

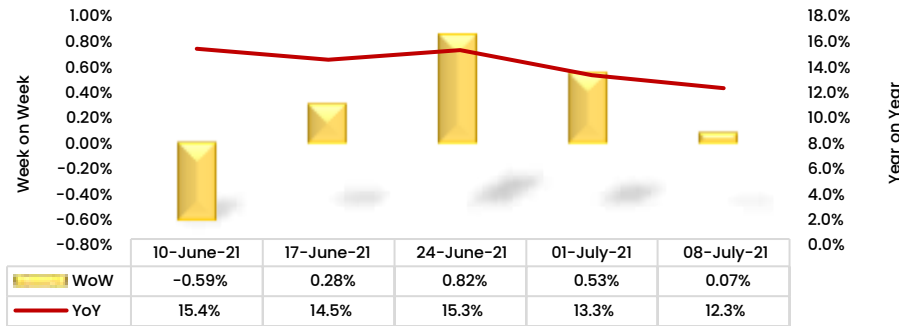
Domestic Economic Roundup

COVID-19: Impact of SBP's Measures as of May 17 – June 17, 2021

		(Rs. in billion)	
Loans Deferred*	657.0	Loans Approved for Hospitals	15.6
Loans Restructured*	253.6	Loans Approved for Investment	436.0
Loans Approved for Wages*	238.0	ATMs' Availability	97 Percent

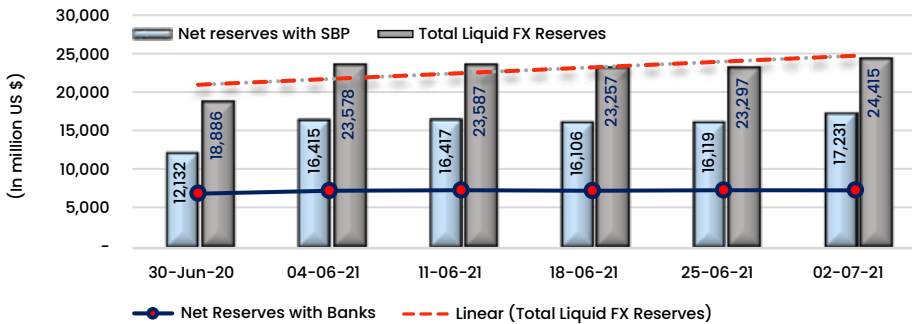
*Since the schemes are no longer available, the data has not been updated after November 13, 2020 and April 16, 2021 in the case of Loans Approved for Wages and Loans Deferred/Restructured, respectively.

Weekly Trend in Sensitive Price Indicator (SPI)

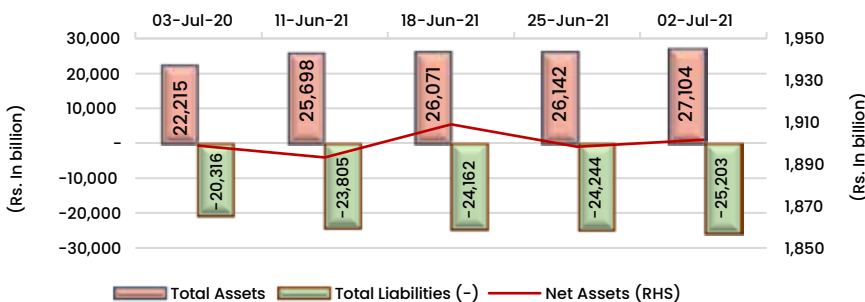


Sensitive Price Indicator (SPI) is computed on weekly basis to assess the price movements of essential commodities at shorter interval of time so as to review the price situation in the country. SPI comprises of 51 essential items and the prices are being collected from 50 markets in 17 cities of the country.

