicable for 3-5 year time. Following two type of mechanisms have been devised for the proposed rates: Following flat rates are proposed for RBS other than PRN: (1) Mobile Station (Aircraft) 20,000 per annum, (2) Mobile Station (Ship) 20,000 per annum, (3) Inmarsat 50,000 per annum, and (4) Amateur 5,000 per annum.

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TMB WINS ICAP DIGITAL TECH AWARD

Recorder Report Published about an hour ago

KARACHI: Telenor Microfinance Bank (TMB) has been awarded the prestigious ICAP Digital Technology Awards in the category of ‘Use of Technology in Internal Audit’ for its groundbreaking digital audit application, DARE (Disrupting Audit Realms, by Embracing the Digital Opportunity).

DARE is an industry-first initiative and one of a kind in the audit realm. Leveraging the advanced capabilities of Power BI, Python, and Generative AI, DARE revolutionizes audit methodologies and reduces the audit lifecycle, enabling near real-time monitoring of the bank’s control environment. This transformative application provides predictions and insights that enhance shareholder decision-making.

Accessible on both desktop and mobile platforms, DARE is designed to provide comprehensive and actionable insights through user-friendly interfaces.

The application supports TMB’s goal of evolving into a data-driven, trusted, and innovative function that not only provides assurance and advice but also offers foresight for critical decision-making. This marks a significant shift from a traditional detective role to a predictive landscape in internal auditing.

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DATA LOCALISATION CAN AFFECT ECONOMY, SAYS AIC

Tahir Amin Published about an hour ago

ISLAMABAD: The Asia Internet Coalition (AIC) comprising global digital media giants raised several questions on “data localisation” while saying it can contribute towards lower productivity, slower growth and reduced employment.

The Coalition in a report, “Data Localisation in Pakistan” estimates that labour productivity would decline by 14.7 percent in 2025 if the Personal Data Protection Bill, based on its May 2023 draft, is enacted in 2024. This can roughly be calculated in dollar terms to a GDP loss of USD 16.5 billion in the following year after enactment.

This decline in labour productivity and GDP loss can also be translated to a potential loss of 3.2 million jobs. Macroeconomic changes come about due to firms’ and consumers’ responsiveness to policy changes, the report noted.

The report noted that the current policy and regulatory landscape in Pakistan require some data localisation. However, there is room in the policy landscape for such measures to be further tightened. For example, the introduction of the current draft of the Personal Data Protection Bill would lead to a significant shift in the regulatory landscape relevant to data localisation.

The Commission, to be constituted under the Personal Data Protection Bill, has wider powers and can refuse to allow transfer of personal data on the grounds of vague terms like “public interest” or “national security of Pakistan”.

The report highlights that data localisation could also have repercussions for businesses, and consequently, on the economy. The additional requirements for, and the distinction made between, sensitive and critical data is a key focal point. Differentiated compliance processes for private sector and public sector was raised as a challenge by multiple firms. This challenge is likely to be compounded when data is to be shared between public and private organisations.

Concerns have also been raised about implications on cybersecurity if data localisation is required. For example, international cloud providers provide a variety of services, which may not be the case for local providers not benefiting from economies of scale. Further, points were raised that use of distributed systems can increase resilience, making databases less susceptible to

cybersecurity threats and outages.

Data localisation measures can have cost implications for firms, as highlighted in the case studies. This could include an increase in labour costs, given the need to hire human resources. This narrative, which suggests that data localisation would lead to job creation, may seem contradictory to the economic analysis, which suggests that jobs will be lost. This may, in part, be due to the economic analysis taking a longer-term view. One could assert that this is due to some players having to cease operations if costs become unsustainable. The skills gaps, and the time needed to bridge the skills gap, may also contribute. In part, it may be due to a model's inability to capture all the nuances of the legal and regulatory environment, and firm behaviour.

Changes in the wider policy environment and market may change implications for firms. For example, many of the claims on the cost implications are made based on the current options for data storage in the local market; however, if an international cloud service provider were to set up data centres in Pakistan, the costs to firms may fall. However, certain concerns about data security and availability in the absence of distributed systems may remain.

Despite these common challenges, sectoral impacts will differ. The strategic positioning of the IT/ITeS sectors can be impacted by these laws, which in turn can influence investment and growth. In contrast, any impact on health provision - a merit good - can have knock on effects on the quality of life of Pakistan's citizens,

As with many other areas, the extent of the impacts of localisation requirements would differ according to the governments approach to enforcement. A more light touch approach to enforcement will yield less stark impacts on an economy than a more heavy handed one. However, in principle, the merits of data localisation do not seem to outweigh the potential risks, as illustrated by its regional peers' move away from such measures.

The report raised concerns on data localisation requirements. It stated that data localisation could increase hosting costs. One IT company estimated a 70 percent increase in hosting costs, while an ecommerce retailer estimated that a fully locally compliant solution for financial services would cost approximately over 10 times that of its current cloud-based solution. In the current environment, the high costs necessitated by a data localisation requirement are likely to disproportionately impact small and medium firms.

It further stated that data localisation may raise cybersecurity risks. An e-commerce retailer highlighted the risks of centralised data storage, emphasising that such approaches compromise the security benefits of a decentralised architecture. Further, an IT company highlighted concerns about disaster recovery and data mirroring under data localisation requirements.

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QUANTUM CLOUD AND AI TECH ANNOUNCES STRATEGIC ALLIANCE WITH HUAWEI CLOUD

Tahir Amin Published about an hour ago

ISLAMABAD: Quantum Cloud and AI Technologies on Monday announced a strategic alliance with Huawei Cloud Pakistan, aimed at fast-tracking the adoption and implementation of cloud and AI technologies across Pakistan.

This collaboration is set to bring innovative solutions tailored to meet the specific needs of Pakistani businesses and government, driving the nation's digital transformation forward.

Management of both organisations underscored the commitment to leverage their respective strengths. Quantum Cloud and AI brings extensive international expertise of cloud and AI based on their experience in UK and USA, while Huawei offers world-class and local expertise in cloud services and AI. Together, they will work to provide scalable and secure solutions that will empower various industries within the country.

Mansoor, CEO Quantum Cloud and AI Technologies while briefing media, said, Quantum Cloud and AI Technologies is very excited to form an alliance with industry leading hyper-scaler and is looking forward to work with Huawei on introducing AI enabled solutions in health, agriculture and financial sectors. On this occasion he also briefed media about the health-tech solutions using AI services on Quantum Cloud in Pakistan.

Jia Shuhao, CTO Huawei Cloud, explained the strengths of Huawei Cloud and reiterated its commitment to the cloud and AI adoption in Pakistan. Furthermore, answering to a question, he explained how Huawei is closely working with all relevant stakeholders from the private sector and government to enable organisations and government in their digital journey including technical and policy matters.

As part of this alliance, Huawei is targeting key sectors including FMCG's, finance, health and public sector. These industries are identified as having significant growth potential and stand to benefit greatly from the enhanced efficiency, security, and scalability that cloud-based solutions can provide. The meeting was also joined by a leading health tech organisation from USA which in collaboration with Quantum Cloud and AI Technologies is ready to introduce their cutting edge health tech solutions on cloud.

Speaking on this occasion, Waqas Amjad discussed the vast opportunities in health sector in Pakistan and iterated his commitment to work with Quantum Cloud and AI for innovative health sector solutions.

Regarding the readiness of Pakistan's existing infrastructure to support the transition to cloud services, the companies acknowledge that while there are challenges, the nation is making significant progress.

Ongoing investments are being made to improve internet connectivity, increase data centre capacity, and enhance cybersecurity measures. This alliance is a critical step in ensuring that Pakistani businesses are equipped to effectively leverage cloud and AI technologies.

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HUAWEI UNVEILS STYLISH AND COMPACT NOVA FLIP FOLDABLE PHONE

August 5, 2024

Huawei has expanded its smartphone lineup with the launch of the nova Flip, a new foldable device targeting fashion-conscious consumers.

This marks the first foldable entry in the popular nova series, known for its stylish and youthful appeal.

The nova Flip boasts a compact design with a waterdrop hinge that has undergone rigorous testing, ensuring durability with a rating of 1.2 million folds. When unfolded, the device measures a slim 6.88mm and weighs a mere 195 grams, prioritizing portability and style.

