

# economicletter

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## Pakistan

According to SBP, repatriation of profits and dividends by foreign firms operating in Pakistan amounted to \$ 1.271 bn during July – March 2015-16 against \$ 1.001 bn in the same period of 2014 – 15.

According to SBP, gross outstanding housing finance of banks and DFI's, stood at Rs. 60.80 bn by end – 2015 against Rs. 53.65 bn by end -2014.

According to SBP, Pakistan Real-time Inter-banks Settlement Mechanism (PRISM) settled 225,598 transactions worth 64.1 trillion during the second quarter of the current fiscal showing an increase of 5% in value and of 19% in volume over the first quarter of the fiscal.

The SBP has reclassified aspects of Islamic financing and related asset issues for inclusion in monetary and credit data in

order to bring them in the mainstream which determines the broad money supply.

According to SBP, total liquid foreign exchange reserves as on April 22, 2016 stood at \$ 20.790 bn of which \$ 15.989 bn was held by SBP and the rest with banks.

The government has targeted a GDP growth of 6.5 % in the next 2016 – 17, (July – June) fiscal with a fiscal deficit of 4.0 % and CPI inflation at 6.0%. It expects the targeted GDP growth of 5.5 % in the current fiscal ending June 2016 to fall short of the target.

Movement of some merchandise tradable items (PBS f.o.b. data) in the first nine months of the current fiscal (July – March 2015-16) over the same period last fiscal was recorded as under:

## Markets at a glance

Weekly Review	KIBOR (6 months)		Foreign Exchange Rates			KSE	Gold Rate
	Bid %	Offer %	GBP(£)	EURO(€)	USD(\$)	100 Index	(10 gm)
Beginning	6.11	6.36	Rs. 148.7	Rs. 117.75	Rs. 105.65	33,767	Rs. 42,128
Ending	6.12	6.37	Rs. 150.7	Rs. 118.5	Rs. 105.55	33,739	Rs. 42,227
Change	+0.01	+0.01	+2	+0.75	-0.1	-28	+99

- Import cost of the oil sector comprising of crude oil and petroleum products at \$ 5.583 bn was lower by 37.24%;
- Import cost of fertilizers pesticides and other agricultural inputs was recorded at \$ 5.332 bn, lower by 3.76%;
- Machinery import cost at \$ 6.212 bn was higher by 14.05 %;
- Import cost of textile products at \$ 2.394 bn was higher by 27.59 %;
- Export earnings of non- textile products; at \$ 6.243 bn was lower by 19.2%;
- Export earnings of food products stood at \$ 3.040 bn, lower by 11.59%;
- Food import cost at \$ 3.938 bn was higher by 2.68%;
- Telecom sector imports cost at \$ 1.047 bn was lower by 2.18%;

## International

The U.S economy registered an annualised pace of 0.5 % in the first quarter of 2016, slowest since the first quarter of 2014.

The Bank of Japan has left its policy rate unchanged at 0.1 % negative.

The Organisation for Economic Cooperation and Development (OECD) has forecast that if Britain decides to leave the European Union (Brexit), the size of the country's GDP would shrink by 3.3 % by 2020 and by 5.1 % by 2030.

China accounted for 13.8% of global export trade in 2015 against 12.3% in 2014. The share was the highest since the record achieved by the U.S in 1968, China's share in global imports fell by 14% in 2015 over 2014.

The Institute of International Finance expects outflows of capital from China to be lower at \$ 538 bn in 2016 against \$ 674 bn in 2015.

Saudi Arabia in the so-called "Vision 2030" has unveiled plans to diversify the economy including selling shares in State-owned Aramco, the top energy giant, instead of its somewhat over-dependence on oil exports, being the largest exporter of it in the world.

The German Finance Minister expects the economy to grow by 1.7 % this year and then by 1.5 % in 2017.

CPI inflation in Singapore continued its slide for the 17th consecutive month to stand at 1.0 % in March against 1.2 % in February, both year-on-year.



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