

economicletter

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Pakistan

According to SBP, total liquid foreign exchange reserves as on September 30, 2016, stood at \$ 23.612 bn of which \$ 18.491 bn was held by SBP and the rest with banks.

The government has raised \$ 1.0 bn through the issuance of a 5 – year Sukuk (Islamic) bond at an interest rate of 5.5 %.

CPI inflation (PBS data) in the first quarter of the current fiscal (July – September 2016) averaged 3.86 % against 1.66 % in the same quarter last fiscal. Food and non-food inflation registered increases of 3.14 % and 3.8 % respectively, year-on-year.

The World Bank has forecast a GDP growth of 5.0 % in the current fiscal and of 5.4 % in the 2017-18 fiscal.

The Federal Board of Revenue (FBR) has notified tax exemption on Sukuk (Islamic) bonds with immediate effect.

Gross revenue collection by the FBR amounted to Rs. 637.1 bn in the first quarter of the current fiscal, higher by about 6 % over the same quarter last fiscal.

Pakistan and Belarus have signed 18 agreements for cooperation in various sectors of their economies including aviation, education, customs and banking. Belarus is generally considered as a gateway continental Europe facilitative of trade in particular.

The government has again offered \$ 500 mn to Afghanistan for various development projects of its choice.

The Indus River System (IRSA) has forecast a shortage of 18 % in availability of water for rabi crops.

The Economic Coordination Committee (ECC) of the Cabinet has approved the laying of Gwadar – Nawabshah LNG pipeline.

Markets at a glance

Weekly Review	KIBOR (6 months)		Foreign Exchange Rates			PSX	Gold Rate
	Bid %	Offer %	GBP(£)	EURO(€)	USD(\$)	100 Index	(10 gm)
Beginning	5.81	6.06	Rs. 136.45	Rs. 117.49	Rs. 104.75	40,561.01	Rs. 40,700
Ending	5.80	6.05	Rs. 132.2	Rs. 116.75	Rs. 105.45	41,200.48	Rs. 39,394.95
Change	-0.01	-0.01	-4.25	-2.26	+0.7	+639.47	-1305.05

It is estimated to cost Rs. 203.314 bn including a Chinese loan of Rs. 135.128 bn. It would be completed before end – 2018.

The provincial government of Sindh has lifted the ban on government recruitment which was put in place in August 2015.

The Central Directorate of National Savings (CDNs) has revised upwards the rates of return on its various saving schemes to augment greater mobilisation of national savings.

International

The IMF has included yuan, the Chinese national currency, also known as renminbi or “people’s money” in its basket of currencies alongwith the U.S. dollar, the Japanese yen, the euro and the British pound, used for determining the value of its SDR, the top global reserve currency.

The Reserve Bank of India has cut its key repo rate by 25 bps to 6.25 %.

The central bank of Saudi Arabia has directed banks in the Kingdom to reschedule consumer loans of customers hard hit by government austerity measures. The government has

already cut the salaries of ministers by 20 % and has sharply reduced the perks of all public sector employees who constitute about two-thirds of all working employees in the country.

The Organisation of Petroleum Exporting Countries (OPEC) has agreed to cut production, the first in eight years, despite Iran not agreeing to freeze its output and export.

China, Britain and France have signed a \$ 23 bn deal to build a civilian nuclear power plant in the U.K. capable of meeting 7 % of the country’s energy needs set to be operational by 2025.

The British pound sterling plunged to a 31-year low at one point against the U.S. dollar in trading during the current week given the uncertainties following the Brexit.

India’s tax amnesty scheme has raised \$ 9.8 bn allowed for the past four months for whitening of black money.

Some international donors have pledged \$ 15.2 bn to Afghanistan over the next four years to meet the country’s development needs.



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