Week-end Position of Total Foreign Exchange Reserves



Total Assets and Liabilities of Scheduled Banks



Markets at a Glance

Rates taken till Friday, July 16, 2021

MONETARY POLICY RATE

7pc | Effective from June 25, 2020

KIBOR (6 MONTHS)

	Bid%	Offer%
Change Ending Starting	7.41	7.66
Change Ending	7.35	7.60
Change Ending Starting	-0.06	-0.06

FOREX RATES

	GBP	EURO	USD
Change Ending Starting	PKR 219.42	PKR 188.41	PKR 159.17
Change Ending	PKR 221.51	PKR 188.82	PKR 159.94
Change Ending Starting	PKR +2.09	PKR +0.41	PKR +0.77

PAKISTAN STOCK EXCHANGE

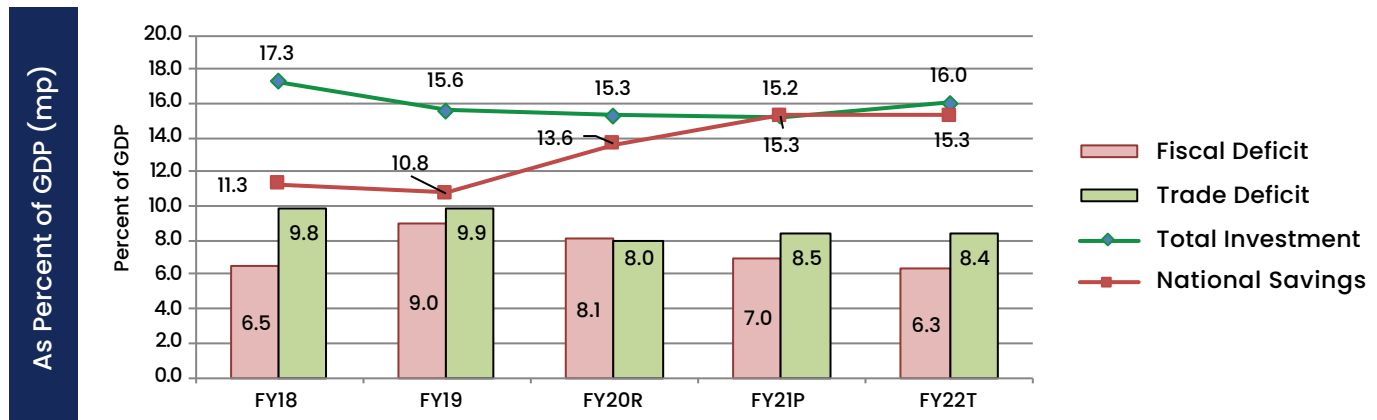
	100 Index
Change Ending Starting	47,563
Change Ending	47,834
Change Ending Starting	+271

GOLD RATES

	100 GM, 24K
Change Ending Starting	PKR 93,621
Change Ending	PKR 93,750
Change Ending Starting	+129

Pakistan's Major Economic Indicators

Real Sector (Percent Growth)	FY18	FY19	FY20 ^R	FY21 ^P	FY22 ^T
GDP (Real)	5.5	2.1	-0.5	3.9	4.8
Agriculture Sector	4.0	0.6	3.3	2.8	2.8
Industrial Sector	5.4	-0.7	-7.4	8.7	8.7
Services Sector	6.3	3.8	-0.6	4.4	4.4
Real GDP (Rs. in billion)	12,344.3	12,600.7	12,541.8	13,036.4	13,6621.1
Nominal GDP (Rs. in billion)	34,616.3	38,086.2	41,556.3	47,709.3	53,876.0
GNP (mp) US \$ Per Capita	181,441	198,565	215,060	246,414	271,548
GNP (mp) US \$ Per Capita	1,651.9	1,459.1	1,360.9	1,542.5	NA



CPI INFLATION (YoY%)	Annual Average			Year-on-Year		
	FY19	FY20	FY21	JUN 2020	MAY 2021	JUN 2021
General	6.8	10.7	8.9	8.6	10.9	9.7
Food (Urban)	4.6	13.6	12.4	12.9	15.3	11.0
Non-Food (Urban)	8.5	8.3	5.7	4.7	8.3	8.9

Currency in Circulation as on (Stock data)*						Rs. in billion
June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 26, 2020	June 25, 2021	
4,387.8	4,950.0	6,142.0	NA	6,192.1	6,998.0	

Sources: i) Annual Plan 2020-21, Planning Commission | ii) Pakistan Economic Survey 2019-20, Finance Division iii) Data published on SBP website
T = Target | P = Provisional | R = Revised

* Latest data is not available.