A 2.14-inch OLED cover display complements the main device, serving as a viewfinder for the rear cameras and displaying essential information such as weather, music, and calendar. The main screen is a 6.94-inch LTPO OLED panel with FHD+ resolution and adaptive refresh rates of 1 to 120Hz for optimal performance and energy efficiency.

Photography enthusiasts will appreciate the device's camera capabilities, featuring a 50MP main camera with a large 1/1.56-inch RYYB sensor and F/1.9 aperture for capturing detailed images. An 8MP ultrawide lens expands the photographic possibilities, while a 32MP front camera is ideal for selfies and video calls.

While Huawei has yet to officially confirm the chipset, previous leaks suggest the nova Flip is powered by the Kirin 8000 processor, a capable chip that delivers solid performance. The device runs on HarmonyOS 4.2, Huawei's latest operating system, which introduces AI-powered features like subject removal, text extraction from images, and image generation.

To keep the device powered throughout the day, Huawei has equipped the nova Flip with a 4,400mAh battery and 66W wired fast charging.

The nova Flip is available in four trendy colors: New Green, Sakura Pink, Zero White, and Starry Black. Pricing starts at CNY 5,288 (\$744) for the 256GB model, with options for 512GB and 1TB storage at CNY 5,688 (\$798) and CNY 6,488 (\$911) respectively. The device will be available for purchase in China starting August 10.

Huawei's nova Flip aims to capture the attention of young consumers seeking a stylish and functional foldable smartphone. With its impressive camera system, sleek design, and powerful performance, the device is positioned to be a strong contender in the competitive foldable market.

OPPO PAKISTAN UNVEILS RENO 12 SERIES WITH ENHANCED FEATURES

August 5, 2024

Oppo Pakistan has introduced the Reno 12 Series, marking a significant advancement in the company's lineup of flagship smartphones.

Powered by MediaTek's new Dimensity 7300-Energy chipsets, these mid-range devices offer a blend of impressive performance and eye-catching aesthetics.

The standout design of the AI-powered OPPO Reno12 F features the striking Halo Light and Cosmos Ring Design, available in mesmerizing Amber Orange, elegant Olive Green, and sleek Matte Grey, catering to diverse style preferences.

Both the Oppo Reno 12 and Reno 12 Pro sport a 6.7-inch 120Hz AMOLED screen, ensuring a smooth and vibrant display experience. The Reno 12 boasts a peak brightness of 1,200 nits, while the Pro version steps up to 1,500 nits and includes Gorilla Glass Victus 2 protection for added durability.

Camera enthusiasts will appreciate the high-quality imaging capabilities of the Reno 12 series. Both models are equipped with a 50MP primary camera (Sony LYT600) and an 8MP ultrawide lens (Sony IMX355).

The Reno 12 Pro distinguishes itself with an additional 50MP telephoto lens featuring 2x optical zoom. Selfie capabilities are also enhanced in the Pro model, which includes a 50MP front camera, compared to the 32MP sensor in the standard Reno 12.

In terms of performance, the Reno 12 comes with 8GB RAM and 256GB of storage, while the Reno 12 Pro offers a more robust configuration with 12GB RAM and up to 512GB of storage. Both models are powered by a 5,000mAh battery that supports 80W fast charging, ensuring users can stay connected longer and recharge quickly.

A notable highlight of the Reno 12 series is its suite of AI-powered features. The AI Writer feature assists in composing posts, comments, and captions, making it easier to create engaging content. AI Speak can read aloud any web page, enhancing accessibility and convenience, while

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the AI Summary feature provides concise summaries of text and audio recordings, streamlining information consumption.

With the Reno 12 Series, Oppo Pakistan continues to push the boundaries of smartphone technology, delivering a blend of powerful performance, innovative AI capabilities, and striking design that is sure to attract a wide range of consumers.

Ports and Shipping

PORT QASIM UNVEILS SHIPPING ACTIVITY REPORT FOR AUGUST 5, 2024

August 5, 2024

Karachi, August 5, 2024 – Port Qasim Authority (PQA) has released its latest shipping activity report for August 5, 2024, providing a detailed overview of maritime operations at the port. The report is aimed at keeping stakeholders informed about the port's daily activities and scheduling.

On Sunday, August 4, 2024, three ships successfully berthed at different terminals within Port Qasim. The vessels included Sweet Lady-III, which arrived at the Grain Terminal to load rice; Corona, scheduled for palm oil at the Liquid Terminals; and Maya Gas-1, which docked at Engro Vopak Terminal to offload LPG.

In addition, five more ships—Rakan-5, Zhong Gu Bo Hai, Saehan Jasper, Leader, and Ginga Liger—arrived at the outer anchorage of Port Qasim within the past 24 hours. These ships are set to handle various cargoes including rice, containers, palm oil, gas oil, and chemicals.

During the last 24-hour period, a total of eight ships were engaged at PQA berths. Among them, the petroleum product carrier 'Estia' departed the port this morning. Four additional vessels—Maya Gas-1, Zhong Gu Bo Hai, IVS North Berwick, and Ullswater—are anticipated to sail today as well.

The port handled a cargo volume of 42,907 tonnes over the past 24 hours, reflecting the steady flow of goods and continued operational activity.

Looking ahead, the outer anchorage of Port Qasim is currently hosting seven ships. Among these, three vessels—Rakan-5, Leader, and Clipper Eris—are scheduled to dock at FAP, FOTCO, and EVTL respectively. Additionally, five more ships—MSC Antonia, San Diego Bridge, Dimitris-Y, TSS Amber, and Singapore Bulker—are expected to berth at QICT and MW-1, handling cargoes such as rice, gas oil, chemicals, containers, and cement.

The ongoing activities at Port Qasim underscore its critical role in facilitating maritime trade and supporting the supply chain. As always, PQA remains committed to maintaining efficient port operations and providing timely updates to stakeholders.

The daily shipping activity reports serve as an essential resource for businesses and logistics operators, ensuring transparency and coordination within the busy maritime sector.

Economic distress

THE CHALLENGE OF IPPS-II

- Excess/unutilized generation capacity

Syed Shabbar Zaidi Published August 6, 2024 Updated about an hour ago

In summary, the level of generation, transmission and consumption is as under: According to the Pakistan Economic Survey 2021–22, the installed electricity generation capacity reached 41,557MW in 2022.

The maximum total demand coming from residential and industrial estates stands at nearly 31,000MW, whereas the transmission and distribution capacity is stalled at approximately 22,000 MW. (figures for 2023-24 are in same proportion)

Pakistan Credit Rating Agency (PACRA) report on Energy 2024 has described the following generation and demand status of energy of Pakistan, other than Karachi.

The challenge of IPPs-I

This is the figure related to NTDC. In Karachi there is effectively no excess generation.

1. There is excess generation capacity of around 9000MW for NTDC in 2024 if compared with the demand. This demand is not met due to a mismatch with generation and inefficiencies in the transmission system. The data of actual generation is as under:

Power generation in Pakistan declined by 1.2% YoY to 13,715 GWh (19,048MW), compared to 13,876 GWh (19,272 MW) in June 2022. However, on a month-on-month basis, generation increased by 11.7%. For the entire FY23, the generation sloped by 9.5% YoY to 129,590 GWh (14,793MW), compared to 143,193 GWh (16,346 MW) in FY22.

This means that there is a substantial excess capacity. If the average generation on the basis of data is taken at 17,000 MW then it means that for the year 2024 there is an excess capacity of 20,000MW. Even if the same is discounted there is no reason to state that at least 15,000MW is excess capacity in the NTDC system. Out of the total capacity, around 20,000MW is the capacity with the IPPs for which a capacity charge is being paid by NTDC.

If all other factors and reliability of supply is also accounted for then on the basis of an analysis and the record available with power regulator Nepra there is an excess of at least 8000MW to 10,000MW installed by IPPs for which capacity charges are being paid and are being charged to the consumers. This has negatively impacted the economy in three ways.

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Firstly; as a part of capacity payment in-built in the system, consumers are paying it as a cost. Secondly; all these plants are foreign-funded; therefore Pakistan's foreign exchange is being used for the payment of principal and interest on a loan which has been obtained for an asset not being used. Thirdly, Return on Equity (RoE) is being paid for no reason as there was no need for these plants.

Out of the total installed capacity, around 20,500MW of power is from IPPs. There are three kinds of owners of these IPPs.

