

# economicletter

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## Pakistan

According to the Ministry of Overseas Pakistanis and Human Resource Development, it provided employment opportunities overseas to 0.946 mn people in 2015 compared to 0.456 mn people in 2013.

The World Bank in its latest report on “Ease of Doing Business” has placed Pakistan at 138th position in 2016 against 136th position in 2015 in a survey of 180 countries.

The World Bank has approved a credit line of \$ 1.02 bn including \$ 500 mn of IDA credit, its soft-arm windows, for undertaking structural economic reforms.

The Executive Board of the International Monetary Fund (IMF) has approved release of \$ 500 mn due tranche of its Extended Fund Facility (EFF).

Export earnings of government services sector (PBS data) during July – April 2015 – 16 at \$ 1.78 bn was lower by near 20 % over the same period of 2014 – 15.

Total despatch of cement (industry data) during July – May 2015 – 16 at 35.52 mn tonnes showed a rise of 10.56 % over the same period of 2014 – 15. Local despatches were higher

by 17.84 % while foreign despatches were lower by 17.41 % during the above periods.

The Federal Board of Revenue (FBR) has withdrawn concession on inputs/raw materials previously available to 17 sectors/industries and has brought them at par with normal customs tariff rates.

Total sale of locally assembled cars (industry data) rose to 167,507 units during July – May 2015 – 16 against 136,723 units during the same period of 2014 – 15.

The government has increased customs duty on 508 importable items from 15 % to 16 %.

## International

The Chinese President in a surprise statement has urged orderly and quick solution of issues resulting from the Brexit referendum a failing which international financial stability. The statement is surprising as China normally does not comment on political issues even when they have consequences at the global level.

The Bank of England (**BoE**) has injected £ 3.1 bn (**\$ 4.1 bn**) into the **banking system** to help bolster their balance sheets.

The Reserve Bank of India (**RBI**) has reported that **gross non – performing assets** of Indian banks stood at 7.6 % of their total at end – March 2016 against 5.1 % by end – September 2015.

**The U.S. economy** expanded by an annualised pace of 1.1 % in the first quarter of 2016 compared to a pace of 1.4 % in the last quarter of 2015.

**Indonesia** has introduced a **tax amnesty** scheme estimated to fetch \$ 12.4 bn of hidden and tax – evaded wealth to the national treasury.

The Peoples Bank of **China** has set a new **parity rate** of its Yuan vis-a-vis the U.S. dollar which is lowest for five and a-half years.

**International oil prices** which had started showing signs of improvement and stability have again plunged as global growth and its demand for it have become uncertain following the Brexit referendum and its aftermath.

**Germany, France and Italy**, the top three economies of continental Europe, have urged Britain to quickly invoke Article 50 of the Lisbon Treaty of 1973 and thus expedite its separation from the EU. The three leaders are deeply concerned about the domino effects in the bloc. Spain, the fourth largest economy in the EU, is weighing its wings to follow the British path.

**Britain is set to lose** its tariff – free trade and in particular its financial services advantage due to its exit from the EU bloc membership.

The **China – backed** Asian Infrastructure Investment Bank (**AIIB**) has started operating having sanctioned loans of \$ 500 mn in **co-financing** with the World Bank and Asian Development Bank to Pakistan, Tajikistan, Indonesia and Bangladesh.

More than 2 mn people have signed a petition seeking a **second Referendum on Brexit**.

The **US economy expanded** by an annualised pace of 1.1 % in the first quarter of 2016 compared to a pace of 1.4 % in the last quarter of 2015.

The **Chinese economy** as per revised data, registered a **growth of 6.9 %** in 2015 to a size of \$ 10.3 trn.



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