Pakistan Receives Record \$29.4 billion Remittances in FY21

According to the SBP's press release issued on July 13, 2021, workers' remittances in June 2021 continued their unprecedented streak of above \$2 billion for a record 13th consecutive month. With inflows of around \$2.7 billion in June 2021 (9 percent growth (y/y) and 8 percent growth (m/m), the seasonal pre-Eid related inflows helped to boost remittances level during the month. On a cumulative basis, remittances rose to a historic annual high of \$29.4 billion. This has helped improve the country's external sector position despite the challenging global economic conditions in the past year. Remittances registered a substantial 27 percent growth in FY21 over last year, the fastest rate of expansion since FY03. Remittance inflows during FY21 were mainly sourced from Saudi Arabia (\$7.7 billion), United Arab Emirates (\$6.1 billion), United Kingdom (\$4.1 billion) and the United States (\$2.7 billion).

Overall, record high inflows of workers' remittances during FY21 have been driven by proactive policy measures by the government and SBP to incentivize the use of formal channels, curtailed cross-border travel in the face of COVID-19 infections, altruistic transfers to Pakistan amid the pandemic and orderly foreign exchange market conditions.

SBP Further Enhances Consumer Grievance Handling Mechanism at Banks

State Bank of Pakistan (SBP) is in continuous pursuit of strengthening the consumer protection regime and market conduct of the industry. Amongst other efforts, emphasis is being given to improve grievance handling mechanisms at banks, microfinance banks (MFBs) and Development Finance Institutions (DFIs) (hereinafter referred to as banks) with the aim to provide more affordable, accessible, fair, accountable and efficient grievance redresser system, said SBP on July 12, 2021.

For this purpose, various measures have been taken by SBP to enhance responsible complaint handling by the banks as they handle more than 97 percent of complaints related to the banking industry, in a year. Recently, SBP conducted a detailed review of complaint handling practices at banks, primarily focusing on 'ease of lodgment', and 'quick and fair disposal' of complaints. Based on the findings of the review and the role of complaints in improvising banking services, SBP has directed the banks to enhance the grievance handling mechanism deployed at their end. In order to make complaint lodgment at banks easier and accessible, SBP has prescribed mandatory modes of complaint lodgment to banks with a direction to ensure their availability and accessibility at all times. These modes include Call Centers, Emails, E-forms, Surface mail, Fax, and Complaint boxes/registers. Additionally, the banks have also been encouraged to invest in innovative modes of complaint lodgment like receiving complaints through SMS/Call Back Service, Mobile applications, Self Service Kiosks and other Social Media Platforms. Such investment will not only boost

convenience for customers rather it will help banks capture/handle complaints in a better way. Banks have also been advised to send awareness SMS messages at least on a bi-annual basis to create adequate awareness regarding the complaint lodgment modes deployed. For better tracking of complaints by the customers, the provision of complaint tracking numbers in written form has been made mandatory. Similarly, special focus has been laid on quick and meritorious disposals of complaints. Further, SBP has also enhanced the reporting requirements on complaint handling in light of the international and local needs/trends. Besides, banks have been advised to ensure provisioning of adequate support to complaint handling function at banks in terms of Human Resources, Information Technology, Training, etc.

SECP Registers 2,504 New Companies in June 2021

The Securities and Exchange Commission of Pakistan (SECP) registered 2,504 new companies in June 2021, indicating a growth of 63 percent as compared to corresponding period last year. The total number of registered companies increased to 145,913. Around 99 percent of these were incorporated online and 45 percent applicants were issued registration certificates the same day, whereas 203 new foreign users were registered from overseas. Of the newly registered companies, 65 percent were registered as private limited companies, 31 percent as single member companies and four percent as public unlisted companies, not for profit associations, foreign companies and limited liability partnership (LLP). Total capitalization (paid-up-capital) of newly incorporated companies for the current month is amounted to Rs. 3.3 billion.