- a. Chinese-owned (5000-7000)
- b. Pakistan investors (4000-6000) (Including Thar Coal around 2000 to 3000)
- c. Government of Pakistan/ Government of Punjab owned (8000-10,000)

There is no reasonable basis to identify why this excess generation capacity with fixed capacity charges was installed. It is all the more bewildering that all were either CPEC projects or Government-owned ones. When such Government-owned projects were installed it was claimed that these projects would ultimately be sold, which has not been done. Resultantly, there has been an increase in the number of public-sector power generating units in defiance of the policy on privatization of public sector entities. This author has not been able to find any policy paper that recommends the installation of IPPs in the Government Sector during that period of time.

This is equal to a criminal offence in policymaking, a policy which was made totally for political reasons. During 2013-2018, around 7500MW was added to the grid on imported fuel. The major projects are shown in table 2:

Total capacity of these plants comes to around 7500 MW. This is effectively the definite excess power in the system. All these projects were done during 2013 to 2018. The question is whether or not there was any economic justification in addition to this generation capacity. Instead, it was an additional burden on consumers.

It needs to be noted that even after this addition actual generation was much less on account of lack of transmission and there was enormous load-shedding. This generation capacity would not be utilised even in 2027. In order to justify their wrong action, the policymakers may raise an untenable argument that old Gencos are no longer efficient. This would also be a wrong notion as old Gencos (Guddu, Jamshoro and Faisalabad) have the installed capacity of less than 5000 MW.

This policy crime has been accepted by Nepra in its own industry report in 2024. It states as under:

“2.1.1 Challenges of Surplus ‘Take or Pay’ Generation Capacity: The power sector in Pakistan is facing a significant challenge - an excess of ‘Take or Pay’ generation capacity. While surplus capacity may seem beneficial at first glance, it brings along a host of complications. Under contractual agreements with power producers under ‘Take or Pay’ arrangements, payment of

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capacity charges is guaranteed regardless of non-utilization of such power plants. This problem has placed a significant burden on power sector on one hand while on the other hand the electricity consumers' are paying for electric power generation capacity that remains unused, which results in higher electricity bills. The primary question is the installation of capacity that can never be used on account of lack of demand and non-availability of the transmission system."

The use of the word 'never' is highly important to note. NEPRA is stating in 2024 that such projects will never be used. However, NEPRA had approved the said project when installed. They placed albatross around the neck of the nation to please their political masters. If it is so then there is no reason for a regulator, which is supposed to be independent of the executive.

1. This yoke has been placed for a period of 30 years. From 2015 to 2045. Can there be any accountability of this intellectual crime?

Neptra report further states:

"2.3.7 Energy Charges vs. Capacity Charges: The consumer-end tariff comprises Energy Purchase Price (EPP), Capacity Purchase Price (CPP), the impact of T&D losses, Distribution & Supplier Margin, and Prior Year Adjustment. In FY 2022, EPP constituted around 60% of the tariff, while CPP accounted for about 40%. The percentage of CPP in the overall tariff is on an increasing trend.....

The increase in CPP percentage is due to the augmented capacity of power generation plants and the addition of the HVDC line in the system. At present, fixed charges billed to electricity consumers range from approximately Rs. 200 to Rs. 500 per kW/month, determined by their Actual Maximum Demand (MDI) for the month or 50% of sanctioned load, whichever is higher. In contrast, capacity charges billed to DISCOs by CPPA-G remain consistently over Rs. 4,000 per kW/month.

This highlights that only around 3% to 4% of the fixed costs is accounted for as fixed charges, while the rest is billed based on variable charges depending on energy consumption

To alleviate the impact of heightened capacity charges, it is crucial to boost the growth rate of electricity sales by implementing cost-reduction measures. Additionally, it is essential to retire generation capacity that has surpassed its initial licensed lifespan, along with low efficiency power plants of GENCOs and KE. Furthermore, the decision in respect of induction of new generation capacity shall be made only after a thorough consideration of all relevant factors and comprehensive analysis."—To be continued

Period	Generation Capability (MW)	Demand During Peak Hours (MW)	Surplus/ (Deficit)
2018	23,766	26,741	(2,975)
2019	24,565	25,627	(1,062)
2020	27,780	26,252	1,528

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2021	27,819	28,253	(434)
2022	27,748	24,564	3,184
2023	34,729	25,779	8,950
2024	37,226	28,027	9,199
2025	40,213	29,389	10,824
2026	43,380	30,814	12,566

Name Capacity MW	Location	Owner
Huaneng Shandong 1320	Sahiwal,	Chinese
Ruyi (Sahiwal Imported Coal) QATPL (Bhikki) Pakistan 1180	Punjab Bhikki, Punjab	Government of
NPPMCL (HBS) Pakistan 1230	Haveli Bahadur Shah, Punjab	Government of
NPPMCL (Balloki) Pakistan 1320	Balloki, Punjab	Government of
Port Qasim Electric Power 1230	Port Qasim, Sindh	Chinese
Punjab Thermal Power Pakistan 1320	Trimmu, Punjab	Government of

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MEDIUM-TERM BUDGET STRATEGY

Dr Hafiz A Pasha Published August 6, 2024 Updated about an hour ago

The Federal Ministry of Finance has released the Medium-Term Budget Strategy Statement for the period, 2024-25 to 2026-27.

The Fiscal Responsibility and Debt Limitation Act of 2005 states that the Federal Government will prepare such a statement, consistent with the principles of sound fiscal and debt management. It should be included in the annual budget statement to be laid before the National Assembly not later than the thirtieth day of each financial year.

There is one serious problem this year. The budgetary magnitudes for the on-going financial year, 2024-25, in the Medium-Term Budget Strategy diverge from those presented earlier in the budget session. In particular, the 2024-25 Budget-in-Brief statement had presented in Table-3 on page 7 that the federal budget deficit is estimated to be Rs 8500 billion, equivalent to 5.9% of the projected GDP in 2024-25.

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The Medium-Term Budget Strategy has increased the size of the targeted budget deficit in 2024-25 to Rs 9758 billion, equivalent to 6.9% of the GDP. In effect, the targeted budget deficit has been raised by 1% of the GDP.

What explains the divergence? It is due to a big downward adjustment in the magnitude of the inflow of the SBP profits from Rs 2500 billion to Rs 1242 billion. This is tantamount to a reduction in Federal non-tax revenues of 1% of the GDP, leading thereby to a corresponding increase in the Federal budget deficit by 1% of the GDP.

The fundamental question is whether the 2024-25 amended Finance Bill (Federal budget) should be presented to the Parliament once again given the significant increase in the targeted fiscal deficit? The Speaker of the National Assembly needs to decide on this issue.

The Medium-Term Budget Strategy otherwise demonstrates a very positive perspective on the national economy. The GDP growth rate is expected to show buoyancy. It is projected to increase from 2.4% only in 2023-24 to 3.6% in 2024-25, to 4.8% in 2025-26 and to 5.5% in 2026-27. Simultaneously, the rate of inflation is expected to drop from 24.3% in 2023-24 to only 12% in 2024-25 and thereafter to single-digit rates of 7.5% in 2025-26 and 7.0% in 2026-27.

The presumption here is that Pakistan will quickly emerge from a position of extreme financial vulnerability, with low foreign exchange reserves in relation to the external financial requirements. Presumably, this will be facilitated by the impending three-year IMF Extended Fund Facility (EFF).

However, IMF Programs generally tend to focus much more on stabilization of the economy of the borrowing country rather than on supporting expansionary policies for achieving faster growth. The last IMF EFF of Pakistan envisaged the GDP growth rate to rise to 4.5% in the third year of the Program. Therefore, the targeted growth rate of 5.5% in 2026-27 appears unduly optimistic.

A perhaps even more serious problem is with the projections of the rate of inflation. The sharp moderation of the rate of inflation to just 12.2% in the last two months of 2023-24 and to 11.1% in July was due to the stability in the nominal value of the rupee and thereby no further imported inflation. Also; bumper crops, especially of wheat, have facilitated a fall in food prices.

However, there has already been a substantial increase in the electricity tariff in the first month of 2024-25. The budget for 2024-25 has included heavy new indirect taxation, even on basic consumer items. As the year proceeds there will be pressure from the IMF to follow a market-based exchange rate policy, which will lead to more imported inflation. Already, the May 10 Staff Report of the IMF, at the end of the Stand-by Facility, projects 16% devaluation of the rupee in 2024-25.

