

economicletter

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Pakistan

The SBP is to phase out all old – design banknotes of Rs. 10, 50, and 1,000 by end - 2016. The old design banknotes of Rs 5 and 500 already stand demontised with new ones issued.

According to SBP, total liquid foreign exchange reserves as on July 03, 2015 stood at \$ 18.714 bn of which \$ 13.535 bn was held by SBP and the rest with banks.

The International Monetary Fund (IMF) has come to conclude that Pakistan can make significant economic progress provided appropriate policy measures are put in place, currently being done so. It has forecast that GDP growth in the fiscals ending June 2015 and 2016 would be in the range of 4.0 % in real terms. It has also forecast that the fiscal deficit would fall to 4.3 % of GDP in the July – June 2015 – 16 fiscal.

According to Pakistan Bureau of Statistics (PBS), inflation measured by the consumer price index (CPI) during the July – June 2014 – 15 fiscal (FY 15) was recorded at 4.53 %, well below the government target of containing it at 8.0 % or less, year – on – year (YoY). Inflation measured by other parameters of PBS are noted below:

- Non - food - non - energy (NFNE) trimmed core inflation fell for seventh consecutive month to 4.6 % in June against 4.9 % In May.
- Food – inflation in June was recorded at 2.45 %, YoY;
- Non – food inflation stood at 3.2 % in June, YoY;
- Inflation measured by the sensitive price indicator (SPI) rose by 1.74 % in June, YoY;
- Inflation measured by the wholesale price index WPI fell by 0.30 % in June, YoY;

According to All Pakistan Cement Manufacturers Association, total despatch of cement during the July – June 2014-15 fiscal rose to 35.4 mn tonnes against 34.3 mn tonnes in the previous fiscal: Domestic despatches were higher by 8.0 % while export despatches were lower by 11.6 % during the above periods.

The provincial government of Punjab has targeted to train 2 million people as skilled workers, from being non-skilled as of now, over the next three years.

The National Electric Power Regulatory Authority (Nepra) has allowed K-Electric increase in power tariff varying between 20

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	6.78	7.03	Rs. 158.95	Rs. 112.97	Rs. 101.74	35,456	Rs. 38,828
Ending	6.78	7.03	Rs. 156.51	Rs. 112.34	Rs. 101.75	35,112	Rs. 38,871
Change	+0.00	+0.00	-2.44	-1.63	+0.01	-344	+43

% to 80 % per unit for different categories of consumers including domestic consumers.

The National Electric Power Regulatory Authority (Nepra) has issued three licences to different private sector Companies for a combined generation 300 MWs of solar power in the solar park of Punjab with varying periods of commissioning.

According to Pakistan Business Council, a private sector research body, Pakistan's export, in value terms, to the European Union (EU) region has registered an increase of 20 % within the first year after the grant of the GSP – plus status.

The government has revised downwards the fee for cash withdrawals of Rs. 50,000 or above from banks on any single day by non-NTM holders and non-tax payers from 0.6 % to 0.3 %.

International

Banks in Greece ordered by the government to remain closed for a week before the July 5, 2015 referendum have been allowed to reopen, Banks, however, on their own, have put a ceiling, on cash withdrawals of depositors money, limiting them to a small amount on any single day.

China's sovereign wealth rose by \$ 93 bn over 2013 to stand at \$ 750 by at the end of 2014. Its foreign exchange reserves by end – March 2015 was recorded at \$ 3.73 trillion, about one –

third of which was invested in U.S. treasury bills.

India, as part of its transfer of technology programme has awarded a \$ 54.0 bn contract to Fiat Chrysler to start manufacturing of Jeeps in the country. Production is scheduled from 2017.

The Organisation for Economic Cooperation and Development (OECD), the group of highly industrialised countries, has upgraded the sovereign credit rating of Bangladesh by a notch from “6” to “5” citing economic policies geared towards growth.

External indebtedness of Nigeria, the largest economy in the African continent, stood at \$ 63.5 bn by end – March 2015 having increased progressively from 30.0 bn at end – 2005. The country had negotiated credit lines totaling \$ 25.0 bn in the year to progressively bring down its external debt through needed measures.

Fitch, a leading international credit rating agency, has upgraded Malaysia's sovereign rating by a notch to “stable” from “negative” mainly on grounds of strengthening of its currency which in turn was backed by an overall improvement in the economy.

Private sector estimates based on government data have placed the public debt of Greece at 170 % of GDP against the internationally accepted norm of it being 60 % of GDP. Unemployment in the country currently stands at about 50 % of workforce, highest anywhere in the world.



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