

**P B I T**



**COVID-19 REPORTS**

**MAY 2020**

# **Situational Analysis of Pakistan**

**Economic Indicators of Pakistan  
Pre & Post COVID-19**

# Sustaining the Uplift

Positive Economic Indicators

## FY 2018-19



**\$11.56Bn**  
Current Account  
Deficit



**\$23.9Bn**  
Trade Deficit



**\$44Bn**  
Imports



**\$24.7Bn**  
Exports



**\$17.8Bn**  
Remittances

## 2019-20 (9Months)



**\$2.8Bn**  
Current Account  
Deficit



**\$2Bn(Per Month)**  
Trade Deficit



**\$3Bn(July-Feb)**  
Imports



**\$18.4Bn**  
Exports



**\$18.8Bn**  
Remittances



Agriculture sector recorded a growth of 0.85%.



Services sector recorded growth by 4.7%

Source:

Pakistan Economic Survey  
Economic Adviser's Wing Finance Division



# The Strike of COVID-19

Speed-Breaking the Economic Growth

*The lockdown since Last week of March in Pakistan practically jammed the economic activity. The industry, retail sector, transport, railways and overall supply chain got paralyzed, both locally & globally.*

Imports fell almost  
**20%** to **USD 3.3Bn** in March  
**32%** to **USD 3.2Bn** in April

Exports fell almost  
**11%** to **USD 1.81Bn** in March  
**54%** to **USD 957Mn** in April

The trade deficit was recorded  
**USD 1.5Bn** in March  
**USD 2.2Bn** in April

Remittances  
Increased over **9%** to **\$1.89Bn**  
in March  
**\$1.79Bn** in April.

Official assessment estimates an  
initial loss of **PKR 2.5 Trillion**  
(around **USD15 Bn**)

The Import might further shrink by **c.USD 1 Bn/month** during May & June due to oil prices

The Exports might further shrink by **c.USD 1 Bn/month** in May and June of the ongoing fiscal year.

The trade deficit might increase by more than **c.USD 2 Bn/month** during May and June due to anticipated reduce in exports and imports.

# The Prompt Response

## Government of Pakistan's Corona Relief Package

PKR (Billion)	Share	Weightage
Total	1240	100
<b>Emergency Response</b>		
National Disaster Management Authority	25	13%
Medical Equipment's	50	26%
Emergency Fund	100	53%
Tax relief on Food 7 health Items	15	8%
	<b>190</b>	<b>15%</b>
<b>Relief to Citizens</b>		
Relief to daily wage workers	200	35%
Relief to vulnerable families & Panagah	150	26%
Relief on petrol /diesel	70	12%
Funding to Utility Stores	50	9%
Power & Gas subsidy/ payment deferral	100	18%
	<b>570</b>	<b>46%</b>
<b>Support to Business and Economy</b>		
Payment to farmers (wheat)	280	58%
Relief to Exporters	100	21%
Relief to SMEs & Agriculture	100	21%
	<b>480</b>	<b>39%</b>
<b>PKR 50Bn for PPEs for Doctors</b>		
<b>PKR 200Bn for laborers across Pakistan</b>		
<b>PKR 150Bn would be allocated for low-income families</b>		
<b>PKR 50Bn (\$298.94Mn) for government-run utility stores</b>		
<b>PKR 280Bn (\$1.68Bn) for wheat procurement</b>		
<b>PKR100Bn Tax Refunds for Export sector</b>		
<b>PKR 100Bn for SMEs</b>		
<b>Loans for Wages of 3 Months by SBP on interest of 3-4pc</b>		

Source:  
Dawn

Pakistan Economic Survey



# Opportunity Amid COVID

The Construction Sector of  
Pakistan

## Status of Industry to Construction Sector

Rationalization of Capital Gains Tax  
(CGT)

Rationalization/reduction in sales tax  
on construction material

Source of investment till December  
31<sup>st</sup>, 2020 will not be probed

Withholding of tax on all construction  
related material waived off

No provincial sales tax on housing  
authorities

Exemption of taxes on first house

PKR 30Bn Subsidy for Naya Pakistan  
Housing Scheme

Only 10pc tax on Naya Pakistan  
Housing Scheme

**“Lucrative opportunity  
for investors during  
pandemic”**

Source:

Zameen.com

Analysis of Transactions Team | PBIT

<https://home.kpmg/xx/en/home/insights/2020/04/pakistan-government-and-institution-measures-in-response-to-covid.html>

# Knowing the Way, Showing the Way

Punjab – Leading the Strategic Initiatives

## CM Punjab Insaaf Imdad Program

Biggest program of financial assistance to the effecties of lockdown

Announced **PKR 10BN** Corona Relief Package

Waiver of **PKR 18Bn** Provincial Taxes

Financial Assistance to **675,000** families

**PKR 12,000** has been provided

**PKR 7.87Bn** have been distributed till May 21,2020.

Pay Equivalent Allowance for Health Professional

Financial assistance of **PKR 5Bn** to **427,000** families of during first 3 days of lockdown

**1,000 Bed** field hospital at Expo Centre Lahore

**203 bed** Field hospital in Sialkot

Policy Making against Hoarding and Over-pricing  
Opening of textile industry for export orders  
Opening of Shopping Malls for economic activity  
Opening the transport for inter & Intra city travelling

# ABOUT US

Punjab board of investment & trade is a provincial trade and investment promotion agency established by the Government of Punjab in 2009. In today's global economy, trade and investment play an increasingly important role in generating means for transformative change. At PBIT, we strive to ensure that this transformative change is sustainable and more impactful. PBIT is committed to enhancing the global competitiveness of Punjab and its business. To this end, we work to attract new investments in the region and strengthen the existing ones by promoting local investment opportunities, facilitating businesses and highlighting the distinct advantages of Punjab as a business location.

## Transactions Department

Punjab Board of Investment and Trade targets a socio-economic growth through its Transactions Department. The department plans to fortify its deep roots, both locally and internationally, by reaching out to leading businesses for discussing the panoramic commercial opportunities. As per the initiative of inventiveness, the department plans to provide a transaction advisory as defined in its role to bring-in the investments and establish new businesses. For this purpose, Pitch books of different identified sectors are a new resourcefulness of this department which would target to develop the in-house capacity of production by connecting the local and international market players. This would not only ensure the technology transfer but also create several jobs in the province. The department plans to connect through the regional IPAs, financial institutions, the embassies in different countries and local chambers as well so as to fast-track the process of economic growth and industrialization in Punjab in regard to its recognition as 'The Land of Opportunities

## Investment Associates

Mafaz Ahsan

Ghazi Asad Ali

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## Deputy Manager

Samad Rasheed

## Head of Transactions Dept

Rana Waqas

