

economicletter

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Pakistan

According to SBP, the current account deficit during the first eleven months of the current fiscal (July-May 2014-15) narrowed to \$ 1.985 bn against \$ 3.027 bn in the same period last fiscal.

The SBP has unveiled new measures to facilitate the growth of Aasan accounts for banks aimed mainly to develop inclusive financing across the financial sector of the economy leading to a reach of the underbanked and non-banked segments of clients.

The SBP has directed microfinance banks to limit their loads portfolio exposure in companies or to individuals against gold as collateral to a maximum of 35% of the loan provided.

According to SBP, agricultural credit disbursement by banks and specialized institutions in the first eleven months of the current fiscal (July-May 2014-15) rose to Rs. 439.8bn against Rs. 337.4bn in the same period last fiscal. At this level it was equal to 88% of the indicative target of Rs.5000bn set by the SBP for the full fiscal.

According to SBP, total liquid foreign exchange reserves as on June 26, 2015 stood at \$ 17.457 bn of which \$ 12.316 bn was held by SBP and the rest with banks.

The World Bank has signed an agreement to provide Pakistan \$ 500mn to help the growth potential and stabilization of the economy.

The Economic Coordination Committee (ECC) of the cabinet has decided to continue with its programme of providing subsidy for agricultural tube-wells in Balochistan.

According to Pakistan Bureau of Statistics (PBS), f.o.b. data, export earnings of non-textile products in the first eleven months of the current fiscal (July-May 2014-15) fell to \$ 9.472bn against \$ 10.480bn in the same period last fiscal. The main items in the above category comprise of:

- Rice;
- Cement;
- Sugar;
- leather products including; hides and skins;
- carpets and rugs;
- fish and fish products including feed-stock;
- low-cost engineering goods;
- surgical instruments;
- sport goods;

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	6.68	6.98	Rs. 161.01	Rs. 115.56	Rs. 102.07	34,526	Rs. 39,857
Ending	6.73	6.98	Rs. 160.30	Rs. 114.02	Rs. 101.78	33,885	Rs. 39,300
Change	+0.05	+0.00	-0.71	-1.54	-0.29	-641	-557

- crockery and cutlery;
- fruits;
- vegetables;
- waste-cotton;
- gur (unrefined raw sugar)

According to Pakistan Bureau of Statistics (PBS), the large-scale manufacturing (LSM) sector registered a growth of 2.93% during July-April 2014-15 over the same period of 2013-14.

The World Bank in its "World Development Report 2015" has assessed that almost 50% of the population lives below the poverty line earning less than \$ 2.0 a day of the total nearly 12.7% live in extremely poverty earning \$1.25 a day.

According to Federal Board of Revenue (FBR) gross revenue collection during July-May 2014-15 amounted to Rs. 2.21 bn, a rise of 13% over the same period of 2013-14.

International

Private foreign direct investment into China during January–May 2015 was recorded at \$ 45.41 bn, higher by 47.4% over the same period of 2014.

The Indian government has unveiled measures to strengthen the formal economy currently fairly tilted in the informal sector to generate greater revenue to help the government undertake

much needed development programmes to ameliorate the plight of the poor for which it is currently spending \$ 22.0 bn by way of food subsidy though not well focused. The attempt follows the central bank's decision empowering taking over controlling shares by banks in private limited companies beset with non - performing loans.

Britain has announced new measures related to the payment of bonuses to members of its staff by banks. The measures are toughest of all anywhere in the world and are seen as just short of scrapping them altogether.

China is to invest \$20.93bn in one of its provinces to improve and modernize the subway network. China's public spending in infrastructure both within and outside its territory is seen as measures to reverse the trend of a somewhat slowing economy.

The central bank of Turkey has left its benchmark lending rate unchanged at 7.50%.

The central bank of Indonesia, the largest Southeast Asian economy, has left its benchmark lending rate unchanged at 7.50% following a cut of 2.50% in February.

Russia and Greece have reached a tentative agreement to build a pipeline for supply of natural gas from sanctions - hit Russia to heavily indebted Greece. No details have as yet been finalised.

Singapore's trimmed core inflation was recorded at 0.1 % in May over April, the lowest level since January 2011.



Editor: Syed Mahdi Mustafa [M.Sc. London School of Economics] | Composer: Jahangir Ishaq

Published by: The Institute of Bankers Pakistan, M.T. Khan Road, Karachi 74200, Pakistan
Phone: (021) 35277538 | Fax: (021) 35222416 | Email: publications@ibp.org.pk | Website: www.ibp.org.pk

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