Therefore, the projected rates of inflation are likely to be higher. The BNU Macroeconometric Model estimates the inflation rate at 16% in 2024-25, 10% in 2025-26 and 8% in 2026-27.

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The Medium-Term Budget Strategy also projects the size of the current account deficit, exports, imports and worker's remittances. These projections for 2024-25 are taken from the Annual Plan for 2024-25 prepared by the Planning Commission. Given the critical importance of the external balance of payments position of Pakistan, it would have been appropriate to also project the likely position in the financial account and the resulting magnitude of foreign exchange reserves. Perhaps these projections will be finalized in the forthcoming IMF EFF.

The Medium-Term Budget Strategy makes the required detailed projection of the state of public finances from 2024-25 to 2026-27. The Federal tax-to-GDP is targeted to increase from 8.7% of the GDP in 2023-24 to 11.5% of the GDP by 2026-27. This increase is close to the 3% of GDP, as highlighted by the Finance Minister. However, over 50% of the increase in the tax-to-GDP ratio is to be achieved in 2024-25. This will require the generation of over Rs 2 trillion of revenues from the taxation proposals included in the Federal budget of 2024-25. This quantum of additional revenue is unlikely to be achieved.

There is need to highlight that out of 2.8% of the GDP targeted increase in the Federal tax-to-GDP ratio, the increase in net federal revenues, after NFC transfers, will be only 1.1% of the GDP. This will create a problem of 'moral hazard'. With an increase of almost 1.7% of the GDP in transfers from the Federal government, the Provincial governments will have little motivation to develop their own tax system. For example, it remains to be seen what efforts will be made to raise AIT revenues significantly later this year.

Turning to the level of different types of expenditure projected in the strategy, there appears to be very limited economy proposed in Federal current expenditure. With the expectation of declining interest rates from the peak in 2022-23, the level of debt servicing is projected to come down from 7.8% of the GDP to 6.5% of the GDP by 2026-27. However, the level of other current expenditures is expected to remain unchanged at 6.6% of the GDP.

The lack of focus on cutting other current expenditure implies that enough 'fiscal space' will not be created for sharply raising the level of Federal development spending. The PSDP is targeted to increase modestly from 0.6% of the GDP in 2023-24 to 1.1% of the GDP in 2026-27. Only five years ago the size of the Federal PSDP was over 2.5% of the GDP.

There is consequently an inherent inconsistency in the medium-term budget strategy. The target GDP growth rate in the terminal year, 2026-27, of the strategy is a relatively high: 5.5%. This will only be possible if the level of fixed investment in the economy rises sharply from 11.4% of the GDP in 2023-24, which was the lowest level in the last fifty years.

There is a need to take back the size of the federal PSDP to at least 2.5% of the GDP by 2026-27. This is essential not only for faster completion of on-going projects but also for inclusion of major new projects in water resources, power transmission and distribution, mitigation of adverse impacts of climate change, etc.

The bottom line in the strategy is the targeted reduction in the federal budget deficit from 7.9% of the GDP in 2023-24 to 6.0% of the GDP in 2026-27. In fact, there is a likely increase in 2024-25 in the federal budget deficit. It is projected at 7.9% of the GDP as compared to the actual

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deficit of 7.3% of the GDP in 2023-24. It is truly surprising to see a budget strategy which targets an increase in the federal budget deficit in the first year of its operation.

The Provincial governments are expected to generate a combined cash surplus of 1% of the GDP in 2024-25, equivalent to Rs 1250 billion. The problem is that examination of the four Provincial budgets for 2024-25 reveals that the proposed combined cash surplus is below Rs 750 billion. Consequently, this will add 0.4% of the GDP to the overall fiscal deficit in 2024-25 and raise it to 7.3% of the GDP. This will also imply a primary deficit.

The fundamental question is whether the Medium-Term Budget Strategy has been shared with the IMF. If so, then it is reassuring to see the acceptance of the likelihood that the consolidated budget deficit in 2024-25 may even be larger than that in 2023-24 as a percentage of the GDP.

Overall, there are some problems with the medium-term budget strategy. It has raised the targeted budget deficit for 2024-25 to above the actual level in 2023-24. There is also a need to have a new NFC Award.

The provincial governments must be motivated to raise more their own revenues. Federal current expenditures should be curtailed to provide fiscal space for a quantum jump in development spending to facilitate faster growth. The 40% growth in FBR revenues must be achieved if mini-budgets are to be avoided.

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POWER SECTOR: UNANSWERED QUESTIONS

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EDITORIAL: The power sector problems have compounded over time due to unplanned and expensive growth in power generation whilst the transmission and distribution capacity did not grow in tandem and poor governance persisted.

Electricity prices have now become unaffordable for almost all segments of society, including big and small businesses, middle and lower-middle class households. There is a widespread outcry against the recent increase in power tariffs.

It is important to note that reforms in this sector have so far remained elusive owing to a variety of reasons. There have been talks about this objective of successive governments for many years; but nothing of the kind has emerged or materialised so far.

Selective decisions to augment power production capacity have only exacerbated the problem. Now the chickens have come home to roost.

Reportedly, the Power Division has started working on sorting out 23 fault lines. When the work is planned to happen across the board, the much-needed focus is usually missing.

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History suggests that the Power Division has repeatedly failed to bring about any meaningful reforms. It's the same party's government that was in power when the bulk of this mess was created.

It's almost the same set of bureaucrats responsible for the mess who are now advocating reforms. There are two power policies — 1994 and 2015 — whose after-effects have hurt the economy and consumers alike.

Interestingly, the parties responsible for these power policies are in power today.

The questions to be raised should be when the power projects under 2015 policy were decided, why did the government decide to ignore the fact that too many projects were being added to the national grid in a very short span of time? Why didn't they go about increasing the transmission capacity to match the growing generation capacity?

There were already two nuclear power projects with the help of Chinese that were being established prior to the CPEC (China Pakistan Economic Corridor), and hydel extension was on the cards as well. Then the federal and provincial governments decided to come up with three RLNG plants. And under the CPEC, the rollout of the much delayed Thar coal projects was initiated.

When all the afore-stated plants were in the pipeline, why then three power plants of 1320MW based on imported coal were set up? The Chinese were reluctant to do so – especially, the one in Sahiwal. However, the then PML-N government insisted on it and had paid top dollars in returns and insurance to lure the Chinese.

Why did the government decide to install them? And the same people are calling for the conversion of these to local coal; a reform!

Now that the imported coal projects are installed and the consumers are paying hefty capacity payment charges through their noses, the production on imported coal is a mere 15-20 percent while the fuel cost is around Rs15/unit. On the other hand, the government is using over 65 percent of RLNG plants where the fuel cost is roughly Rs25/unit.

The question is: why is the supposedly “cheaper” production on imported coal higher than expensive imported RLNG? This is because the then PML-N government made a long-term contract of purchasing RLNG every month. That was topped up by another contract in PTI's tenure.

Now we must buy 9 cargoes a month from Qatar, and there is no other demand than to run expensive RLNG plants because these contracts are in ‘Take or Pay’ mode. And that is taking pipeline capacity while the production of cheap domestic gas has to be halted.

To top it all, the overall higher capacity is added to the system in the south while the majority of consumption takes place in the north. However, not enough transmission lines are installed to transmit that electricity which causes blackouts in winters.

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To avoid this, expensive Furnace Oil power at Rs40-50/units in winters is produced while almost zero variable cost nuclear plants are kept underutilized. Now the Power Division is mulling enhancing the transmission capacity, the question is why was this not done when the power plants were coming online?

There is a talk about wheeling and having the system and market operators. However, the government proposes wheeling charges that are way too high because it's higher transmission and distribution losses.

Needless to say, reforms are never easy. They are hard to implement particularly when the bureaucracy that is in the forefront of the reform process is not ready to concede space or control. Little do, however, they realise that they cannot have the cake and eat it.

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PRICES OF POL PRODUCTS

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EDITORIAL: The federal government has slashed petrol price by 6.17 rupees per litre, high speed diesel's by 10.86 rupees per litre, kerosene's by 6.32 rupees per litre and light diesel oil's by 5.72 rupees per litre for the fortnight commencing on 1 August.