The construction & real estate sector took the lead with the incorporation of 474 companies, followed by trading 382; I.T 275; services 216; ecommerce 129; food & beverages 105; textile 86; corporate agricultural farming 76; education 66; engineering; and market & development 54 each; pharmaceutical 50; healthcare 45; tourism 39; mining & quarrying and transport 36 each; chemical 34; auto & allied 33; cables & electric goods 31; logging 27; communication 26; power generation 24; paper & board, and cosmetics & toiletries 19 each; steel & allied 18; broadcasting & telecasting; and fuel and energy 16 each; wood & wood products 13; and 105 companies were registered in other sectors. Foreign investment has been reported in 66 new companies. These companies have foreign investors from Austria, Azerbaijan, Bangladesh, China, France, Germany, Ghana, Hong Kong, Iran, Italy, Kyrgyzstan, Malawi, Mexico, the Netherlands, Nigeria, Oman, Philippines, Qatar, Russia, Singapore, Slovakia Republic, Sweden, Syria, Turkey, the UK, Uruguay and the US.

The highest numbers of companies, i.e. 810 were registered in Islamabad, followed by 807 and 394 companies registered in Lahore and Karachi respectively. The CROs in Peshawar, Multan, Faisalabad, Gilgit-Baltistan, Quetta and Sukkur registered 174, 127, 98, 62, 22, and 10 companies respectively.

International Economic Roundup

IMF, World Bank and BIS Stress Benefits of Central Bank Digital Currencies

The International Monetary Fund, the World Bank and the Bank for International Settlements (BIS) have made a joint call for global cooperation on central bank digital currencies, advocating for their cross-border benefits. In a statement, the three global institutions argued that coordination on digital currencies would shake up the status quo of having to rely on expensive and slow transfer services to send money around the world.

"Faster, cheaper, more transparent and more inclusive cross-border payment services would deliver benefits for citizens, businesses and economies worldwide," said Indermit Gill, World Bank Group vice president of equitable growth, finance and institutions.

Around 90 percent of the world's central banks are currently looking at creating digital versions of their currencies, raising questions about how they will work and operate with each other. "CBDCs (central bank digital currencies) offer the opportunity to start with a 'clean slate'. It is crucially important that central banks take the cross-border dimension into account," Jon Cunliffe, chair of the Committee on Payments and Market Infrastructures and deputy governor for Financial Stability of the Bank of England, said in a report prepared for the G20 meeting in Italy.

"The implications of CBDCs, even if only intended for domestic use, will go beyond borders," added Tobias Adrian, Financial Counsellor and Director of the IMF's Monetary and Capital Markets Department. The report said that facilitating international payments with CBDCs could be achieved through different degrees of integration and cooperation, ranging from basic compatibility with common standards to the establishment of international payment infrastructures. The IMF, World Bank and BIS prepared the report for a G20 meeting in Italy hosting the finance ministers and central bankers of the world's largest economies.

The report envisions a central bank digital currency ecosystem where currencies could be exchanged with one another instantly and at all times. In the same way that central banks offer swapline to one another (to ensure, for example, that US dollars are readily available for exchange), digital currencies could offer the same services to retail users. According to the report, by the end of 2022 the G20 members, the IMF, the World Bank and the BIS will have completed regulatory stablecoin frameworks and research and selection of CBDC designs, technologies and experiments.

"The pilgrims performing Hajj and 'Umrah are a delegation to Allah. If they call upon Him, He will answer them; and if they ask for His forgiveness, He will forgive them."

THE PROPHET MUHAMMAD ﷺ

The Co-Creator of Dogecoin Explains Why He Does Not Plan to Return to Crypto: It is 'Controlled by a Powerful Cartel of Wealthy Figures'

Jackson Palmer, the co-creator of the meme-inspired cryptocurrency dogecoin, made a rare return to Twitter with some harsh words about crypto in general. "I am often asked if I will 'return to cryptocurrency' or begin regularly sharing my thoughts on the topic again. My answer is a wholehearted 'no,'" Palmer tweeted on July 14, 2021.

In 2013, Palmer and Billy Markus created dogecoin as a joke based on the "Doge" meme, which portrays a shiba inu dog. Markus and Palmer did not intend for dogecoin to be taken seriously.

But the coin has recently taken off and dogecoin is currently one of the top 10 cryptocurrencies by market value. Earlier this year, it hit an all-time high of nearly 74 cents. Despite its recent surge in popularity, Markus and Palmer have not profited, as they both sold out before dogecoin's meteoric rise.

In his Twitter thread, Palmer criticized those in power in the cryptocurrency space, saying that it is "controlled by a powerful cartel of wealthy figures" who "have evolved to incorporate many of the same institutions tied to the existing centralized financial system they supposedly set out to replace."

