

Tariq Saeed to visit LCCI today

RECORDER REPORT

LAHORE: President SAARC Chamber of Commerce and Industry Tariq Saeed will visit Lahore Chamber of Commerce and Industry (LCCI) today (Saturday) to discuss as to how the economy can be put back on the track.

Tariq Saeed will address the LCCI member and throw light on regional economic scenario and the opportunities for Pakistan. He is one of the few businessmen who are considered an authority on economic issues.

Pakistanis felt secure in 2009 keeping cash with banks

RECORDER REPORT

ISLAMABAD: Pakistanis felt safe and secure in 2009 while keeping their cash in banks, which is evident from Rs 5.4 billion withholding tax deduction as 'profit on debt' in (July-November) 2009-10 against Rs 4 billion in the same period of last fiscal year, reflecting a huge increase of Rs 1.4 billion.

On the other hand, the huge volume of cash in circulation could be judged from the fact that the withholding tax on cash withdrawals from banks stood at Rs 4.7 billion (July-November) 2009-10 against Rs 4.1 billion in the same period last fiscal year, reflecting an increase of Rs 0.6 billion.

Sources told Business Recorder on Friday that enhanced amount of withholding tax collected on cash withdrawals clearly reflected increased monetary transactions through commercial and national banks of the country, skipping the paper work of documented economy.

The government had imposed 0.3 percent withholding tax on each cash withdrawal from banks, but when cash amount exceeds Rs.25,000, tax is required to be deducted on

the whole amount and not the amount exceeding Rs.25,000.

The FBR has collected Rs 5.4 billion as 10 percent withholding tax from 'profit on debt' during first five months of current fiscal year against Rs 4 billion last fiscal year, showing an increase of Rs 1.4 billion.

Under Section 151 of the Income Tax Ordinance 2001, 10 percent is liable to be deducted from 'profit on debt'. This enhanced amount clearly reflects the overall volume of cash people preferring to keep in banks.

Sources said huge amount of Rs 5.4 billion tax collected on 'profit on debt' shows that people have increased deposit of cash amount in the banks. The money remained idle in the banks without any investment or circulation in the market. When investment opportunities are not available, people start saving money into the banks.

The amount continued to remain in banks which in turn do not help its rotation in the economy. In the presence of investment opportunities, this money could be channelised for different sources thereby increasing the economic activities.

India exports up 18pc

NEW DELHI: India's exports rose an annual 18.2 per cent in November to \$13.2 billion, the first rise after 13 straight months of decline indicating a partial recovery, the government said on Friday.

Analysts said it was too early to view the year-on-year exports growth as a firm revival due to a low base effect.

India's trade minister Anand Sharma said in December that the exports have stabilised and would get back on the growth track. —Reuters

India's annual exports up 18.2pc

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Analysts said it was too early to view the year-on-year exports growth as a firm revival due to a low base effect.

"The growth in exports is partly due to a low base of exports last year during this period and partly due to a recovery in global demand. I hope growth can be sustained and exports are put on a growth path," said Rajiv Kumar, an economist at Indian Council for Research on International Economic Relations (ICRIER), a New Delhi-based think tank.

India's trade minister Anand Sharma said in December that the exports have stabilised

and would get back on the growth track.

The country's imports dropped 2.6 percent in November from a year earlier to \$22.88 billion, while the trade deficit shrunk to \$9.69 billion from \$12.33 billion a year earlier.

Analysts, however, said the 7.3 percent year-on-year rise in oil imports in November to \$6.39 billion indicates the possibility of a rise in oil import bill and trade deficit in coming months.

"The rise in oil imports is due to... higher demand from the domestic industry, which has shown strong growth in the third quarter," said N.R. Bhanumurthy, an economist at National Institute of Public Finance and Policy, a New Delhi-based think-tank.

While exports may continue to show positive growth in the remaining months of

the current fiscal year due to a low base effect, it would be difficult to sustain double-digit growth as the November rise was partly due to higher pre-Christmas exports, he added.

Exports contribute close to a fifth of India's gross domestic product and Asia's third largest economy is expected to grow by over 7 percent in 2009/10.

Exports for April-November, the first eight months of the 2009/10 fiscal year, were down 22.3 percent at \$104.25 billion from the same period in the previous year.

C. Rangarajan, chairman of Prime Minister Manmohan Singh's Economic Advisory Council had said in October exports could touch \$188.9 billion this fiscal ending March, the level achieved in 2008/09. —Reuters

India's visa facility for 5 countries

MUMBAI, Jan 1: India will issue visas on arrival to tourists from five countries starting Friday, according to a foreign ministry statement, just days after a plan to tighten some visa rules drew protests.

The visas, for tourists from Finland, Japan, Luxembourg, New Zealand and Singapore, will be issued from Jan 1 on an experimental basis for a period of one year and will be valid for up to 30 days, the statement said.

Single-entry visas will initially be issued at airports in New Delhi, Mumbai, Chennai and Kolkata, it said. —Reuters

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