The decision was taken as a result of a decline in the international prices of oil with petroleum levy remaining unchanged at 60 rupees per litre on both petrol and HSD.

It is yet unclear whether the price of oil will not rise for the next fortnight commencing 16 August as its international prices rose by almost 3 percent on Wednesday with investors concerned about the possibility of the Middle East conflict widening subsequent to the assassination of Hamas leader Ismail Haniyeh in Tehran and the right hand man of Hezbollah leader Nasrullah, Fuad Shukr, in Beirut.

The pressure on the government to reduce taxes as a means to provide relief to an increasingly disgruntled citizenry reeling under persistently high inflation rates is clearly mounting by the day.

Claims that inflation is on the decline has little relevance on the fortunes of those operating in the private sector whose income has not kept pace with inflation for the past four years; while only the 7 percent of our employed who draw a salary at the taxpayers' expense have been budgeted a pay rise for each of these four years.

Therefore, the gap between the haves and the have-nots is widening and the acceptability of the government's taxation measures for the current fiscal year seeking to raise income tax rates on the salaried effective this month is yet to be seen.

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Jamaat-i-Islami is currently spearheading a protest movement against administrative measures, read a rise in electricity tariffs to achieve full cost recovery and petroleum levy as an important revenue source that the government agreed to implement as a prior condition for the 7 billion dollars Extended Fund Facility programme that has yet to be approved by the IMF Board.

In other words, many analysts argue that the government had little option but to pass on the decline in the oil prices to the general public, given the state of restiveness amongst the general public with some maintaining that it may have been compelled to reduce rates even if international prices had not declined.

However, few are hopeful that a decline in oil prices would lead to an automatic decline in transport costs as we have no history of a downward price movement.

Critics of the incumbent government, particularly those who recently parted ways with the PML-N, are suggesting that to provide relief to the general public the government must consider slashing petroleum levy and reducing the multiplicity of taxes on electricity.

Given that their flawed policies contributed to the current economic impasse, one would have expected greater understanding of the difficulties associated with slashing taxes and the levy – key elements in meeting the IMF conditions; without which the country remains on the brink of default.

There is overwhelming evidence collected over decades that our tax structure is unfair, inequitable and anomalous as it relies heavily on indirect taxes whose incidence on the poor is greater than on the rich. In spite of claims to the contrary, the Finance Bill 2024 does not reflect any meaningful attempt to reform the tax structure and one would have hoped that the government, in the short term defined as six months, opted to slash its own expenditure through voluntarily sacrificing budgeted allocations rather than raise taxes on those who simply cannot afford them any longer.

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ALL IS NOT QUITE WELL!

Anjum Ibrahim Published August 5, 2024

A reality check shows a yawning gap between the relatively small audience (external more than internal as the country proactively seeks more external loans) that remains the focus of the ministry of finance and the rest of the populace comprising more than 95 percent of the people of this country – a contention backed by constant reference to four improved macroeconomic elements that, disturbingly, have yet to trickle down to the grassroots level.

The Monday past decision by the Monetary Policy Committee (MPC) to cut the policy rate by 100 basis points on 28 July this year to 19.5 percent and the same day the upgrade announcement by Fitch to CCC+ instead of the CCC, though retaining Pakistan within the category of very high

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credit risk, have been touted as achievements, as they certainly are. Two observations however are critical.

First, the reduction in the policy rate reflects a difference of 7.1 percent with the Consumer Price Index (CPI) for June and 5.5 percent with core inflation of 14 percent average of two months claimed in the Monetary Policy Statement (MPS) for the past two months (though the actual core inflation for May and June as cited by the Pakistan Bureau of Statistics is 12.3 and 12.2 respectively while July 2024 core inflation rate is even lower at 11.7 percent) – a differential that clearly speaks of a further reduction in the policy rate as stated by Finance Minister Muhammad Aurenzeb in his interaction with the Karachi Chamber of Commerce and Industry last Tuesday.

The one percent downgrade of the policy rate by SBP is however unlikely to offset what is termed in the MPS as “ad hoc decisions related to energy price adjustments” which are being taken with increasing regularity to meet the full cost recovery prior condition set by the International Monetary Fund (IMF) as the government is unable to deal with the systemic issues facing the power sector that include: (i) flawed contracts signed with the Independent Power Producers (pre-1994, 1994, 2002 and 2015) envisaging capacity payments, imported fuel and repatriation of profits.

In this context it is relevant to note that the Khan administration began to renegotiate IPP contracts successfully with the assistance of intelligence agencies but was unsuccessful in renegotiating contracts signed in 2015 by the Nawaz Sharif-led government; (ii) the country’s generation capacity is higher than demand which, coupled with the flawed policy of encouraging renewables/solar units, has implied ever rising tariffs as middle to rich consumers opted out of the national grid which, in turn, reduced demand and raised IPP capacity payment charges; and (iii) the decision to cut fuel imports by around 4 billion dollars last fiscal year against the year before to minimize the trade deficit and reduce pressure on the balance of payments are having negative repercussions on the quality of life and productive capacity.

Finance minister Aurangzeb during his last Sunday press conference emphasized that the country was not seeking restructuring but re-profiling of debt - an insistence that took account of the following note by Fitch under the head of factors that could, individually or collectively lead to negative rating action/downgrade: “renewed deterioration in external liquidity conditions that could result from delays in IMF programme reviews, or indications that the authorities are considering debt restructuring.”

The Fitch report notes that CCC rating is for long-term foreign currency Issuer Default Rating (IDR) scale as it does not assign outlook to sovereigns with a rating of CCC+ or below; adding that “Country Ceiling Model produced a starting point uplift of zero notches” for Pakistan – not as positive a news as is being touted by the government.

Second, inflation is on a downward trajectory. While it is easy to dismiss the claim that inflation is declining as its cumulative effect remains high - 29.2 percent July-May 2022-23 to 24.5 percent July-May 2023-24 - yet May 2023 CPI of 38 percent against May 2024 of 11.8 percent is a massive 69 percent lower.

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And the July rate is lower still, at 11.1 percent. Independent economists are claiming the rate is understated by at least 3 to 5 percentage points (subsidized electricity/fuel/gas rates rather than the average was considered, subsidized essentials not always available at Utility Stores or of the quality required, and understating rents) that may partly explain why the general population is increasingly restive as there is a sustained shrinkage in their ability to access utilities and services.

But the critical element in there is no feel good factor for the common man as a steady rise in utility prices is projected.

A recently launched political grouping is proposing cutting out taxes on utilities, yet a better approach would be to end the policy of tariff equalization that no longer makes sense after the distribution companies were established which would release 500 billion rupees for investment in social sectors annually.

The third citation is the stock market upswing. The July 2024 Economic Update and Outlook notes that the upward trend in PSX began in September 2023 and continued to June 2024. This statistic often taken by the country's economic managers as proof of sound economic policies is however limited to a small number of players who have the capacity to manipulate the market in return for lower taxes.

It is therefore not a coincidence that Pakistan's stock market generates tax revenue of no more than 3 to 4 billion rupees and in contrast India's stock market generates tax revenue of over 100 billion rupees.

And finally, the Large Scale Manufacturing sector registered a one percent growth last July-May 2024 compared to negative 9.6 percent in the comparable period of the year before.

One factor that led to an improvement in these four macroeconomic elements is the absence of Ishaq Dar from the finance ministry.

Dar was the finance minister from late September 2022 to August 2023 and his flawed policies led to the suspension of the ninth review of the 2019 Extended Fund Facility programme as well as loss of 4 billion-dollars remittance inflows; and the consequent low base in 2022-23 accounts for more favourable comparative data/graphs for last fiscal year. But this factor will be limited to the first quarter of 2023-24, and more needs to be done for further improvement of key indicators.

The incumbent finance minister has emphasized the country's potential, like all his predecessors, as opposed to the ground realities with little if any change in policies, accompanied by the assertion that this time around challenging reforms would be implemented, though so far they have not.

Given the 41 percent poverty levels in this country, the average inflation of 24.5 percent July-May 2024 and the failure of the private sector to give a wage indexed to inflation the government should have opted for slashing its own expenditure instead of insisting on implementing past

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iniquitous policies: raising taxes including petroleum levy - measures that should have been deferred till next fiscal year which is why the threat of a looming winter of discontent is looming large on the horizon.