Palmer also criticized how crypto is shared and marketed. In another tweet, he alleged that "the cryptocurrency industry leverages a network of shady business connections, bought influencers and pay-for-play media outlets to perpetuate a cult-like 'get rich quick' funnel designed to extract new money from the financially desperate and naive."

Palmer admits this type of "financial exploitation" existed before cryptocurrency, but says he still believes that the crypto industry hurts the "average" people who join it. He also believes it is susceptible to fraud, similar to other cryptocurrency critics.

Supporters of cryptocurrency see things differently. For example, bitcoin, the largest cryptocurrency by market value, was made to be a decentralized, peer-to-peer

financial system. It is seen by its holders as a hedge against inflation, among other things.

In response to Palmer's thread, Markus, dogecoin's other co-creator, tweeted that Palmer's "points are generally valid."

"There's a lot of terrible people who are involved in the crypto space and I completely understand why he would feel negative about it," Markus wrote. "I understand his perspective and we both saw mostly the negative side of all this," he said in another tweet. Markus has been much more active on social media, despite not currently being involved with dogecoin's development.

"The crypto community can be pretty elitist and not very inclusive and we wanted to make a community that was more fun, lighthearted and inclusive," Markus previously told CNBC Make It about creating dogecoin. "It worked and is why the dogecoin community consistently maintains a presence."

[On the best means by which seekers of nearness to Allah, the Glorified One, the Exalted, seek nearness]: "The performance of Hajj to the House of Allah (i.e. The Ka'ba) and its 'Umrah (other than annual visit) for these two acts banish poverty and wash away sins.

HAZRAT ALI

China's Post-Pandemic Economic Rebound Loses Steam

The Chinese economy's sharp rebound from the coronavirus pandemic has now slowed, official figures show. Gross domestic product (GDP) increased by 7.9 percent in the second quarter of 2021 compared to the same time last year. That was less than half the rate seen in the previous quarter and missed economists' forecasts of 8.1 percent growth.

GDP is one of the most important ways of showing how well, or badly, an economy is doing. It is a measure – or an attempt to measure – all the activity of companies, governments and individuals in an economy. Official figures for June also showed better-than-expected growth for retail sales and industrial production. "China's economy sustained a steady recovery with the production and demand picking up," the NBS said in a statement. However,

the release went on to caution: "The epidemic continues to mutate globally and external instabilities and uncertainties abound."

Record high prices for commodities, like iron ore and copper, helped to push its factory inflation to the highest level in more than a decade. The country has also seen supply chain disruptions as shipping firms have been hit with backlogs, while shortages of energy also hampered factory output.

In April, official figures showed that China's economy grew a record 18.3 percent in the first quarter of 2021 compared to the same quarter last year. It was the biggest jump in GDP since China started keeping quarterly records in 1992. However, that expansion was also below expectations, after a Reuters poll of economists predicted growth of 19 percent.

They were also heavily skewed and less indicative of strong growth, as they are compared to last year's huge economic contraction – China's economy shrank 6.8 percent in the first quarter of 2020 due to nationwide lockdowns at the peak of its COVID-19 outbreak.

MANAGEMENT VIEWS

Steps to Take If You Are Worried About Your Finances

If you are concerned about your finances, know that you are not alone. In fact, some research suggests that financial stress is at an all-time high in the US. Luckily, there are some tried-and-tested ways to begin to feel in control of your money again.

- **Be honest with yourself.** The gap between where you are and where you would like to be could be caused by a number of factors. Maybe you are not earning enough, or have a lot of debt, or maybe you are spending too much. Whatever the situation is, name the problem so that you can figure out a long-term solution.
- **Start budgeting.** Here is the key: Do not use your budget to set unrealistic goals about how much you are going to save or how little you are going to spend. Instead, sketch out an accurate description of how your finances work. See where you could be spending more or spending less and plan accordingly.
- **Create an emergency fund.** Putting aside \$50 a month can really add up. If you are in debt, aim to have at least \$1,000 in your fund until you are out of debt.
- **Ask for help.** There are plenty of services out there that can help you take back control – from financial planning

to debt management to credit counseling. There is no reason to go this alone. Getting the help you need will reduce your stress levels and help you build a more positive relationship with money in general.

