

economicletter

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Pakistan

According to **SBP**, **home remittances** during the July – June 2015 – 16 fiscal rose to \$ 19.914 bn against \$ 18.721 bn last fiscal.

According to **SBP**, net foreign direct investment (FDI) in the fiscal ending June 30, 2016 amounted to \$ 1.281 bn against \$ 923 mn in the previous fiscal.

According to **SBP**, the **current account deficit** in the 2015 – 16 (July – June) fiscal narrowed to \$ 2.525 bn (0.9 % of GDP) against \$ 2.709 bn (1.0 % of GDP) last fiscal.

According to **SBP**, **total liquid foreign exchange** reserves as on 15th July 2016, stood at \$ 23.091 bn of which \$ 18.077 bn was held by SBP and the rest with banks.

The **SBP** has launched a **soft loan scheme** with concessional

markup rate in partnership with the federal government for upgradation of facilities of **private hospitals**.

Deal has been signed for import of **LNG** over the next 20 years costing \$ 22 bn.

The **IMF** has forecast that the **current account deficit** during the current July – June 2016 – 17 fiscal may rise to 1.8 % of GDP against 1.0 % of GDP last fiscal.

Merchandise export earnings (PBS f.o.b. data) in the 2015 -16 fiscal was recorded lower at \$ 20.802 bn lower by 12.11 % over the previous fiscal. **Merchandise import payments** at \$ 44.765 bn was lower by 2.32 % during the above periods.

The **services sector trade** deficit (PBS data) during July-May

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	5.79	6.04	Rs. 141.07	Rs. 116.75	Rs. 105.06	39,188.49	Rs. 40,385
Ending	5.75	6.00	Rs. 138.32	Rs. 115.32	Rs. 104.06	39,151.78	Rs. 40,542
Change	-0.04	-0.04	-2.75	-1.43	-1	-36.71	+157

2015-16 narrowed by 10.93% over the same period of 2014 – 15 to \$ 2.217 bn.

The Asian Development Bank (**ADB**) has come to conclude that the growth potential of the economy could be achieved once the **energy constraints** are resolved.

Pakistan and Iran have signed a memorandum of understanding (**MoU**) for cooperation in the public sector enterprises (**PSEs**) of the two countries.

The large – scale manufacturing (**LSM**) sector recorded a growth (PBS data) of 3.51 % during July – May 2015 – 16, period-on-period.

The National Assembly's Standing Committee on Planning, Development and Reforms has been informed that **Gwadar port** would become fully operational by **2030**.

International

The **Managing Director** of the **IMF** has warned that nationalistic and protectionist policies being adopted by some industrialised countries following the Brexit referendum result would be

counter productive even for themselves besides denting global growth. She has urged greater openness and freer trade policies.

The **IMF** has warned that if the **U.S. Federal Reserve** raises **interest rates** sooner rather than later, the recovery of the country's economy may be jolted since Brexit fallout effects remain uncertain.

China's economy expanded by 6.7 % in the second quarter of 2016 over the same quarter of 2015.

China has relaxed rules for **foreign firms'** investment in its free trading zones to attract investment in them from abroad.

The International Energy Agency (**IEA**) has forecast that **oil prices** would firm-up and stabilise before end – 2016.

Non-performing loans (**NPLs**) of **Spanish banks** as a proportion of total loans fell to 9.8 % in May this year against 11.4 % in May last year.

It is being widely forecast that **Brexit** would undermine the **growth** prospects of the **eurozone** countries.



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