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ECONOMY: DURABLE SOLUTIONS REMAIN ELUSIVE

Ali Khizar Published August 5, 2024

The FY25 budget presents challenges for everyone, with few economic actors benefiting.

Despite compromises due to pressures from political constituencies and powerful circles, the government had to impose new taxes and higher rates on existing ones, given the high deficit, crippling debt levels, and IMF conditionalities for a new programme.

As a result, the government appears to have succeeded in displeasing most stakeholders, with virtually no constituency. Even with the effort to protect real estate players and retailers, these sectors are worse off in FY25.

The urban middle class feels further squeezed by the increased tax burden, exacerbating the disparity between those within and outside the tax net.

The situation is becoming increasingly difficult for the ruling party. Since the inception of PML (N), urban retailers, wholesalers, shopkeepers, and some professionals, particularly in Punjab, have been key its supporters.

Now, these traditional voters are showing signs of discontent. It's a lose-lose situation for the government.

These new taxes follow two years of skyrocketing inflation and low economic growth.

The country's ability to sustain any further burden is diminishing. With persistent balance of payment worries, the country cannot afford to grow over 2-3 percent soon. New taxation measures have eroded households' disposable incomes and businesses' net incomes across the board.

The agricultural sector is also troubled. The low (or absent) wheat support price has adversely impacted farmers, the crop cycle is already disturbed due to climate change, and the cotton outlook is bleak this year.

Furthermore, an agriculture income tax is likely to be imposed by January 2025.

The increase in electricity bills adds insult to injury. Prices have more than doubled in the last two years, and the most recent increase in base tariffs has sparked widespread outrage.

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Businesses are losing viability at current prices, and households cannot fit the electricity bills into their monthly budgets.

For the first time, all chambers of commerce and industry, business federations, and associations in the country are uniting to assail the IPP policy, demanding renegotiation of contracts to lower the capacity payment.

However, this may not solve the problem without reforming the overall energy value chain, reducing the government's footprint, and improving the transmission network to match the generation capacity.

Despite this, criticism of the IPP contracts is gaining traction, with the media joining business groups to demand renegotiation. Some commentators speculate that the powers that be back the business community against the government.

One theory is that they want to check the current government by supporting the forces against it. Another is to appease Washington by making sufficiently loud noise about Chinese debt and investment.

The government has talked to Chinese on the reprofiling of IPP debt, which comprises the lion's share of Rs2.1 trillion capacity payment due this year. They are likely to review each IPP on a case-by-case basis and try to reprofile the debt.

Some journalists and commentators speculate that the reprofiling of Chinese IPP debt and other government bilateral debt rollovers are IMF conditions for approving the staff-level agreement at the board level.

However, the Finance Ministry categorically denied this, stating that commentators are making stories based on general efforts to make debt sustainable. Other sources also confirmed that there is no debt reprofiling condition for the Fund board approval.

The actual condition is arranging the gross financing gap, estimated at \$5-6 billion over the programme's three years, with \$2 billion needed in the current fiscal year. The government is confident in meeting this requirement, and the IMF programme will likely be approved by the end of August.

However, this will provide little respite to the government. The FY25 budget places it in a no-win situation.

Despite making compromises, the need to address high deficits, crippling debt, and IMF demands leaves no one content. The urban middle class, farmers, businesses, and traditional supporters are all feeling the pinch, creating widespread discontent.

With persistent economic challenges and new taxation measures, the government's ability to navigate these turbulent waters remains uncertain, leaving them with limited options and mounting pressure from all sides.

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Business & Finance - Companies

PQAMC WINS 'EMPLOYER OF THE YEAR AWARD'

Recorder Report Published about an hour ago

KARACHI: Pak-Qatar Asset Management Company Limited (PQAMC) has been awarded the Employer of the Year Award by securing 1st position in the Small National Category, presented by the Employers' Federation of Pakistan.

On this occasion while highlighting the important role of the HR team, Farhan Shaukat, Chief Executive Officer at PQAMC, commented, "We are immensely proud of this achievement, which reflects the tireless efforts of our HR team in enhancing the recruitment practices and career growth among our workforce."

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Fuel & Energy

MIXTURE OF CO2 AND LPG: OGRA HALTS ILLEGAL BUSINESSES

Recorder Report Published about an hour ago

ISLAMABAD: The Oil and Gas Regulatory Authority (OGRA), in collaboration with the Government of Sindh, the District Government, and the law enforcement agencies, has successfully halted the illegal mixing of CO2 gas with LPG in and around Panu Aqil, Sukkur.

A decisive action has been taken against those violating the law, with FIRs registered and court proceedings initiated.

This prompt intervention has averted a potential catastrophe that could have resulted in massive explosions, significant damage to public property, and a substantial loss of human lives.

Recently, the OGRA has taken serious note of the illegal practice of mixing carbon dioxide (CO2) with liquefied petroleum gas (LPG).

Under the leadership of Chairman Masroor Khan, OGRA, alongside its enforcement, legal, and LPG teams, engaged law enforcement agencies, the provincial government of Sindh, senior district officials, the attorney general, and provincial advocate generals to address this critical issue.

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The OGRA is committed to utilizing all legal avenues available under its rules and regulations to eradicate such illegal activities, ensuring the safety of lives and properties of the general public.

The mixing of CO₂ with LPG has been reported in various locations across the Sindh province, particularly in Panu Aqil near Sukkur.

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US NATGAS LOWER

Reuters Published about an hour ago

NEW YORK: US natural gas futures fell more than 1% to a one-week low on Monday on forecasts for lower demand over the next two weeks, while traders assessed the potential impact from Hurricane Debby, which could lead to lower demand for the fuel.

Front-month gas futures for September delivery on the New York Mercantile Exchange were down 1.79 cents, or about 1%, to \$1.95 per million British thermal units at 10:05 a.m. EDT (1405 GMT).

“There’s going to be power outages from the storm that could go into many state and it could also cool down the temperatures, so that is one of the reasons why we’re seeing some pressure here in the natural gas ... and you also have to consider the fact that stock markets are melting down amid a slowdown in economy; I think it’s also taking its toll on the mood of the market,” said Phil Flynn, an analyst at Price Futures Group.

OIL FALLS, BRENT SETTLES AT 7-MONTH LOW

Reuters Published about an hour ago

HOUSTON: Oil prices fell on Friday, with Brent settling at its lowest since January, after data showed the US economy added fewer jobs than expected last month and weak Chinese economic data added pressure.

Brent crude futures settled down \$2.71, or 3.41%, to \$76.81 a barrel. US West Texas Intermediate crude futures settled down \$2.79, or 3.66%, at \$73.52. At their session lows, both benchmarks fell by more than \$3 per barrel.

US job growth slowed more than expected in July and unemployment increased to 4.3%, pointing to raising fears of a possible recession.

“We moved from a demand-driven market to a geopolitical one for maybe two days then we absolutely nosedived on all this economic data,” said Tim Snyder, chief economist at Matador Economics.

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Economic data from top oil importer China and surveys showing weaker manufacturing activity across Asia, Europe and the US raised the risk of a sluggish global economic recovery that would weigh on oil consumption.

Falling manufacturing activity in China also inhibited prices, adding to concerns about demand growth after June data showed imports and refinery activity lower than a year earlier. Asia's crude imports in July fell to their lowest in two years, sapped by weak demand in China and India, data from LSEG Oil Research showed.

Meanwhile, OPEC oil output rose in July, a Reuters survey found, as a rebound in Saudi Arabian supply and small increases elsewhere offset the impact of ongoing voluntary supply cuts by other members and the wider OPEC+ alliance.

The Organization of the Petroleum Exporting Countries pumped 26.70 million barrels per day (bpd) last month, up 100,000 bpd from June, according to the survey based on shipping data and information from industry sources. An OPEC+ meeting on Thursday had left the group's oil output policy unchanged, including a plan to start unwinding one layer of production cuts from October. Oil investors are also watching the Middle East, where Lebanon's Iran-backed group Hezbollah said its conflict with Israel had entered a new phase.

EXTENSION IN BILL PAYMENTS

Press Release Published August 6, 2024 Updated 17 minutes ago

KARACHI: Due date for KE bills due in July and August have been extended by 10 days as applied in other distribution companies across Pakistan.