(This tip is adapted from *5 Easy Ways to Take Control of Your Personal Finances*, by Kiara Taylor – HBR.)

Do Your Employees with Disabilities Feel Safe to Disclose?

For an employee, deciding whether or not to disclose a disability at work is complicated. But, as a leader, you can create a culture in which people feel safe to bring their full selves to work. First, make sure you have accessible, enterprise-wide training programs in place to help employees with disabilities thrive and advance in their careers. For example, you might offer introductory sign language courses to help people communicate with non-hearing colleagues. Second, start a disability-focused Employee Resource Group (ERG). The best ERGs foster open dialogue and networking not only among their own members but also with members of other ERGs. Lastly, encourage leaders with disabilities to serve as role models. Seeing someone at the leadership level disclose will convey that it is safe to be open. Ultimately, you want to do what you can so your employees with disabilities feel seen, heard and included.

(This tip is adapted from *Make It Safe for Employees to Disclose Their Disabilities*, by Laurie Henneborn – HBR.)

Write to Help Yourself Heal

For many of us, the pandemic has been one of the most challenging times in our lives. Writing can help us process what we have gone through in order to help us move forward. Sometimes what may be difficult to express out loud can be readily given voice on the page. And research has shown that writing about negative events can lower blood pressure, reduce stress, bring greater focus and clarity and boost overall well-being. Here are three prompts you can use.

- Spend 10 minutes writing down whatever bubbles up when you think about your pandemic experience – moments that have stayed with you, whether they are pleasant or unpleasant. Do not hold back. If you run out of things to say, write that (“running out of things to say”) until a new thought comes to mind.
- Answer these questions: What is one thing you know now that you did not know before the pandemic? How and when did you learn it?

- Think of one object in your home that represents a moment in the pandemic for you. Look closely at its colors. Feel the weight of it. Use all of your senses. Now, write as specifically as you can about that object. You might find that the smallest detail brings out some truth or feeling for you.

(This tip is adapted from *Writing Can Help Us Heal from Trauma*, by Deborah Siegel-Acevedo–HBR.)

SNIPS

Did COVID Boost Productivity?

In the first quarter of 2021 labor productivity increased by 0.9 percent compared with the same quarter the year before. This rise was because the decline in total hours worked was larger than the decrease in output, measured by gross value added (GVA).

Ease Back into Small Talk

Are you nervous about having to make small talk with colleagues when you return to the office? If stopping for an impromptu hallway chat seems a little daunting, you are not alone. Many of us are socially rusty after a long pandemic year. The good news is you can rebuild your small-talk muscle with practice. Here are a few conversation starters. Try them out, tweak them so they feel authentic to you and use whatever is most helpful.

- **Cooking and baking.** Many people discovered their inner chef during the pandemic. You might ask your coworker, “What are your new favorite meals?” or “What’s a simple recipe you discovered recently?”
- **Hobbies.** You might be curious about what your colleagues did with their time while not in the office. Try asking, “Did you rediscover any hobbies during quarantine?” or “What was your favorite thing you read/watched/listened to last year?”
- **Vacation plans.** With travel restrictions lifting in many parts of the world, lots of us are starting to think about making up for lost vacation time. Ask your work buddies, “What are you looking forward to the most this year?” or “Where’s the first place you’ll travel when you’re able to?”

(This tip is adapted from *Have We Forgotten How to Small Talk?*, by Robbie Samuels – HBR.)

IBP TRAINING CALENDAR JULY 2021



JULY 19
Tuesday
2PM - 6PM

Analysis of Financial Statements: An Effective Risk Management Tool

FACILITATOR: Murtaza Rizvi

COURSE FEE: PKR 7,000 (Excluding sales tax)

ONLINE
TRAINING

JULY 24
Saturday
10AM - 2PM

Customer Complaint Handling Skills

FACILITATOR: Erum Saleem

COURSE FEE: PKR 7,000 (Excluding sales tax)

ONLINE
TRAINING

JULY 27
Tuesday
2PM - 6PM

Treasury Operations and Derivatives Management

FACILITATOR: Faisal Sarwar

COURSE FEE: PKR 7,000 (Excluding sales tax)

ONLINE
TRAINING