

# economicletter

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## Pakistan

According to SBP, net private foreign direct investment (FDI) during July – May 2015 – 16 rose to \$ 1.084 bn against \$ 980 mn in the same period of 2014 – 15. Portfolio investment was \$ 381 mn negative against positive \$ 875 mn during the above periods.

According to SBP, the current account deficit during July – May 2015 – 16 widened to \$ 2.486 bn against \$ 2.457 bn in the same period of 2014 – 15.

According to SBP, the asset value of Islamic banking industry (IBI) grew to Rs. 1.625 trn by end-first quarter of 2016 while its share in the total banking sector remained unchanged at 11.4 %.

The SBP has revised its financing scheme for renewable energy projects to facilitate borrowers and banks / DFIs alike.

According to SBP, total liquid foreign exchange reserves as on 17th June 2016, stood at \$ 21.771 bn of which \$ 16.816 bn was held by SBP and the rest with banks.

Export earnings of textiles and clothing (PBS f.o.b. data) during July – May 2015 – 16 fell to \$ 11.5 bn against \$ 12.4 bn in the same period of 2014 – 15.

The National Electric Power Regulatory Authority (NEPRA) has allowed Atlas Powergen, an arm of Atlas group of companies, to setup a power plant capable of generating 220 MWs of electricity costing \$ 220 mn with production scheduled from early 2018.

The services sector trade deficit (PBS data) during July – April 2015 – 16 narrowed to \$ 1.760 bn against \$ 2.106 bn in the same period of 2014 – 15.

## 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	5.86	6.11	Rs. 149.70	Rs. 118.70	Rs. 105.30	38,776.94	Rs. 42,685
Ending	5.84	6.09	Rs. 143.95	Rs. 116.50	Rs. 105.55	37,389.88	Rs. 41,742
Change	-0.02	-0.02	-5.75	-2.2	+0.25	-1387.06	-943

Merchandise export earnings (PBS f.o.b. data) during July – May 2015 -16 fell to \$ 19.155 bn against \$ 21.859 bn in the same period of 2014 -15.

Merchandise import payments (PBS f.o.b. data) during July – May 2015 – 16 fell to \$ 40.321 bn against \$ 41.458 bn in the same period of 2014 – 15.

The Ministry of Planning, Development and Reforms has assessed that nearly 39 % of the country's population, as per its index, is suffering from multidimensional poverty, with the incidence being greatest in Balochistan and FATA. The national poverty level, however, has fallen from 55 % to 39 % between 2004 and 2015.

The provincial budget of Baluchistan for 2016 – 17 envisages an outlay of Rs. 289.356 bn with a deficit of Rs. 36.485 bn. The ADP size has been placed at Rs. 71.182 bn.

## International

China has signed a number of economic cooperation deals with Poland including its inclusion in the “new silk road” aimed mainly to have greater land and sea links for enhancing trade with Europe.

India has introduced sweeping measures in various sectors of its economy including civil aviation and defence to attract higher private foreign direct investment (FDI) into them.

The IMF has assessed that global growth suffers a loss of between \$ 1.5 - \$ 2.0 trillion or 2 % of potential GDP due to bribery.

The French economy expanded by 0.6 % during January – March 2016 over the last quarter of 2015.

Gross domestic product (GDP) in Italy registered a growth of 0.3 % in the first quarter of 2016 over the last quarter of 2015 and was higher by 1.0 % over the first quarter of last year.

GDP in Malaysia registered a growth of 4.2 % in the first quarter of 2016 over the same quarter of 2015, the quarterly pace being the slowest in the last six and a half years.

GDP growth in Egypt slowed to 4.5 % in the first half of July – June 2015 – 16 fiscal compared to a growth of 5.5 % in the same half of last fiscal.



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