Eligible customers who have paid their bills with late payment surcharge (LPS) will be provided an adjustment in their next bill.

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Markets - Rates

PSX PLUNGES ON GLOBAL SELLOFF

Recorder Report Published about an hour ago

KARACHI: Pakistan Stock Exchange on Monday followed global downtrend and equity selloff amid fear over US recession and concerns over Middle East tensions.

The benchmark KSE-100 Index plunged by 1,141.50 points or 1.46 percent and closed at 77,084.49 points. The index hit 78,330.10 points intraday high and 76,943.24 points intraday low.

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The daily trading volumes on ready counter increased to 501.191 million shares as compared to 443.483 million shares traded on last Friday. The daily traded value on the ready counter increased to Rs 21.057 billion against previous session's Rs 20.497 billion.

BRIndex100 decreased by 129.83 points or 1.56 percent to close at 8,186.01 points with total daily turnover of 434.194 million shares.

BRIndex30 declined by 571.81 points or 2.21 percent to close at 25,326.40 points with total daily trading volumes of 270.569 million shares.

Foreign investors also remained net sellers of shares worth \$337,512. Total market capitalization declined by Rs 104 billion to Rs 10.269 trillion. Out of total 442 active scrips, 261 closed in negative and 129 in positive while the value of 52 stocks remained unchanged.

Kohinoor Spining was the volume leader with 86.045 million shares and increased by Rs 1.00 to close at Rs 5.41 followed by Yousuf Weaving that gained Rs 1.00 to close at Rs 4.14 with 32.793 million shares. WorldCall Telecom lost Rs 0.05 to close at Rs 1.21 with 19.643 million shares.

Ismail Industries and Khyber Textile Mills were the top gainers increasing by Rs 66.98 and Rs 37.21 respectively to close at Rs 1,418.08 and Rs 410.08 while Unilever Pakistan Foods and Sapphire Fibres were the top losers declining by Rs 149.50 and Rs 117.96 respectively to close at Rs 17,850.50 and Rs 1,480.10.

An analyst at Topline Securities said Pakistan's stock market followed the global downtrend, with the KSE-100 Index plunging by 1,141 points, or 1.46 percent, to settle at 77,084 points.

The downturn was largely influenced by declines in the Power, Exploration & Production (E&P), IT and Banking sectors, with key contributors such as HUBC, HBL, POL, SYS, and BAHF accounting for a combined 484-point drop.

BR Automobile Assembler Index declined by 347.6 points or 1.84 percent to close at 18,511.14 points with total turnover of 15.455 million shares.

BR Cement Index decreased by 144.63 points or 1.94 percent to close at 7,327.59 points with 26.785 million shares.

BR Commercial Banks Index plunged by 457.73 points or 2.06 percent to close at 21,790.75 points with 25.010 million shares.

BR Power Generation and Distribution Index eroded 497.63 points or 2.73 percent to close at 17,725.30 points with 20.690 million shares.

BR Oil and Gas Index lost 87.38 points or 1.32 percent to close at 6,539.39 points with 25.318 million shares.

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BR Tech. & Comm. Index fell by 89.14 points or 2.25 percent to close at 3,863.88 points with 54.543 million shares.

Ahsan Mehanti at Arif Habib Corporation said stocks fell across the board on global equity selloff amid fears over US recession and concerns over Middle East tensions.

The weak Pak rupee, slump in global crude oil prices and concerns over likely impact on exports on US recession fears played a catalyst role in bearish close.

ACTIVITIES OF KARACHI PORT TRUST, PORT QASIM

Recorder Report Published about an hour ago

KARACHI: The Karachi Port Trust handled 296,545 tonnes of cargo comprising 174,188 tonnes of import cargo and 122,357 tonnes of export cargo during last 48 hours ending at 0700 hours.

The total import cargo of 174,188 comprised of 102,532 tonnes of Containerized Cargo, 10,877 tonnes of Dap & 60,779 tonnes of Oil & Liquid Cargo.

The total export Cargo of 122,357 comprised of 57,067 tonnes of Containerized Cargo, 1,625 tonnes of Cement, 57,065 tonnes of Clinkers & 6,600 tonnes of Oil & Liquid Cargo.

Around, 11 ships namely, Xin Ning Bo, Raon Teresa, Hafnia Exceltor, Hansa Europe, Osaka Express, HmM Bangkok, Buxcoast, M.t Shalamar, Hakuba Galaxy, CmaCgm Congo & Gfs Ruby berthed at Karachi Port Trust.

Approximately, 08 ships namely Vancouver, Xin Lian Chang, Mt Sargodha, Xin Ning Bo, Ssl Godavari, Hansa Europe, Hakuba Galaxy & HmM Bangkok sailed from Karachi Port Trust.

PORT QASIM

A total of eight ships were engaged at PQA berths during the last 24 hours, out of them petroleum product carrier 'Estia' left the port on today morning while four more ships, Maya Gas-1, Zhong Gu Bo Hai, IVS North Berwick and Ullswater are expected to sail on same day.

Cargo volume of 42,907 tonnes was handled at the port during last 24 hours.

There are 07 ships at Outer Anchorage of Port Qasim, out of them three ships, Rakan-5, Leader and Clipper Eris & five more ships, MSC Antonia, San Diego Bridge, Dimitris-Y, TSS Amber and Singapore Bulker scheduled to load/offload Rice, Gas oil, Chemicals, Container and Cement are expected to take berths at FAP, FOTCO, EVTL, QICT and MW-1 respectively on Monday 5th August, 2024.

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LME OFFICIAL PRICES

LONDON: The following were Friday official prices. =====
ALUMINIUM...

Recorder Report Published about an hour ago

LONDON: The following were Friday official prices.

=====		
ALUMINIUM		
=====		
CONTRACT	BID	OFFER

Cash	2214.00	2214.50
3-month	2272.00	2272.50
=====		
COPPER		
=====		
CONTRACT	BID	OFFER

Cash	8976.50	8977.00
3-month	9110.00	9111.00
=====		
ZINC		
=====		
CONTRACT	BID	OFFER

Cash	2627.00	2628.00
3-month	2686.00	2687.00
=====		
NICKEL		
=====		
CONTRACT	BID	OFFER

Cash	16150.00	16155.00
3-month	16375.00	16380.00
=====		
LEAD		
=====		
CONTRACT	BID	OFFER

Cash	1998.00	2000.00
3-month	2039.00	2040.00
=====		

Source: London Metals Exchange.

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SHIPPING INTELLIGENCE

Recorder Report Published about an hour ago

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KARACHI: Karachi Shipping Intelligence report incorporating changes till 7 am on Monday (August 05, 2024).

Alongside East Wharf

Berth No.	Ship	Working	Agent	Berthing Date
OP-1	Hafnia	Disc	Trans Maritime	03-08-2024
	Exceistor	Mogas	Pvt Ltd	
OP-3	M.t	Disc	Pakistan Nation	04-08-2024
	Shalamar	Crude Oil	Ship Corp	
B-1	Raon	Load	Trans Maritime	03-08-2024
	Teresa	Molasses	Pvt Ltd	
B-9/B-8	Ssl	D/L	Oceansea	02-08-2024
	Godavari	Container	Shipping	
		Ship	Pvt Ltd	
B-9/B-8	Gfs Ruby	D/L	Eastwind Shippi	04-08-2024
		Container	Company	
		Ship		
B-10/B-11	Erlyne	Disc Dap	Bulk Shipping	02-08-2024
			Agencies Pvt Ltd	
B-11/B-12	Daria	Load	Sirius Logistic	30-07-2024
		Clinkers	Pakistan	
B-13/B-14	Feng	Load	Ocean Services	31-07-2024
	He Hai	Clinkers		
B-14/B-15	Carina	Load	Crystal Sea	01-08-2024
		Clinkers	Services Pvt Ltd	
B-17/B-16	Taokas	Disc DAP	Bulk Shipping	29-07-2024
	Wisdom		Agencies	

Alongside SOUTH Wharf

Sapt-1	CmaCgm	D/L	CmaCgm	04-08-2024
	Congo	Container	Pakistan Pvt Ltd	
		Ship		
Sapt-2	Hmm	D/L	United Marine	04-08-2024
	Bangkok	Container	Agencies Pvt Ltd	
		Ship		
Sapt-3	Osaka	D/L	Hapag-Lloyd	04-08-2024
	Express	Container	Pakistan	
		Ship		
Sapt-4	Buxcoast	D/L	CmaCgm	04-08-2024
		Container	Pakistan Pvt Ltd	
		Ship		

