

economicletter

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Pakistan

According to SBP, home remittances in the first ten months of the current fiscal (July – April 2015 – 16) rose to \$ 16.035 bn against \$ 15.235 bn in the same period last fiscal.

According to SBP, government borrowing from banks for budgetary support during July – April 2015 – 16 at Rs. 748.61 bn was lower by 34 % over the same period of 2014 – 15. The fiscal deficit fell to 1.7 % of GDP against 2.4 % of GDP during the above periods.

The SBP has revised prudential regulations applicable to small and medium enterprises (SMEs) aimed at enhancing their efficiency.

The SBP has introduced regulations for advancement of pre-paid cards aimed at achieving greater financial inclusion.

According to SBP, total liquid foreign exchange reserves as on May 06, 2016 stood at \$ 20.834 bn of which \$ 16.033 bn was held by SBP and the rest with banks.

Pakistan is to import 1,000 MWs of electricity from the central-Asian Republics of Kyrgyzstan and Tajikistan (Casa – 1,000) via Afghanistan which would receive 300 MWs. Agreement has been signed for the \$ 1.2 bn project to be operational by 2020.

The IMF's review mission has approved the release of the last but one tranche of \$ 510 mn of the Extended Fund Facility (EFF).

The Oil and Gas Regulatory Authority (OGRA) has reduced gas prices for fertilizer plants and has increased it for power producers.

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	6.12	6.37	Rs. 151.95	Rs. 119.5	Rs. 105.3	35,973	Rs. 42,342
Ending	6.14	6.39	Rs. 150.87	Rs. 118.86	Rs. 104.5	36,122	Rs. 42,212
Change	+0.02	+0.02	-1.08	-0.64	-0.08	+149	-130

Merchandise trade deficit (PBS f.o.b. data) widened to \$ 19.0 bn during July – April 2015 – 16 against \$ 17.8 bn in the same period of 2014 – 15.

Total cement sales (industry data) during July – April 2015 – 16 at 31.9 mn tonnes registered an increase of 9.71 % over the same period of 2014 – 15. Domestic sales were higher by 17.29% while export sales were lower by 18.98 % during the above periods.

Total sale of locally manufactured cars (industry data) during July – April 2015 – 16 at 152.229 units registered an increase of 26% over the same period of 2014 – 15.

International

China's total liquid foreign exchange reserves was recorded higher at \$ 3.22 trillion by end-April, against \$ 3.21 trillion as on end – March, the rise being the first since November 2015.

China has signed deals worth \$ 2.0 bn with Kazakistan related to agricultural, industrial and energy sectors. The deals are seen as China's strategy in its development of "one belt, one road" plan to develop trade and transport links across Asia and beyond.

CPI inflation in China in April was recorded at 2.3 %, year-on-year, driven mainly by higher food costs.

India has legislated a bankruptcy law under which regulators can wind down companies helping thereby banks to recover bad loans.

Greece has adopted austerity measures in order to qualify for "creditor agreement" on relief measures proposed by the EU, ECB and the IMF related mainly to repayment schedule of the last bailout package.

Unemployment in South Africa peaked at 26.7 % of workforce by end – first quarter this year, highest since 2008.

The French economy expanded by 0.5 % in the first quarter this year and is projected to grow by 1.5 % in the full year which, if achieved, would help bring down the level of unemployment currently just above 10 % of workforce.

Germany posted a record trade surplus of 23.6 bn euros (\$ 26.82 bn) in March, highest for any single month since the euro was launched.



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