

# economicletter

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## Pakistan

The SBP has imposed a 100% cash margin on imports of 404 items, most of them generally considered non-essential, with a view to arrest rising cost of avoidable imports.

The SBP has required more documents and information regarding the exports of securities to non-resident investors for registration with the SBP.

According to SBP, foreign firms operating in Pakistan repatriated \$ 1.090 bn by way of profits and dividends during July-January 2016-17 compared to \$ 1.058 bn in the same period of 2015-16.

According to SBP, the services sector exports fell to \$ 2.896 bn during July-January 2016-17 against \$ 3.228 bn in the same period of 2015-16. Imports of the sector rose to \$ 4.882 bn against \$ 4.763 bn during the above periods.

According to SBP the cumulative outstanding credit extension by banks and DFIs for infrastructural development during July-December 2016 stood at Rs. 583.8 bn, higher by 29% over the same half of 2015.

The SBP in its latest Inflation Monitor has identified rising house rents and increased costs of education and medicines are stoking inflation to rise.

The SBP has allowed authorised dealers to make advance remittances on behalf of Hajj groups of organisers upto 30% of the Hajj package for Hajj arrangements in Saudi Arabia.

According to SBP, total liquid foreign exchange reserves as on 24<sup>th</sup> January 2017, stood at \$ 21.822 bn of which \$ 16.851 bn was held by SBP and the rest with banks.

Total merchandise exports earnings (PBS f.o.b data) during the first seven months of the current fiscal (July-January 2016-17) at \$11.685 bn was lower by 3.21% over the same period last fiscal.

According to Pakistan Bureau of Statistics (PBS) movement of some tradable items (f.o.b. data) during the first seven months of the current fiscal (July-January 2016-17) over the same period last fiscal has been as under:

## Markets at a glance \*Rates are taken till 5 pm\*

Weekly Review	KIBOR (6 months)		Foreign Exchange Rates			PSX	Gold Rate
	Bid %	Offer %	UK(£)	EURO(€)	USD(\$)	100 Index	(10 gm)
Beginning	5.87	6.12	Rs. 133.20	Rs. 112.80	Rs. 107.10	49,007	Rs. 43,628
Ending	5.87	6.12	Rs. 131.50	Rs. 112.50	Rs. 107.20	49,623	Rs. 43,671
Change	0.00	0.00	-1.7	-0.3	0.1	616	43

- Export earnings of value added textiles and clothing at \$7.244 bn was lower by 1.54%;
- Export earnings of food products at \$ 2.023 bn was lower by 9.28%;
- Import payments of food products at \$ 3.444 bn was higher by 11.68%;
- Import cost of machinery at \$ 6.846 bn was higher by 42.36%;
- Import cost of the oil sector comprising of crude oil and petroleum products at \$5.814 bn was higher by 16.0 % of the two. Import cost of crude oil was lower by 15% while that of petroleum products was higher by 21%;
- Export earnings of non-textile products at \$ 4.46 bn was lower by 6%;

The government has raised the per litre price of petrol and high speed diesel by Rs. 1.71 and Rs.1.52 respectively.

## International

The 10-nation Economy Cooperation Organisation (ECO) at its 13th Summit meeting in Pakistan has adopted a ECO Vision 2025 resolution calling for doubling of intraregional trade and curbing terrorism amongst other objectives. Pakistan is a founder member of the ECO.

GDP growth in India slowed to an annualized pace of 7.0% during October-December 2016, year-on-year, against 7.3% during the July--September quarter of the year.

The British economy is estimated to have grown by 1.8% in 2016, projected to rise by 2.0% in 2017.

China has relegated France and the U.S. to second and third positions by emerging as the top country in trading relations with Germany with a bilateral trade Volume of \$ 180 bn in 2016.

China has emerged as the top trading partner of the United Arab Emirates (U.A.E.) in 2016, displacing the U.S. from that position.

Saudi Arabia's Aramco is to invest \$ 7.0 bn in a giant Malaysian oil refining and petrochemical project to cost a total of \$ 27.0 bn.

Saudi Arabia has signed 11 deals with Indonesia aimed at enhancing economic ties between the two countries of which one relates to an investment of \$ 6.0 bn to expand Indonesia's biggest oil refinery.



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