Expected Sailing

Name of Vessel	Expected Date	Expected Arrival Cargo	Agent
Raon Teresa	05-08-2024	Load Molasses	Trans Maritime
			Pvt Ltd
Buxcoast	05-08-2024	D/L Container	CmaCgm
		Ship	Pakistan Pvt Ltd

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CmaCgm Congo	05-08-2024	D/L Container Ship	CmaCgm Pakistan Pvt Ltd
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Expected Arrivals

UruBhum	05-08-2024	D/L Container Ship	United Marine AgenciesPvt Ltd
Oocl Australia	05-08-2024	D/L Container Ship	Oocl Pakistan Pvt Ltd
Independent Spirit	05-08-2024	D/L Container Ship	RiazedaPvt Ltd
Zhong Gu Bo Hai	05-08-2024	D/L Container Ship	X-Press Feeders Shipping Agency
Lofty Mountain	05-08-2024	D/21368 General Cargo	Legend Shipping and Logistics
Uafl Liberty	06-08-2024	D/L Container Ship	Golden Shipping LinesPvt Ltd
Dimitris Y	06-08-2024	D/L Container Ship	Ocean Network Express Pakistan
CcniAngol	06-08-2024	D/L Container Ship	Gac Pakistan Pvt Ltd
On Matrix	06-08-2024	D/L Container Ship	Ocean Network Express Pakistan

Ship Sailed

Name of Vessel	Departure Date	Ships Departure Cargo	Agent
Vancouver	05-08-2024	Container Ship	-
Xin Lian Chang	05-08-2024	Container Ship	-
M.t. Sargodha	05-08-2024	Container Ship	-
Xin Ning Bo	05-08-2024	Container Ship	-
Ssl Godavari	05-08-2024	Container Ship	-
Hansa Europe	05-08-2024	Container Ship	-
Hakuba Galaxy	05-08-2024	Tanker	-
Hmm Bangkok	05-08-2024	Container Ship	-

PORT QASIM INTELLIGENCE

Berth	Vessel	Working	Agent	Berthing Date
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MULTI PURPOSE TERMINAL

MW-2	Sweet Judi	Rice	Star Shipping	July29, 2024
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Port Qasim Electric Power Terminal

PQEPT	IVS North Berwick	Coal	Alpine	August03, 2024
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LIQUID CARGO TERMINAL

LCT	Corona	Palm oil	Alpine	August 04, 2024
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GRAIN & FERTILIZER TEMINAL

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FAP	Sweet Lady-III	Rice	Ocean World	August 04, 2024
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ENGRO ELENGY TERMINAL

EETL	Lusail	LNG	GSA	August 1, 2024
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SSGC LPG TERMINAL

SSGC Ullswater	LPG	M International	August 03, 2024
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ENGRO VOPAK TERMINAL

EVTL Maya Gas-1	LPG	M International	August 4, 2024
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DEPARTURE

Vessel	Commodity	Ship Agent	Departure Date
Estia	Gasoline	Trans Marine	August 5th, 2024

EXPECTED Departures

Maya Gas-1	LPG	M International	August 5th , 2024
Zhong			
Gu Bo Hai	Container	GAC	-do-
IVS North			
Berwick	Coal	Alpine	-do-
Ullswater	LPG	M International	-do-

OUTERANCHORAGE

Rakan-5	Rice	East Wind	August 5th, 2024
Zhong			
Gu Bo Hai	Container	GAC	-do-
Leader	Gas oil	Trans Marine	-do-
Clipper Eris (Re-Berth)	Alpine	Mogas	-do-
Qi Lin Zuo	Mogas	Alpine	Waiting for Berths
Ginga Liger	Chemicals	Alpine	-do-
Saehan Jasper	Palm oil	Alpine	-do-

EXPECTED ARRIVAL

MSC Antonia	Container	MSC PAK	August 5th , 2024
San Diego			
Bridge	Container	GAC	-do-
Dimitrisy	Container	GAC	-do-
TSS Amber	Container	GAC	-do-
Singapore			
Bulker	Rice	Ocean World	-do-

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OPEN MARKET FOREX RATES

Updated at: 6/8/2024 7:32 AM (PST)

Currency	Buying	Selling
Australian Dollar	184	185
Bahrain Dinar	741.05	749.05
Canadian Dollar	204.15	206.15
China Yuan	38.4	38.8
Danish Krone	40.15	40.55
Euro	303.65	305.65
Hong Kong Dollar	35.65	36
Indian Rupee	3.33	3.43
Japanese Yen	1.91	1.99
Kuwaiti Dinar	908	917
Malaysian Ringgit	58.85	59.65
NewZealand \$	169.15	171.15
Norwegians Krone	26.04	26.34
Omani Riyal	722.87	730.89
Qatari Riyal	76.39	77.09
Saudi Riyal	73.75	74.45
Singapore Dollar	205	207.4
Swedish Korona	26.65	26.95
Swiss Franc	309.1	311.65
Thai Bhat	7.5	7.65
U.A.E Dirham	75.5	76.25
UK Pound Sterling	356.5	358.5
US Dollar	279.3	280.4

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INTER BANK RATES

Updated at: 6/8/2024 7:32 AM (PST)

Currency	Bank Buying TT Clean	Bank Selling TT & OD
Australian Dollar	180.8	181.13
Canadian Dollar	200.23	200.59
China Yuan	38.78	38.85
Danish Krone	40.69	40.76
Euro	304.14	304.69
Hong Kong Dollar	35.87	35.93
Japanese Yen	1.7791	1.7823
Saudi Riyal	74.03	74.16
Singapore Dollar	210.07	210.45
Swedish Korona	26.32	26.37
Swiss Franc	320.43	321.02
Thai Bhat	7.91	7.92
UK Pound Sterling	355.50	356.13
US Dollar	278.40	278.90

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GOLD RATE

Bullion / Gold Price Today

As on Tue, Aug 06 2024, 02:58 GMT

Metal	Symbol	PKR for 10 Gm	PKR for 1 Tola	PKR for 1 Ounce	
Gold	XAU	218,621	254,729	679,999	
Palladium	XPD	85,945	100,140	267,325	
Platinum	XPT	80,331	93,599	249,862	
Silver	XAG	2,557	2,979	7,952	

for local market Gold Rates in Pakistan

Gold Price in Pakistan

As on Tue, Aug 06 2024, 02:58 GMT

Gold Rate	24K Gold	22K Gold	21K Gold	18K Gold
per Tola Gold	Rs. 254700	Rs. 233473	Rs. 222863	Rs. 191025
per 10 Gram	Rs. 218400	Rs. 200199	Rs. 191100	Rs. 163800
per Gram Gold	Rs. 21840	Rs. 20020	Rs. 19110	Rs. 16380
per Ounce	Rs. 619200	Rs. 567596	Rs. 541800	Rs. 464400

Gold Rate

FOREX.pk offered latest and upto date Gold Rate in Pakistan as per International market for today gold rates in Pakistan you can visit GOLD.pk, We update international market gold rate in every fifteen minutes from authentic sources, Gold rates may be different in every city of Pakistan. Karachi is the main hub of gold market, in Pakistan, Karachi is leading for gold rate, every city follow Karachi Sarafa Bazar Association for gold price, Today gold prices for different cities including Karachi, Lahore, Islamabad, Peshawar, and Quetta are also available on Gold.pk. FOREX.pk is not liable or responsible to any transactions made on the basis of above

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mentioned gold rate.

* Above Gold rate are taken from International Market so there may be some fluctuation from Local Market you can visit GOLD.pk for uptodate today gold price in Pakistan.

Gold Rates in other Major Currencies

Currency	Symbol	10 Gm	1 Tola	1 Ounce	
 China Yuan	CNY	5,621	6,550	17,485	
 Euro	EUR	722	842	2,246	
 Japanese Yen	JPY	115,085	134,092	357,959	
 Saudi Riyal	SAR	2,944	3,430	9,157	
 U.A.E Dirham	AED	2,883	3,359	8,968	
 UK Pound Sterling	GBP	613	715	1,908	
 US Dollar	USD	785	915	2,442	