

economicletter

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Pakistan

According to SBP, **home remittance** during July – August 2015 rose to \$ 3.190 bn against \$ 3.026 bn in the same months of 2014.

According to SBP, net federal **government borrowing for budgetary support** in the fixed two month of the current fiscal (July-August 2015) rose to Rs 141.751 bn against Rs.125.982 bn in the same month last fiscal.

According to SBP, **repatriation of profits and dividends** by foreign firms operating in Pakistan fell to \$ 52.0 mn in the fiscal month of the current fiscal (July 2015) against \$ 60.0 mn in the same month last fiscal.

According to SBP, the **value** of automated teller machines (ATMs) reached Rs. 3.20 trillion in the 2014-15 fiscal, higher by 21 % over the previous fiscal. The **volume** of such transactions in FY 15 was recorded at 300 mn, higher by 16% over the previous fiscal.

According to SBP, **e-banking transactions** in the July – June 2014 – 15 fiscal rose to 470 mn compared to 235 mn in the 2010 – 11 fiscal. The **value** of such transactions rose from 22.1 trillion to Rs. 35.8 trillion during the above five – year period.

According to SBP, total liquid **foreign exchange reserves** as on September 4, 2015 stood at \$ 18.598 bn of which \$ 13.556 bn was held by SBP and the rest with banks.

The **Federal Finance Minister** has urged the DFIs to facilitate disbursement of **agricultural credit** to realize the full potential of the sector.

According to Pakistan Cotton Ginners Association (PCGA) **arrival of new crop seed-cotton (phutti)** at ginneries across the country at 1.339 mn bales by end-August 2015 was lower by 24 % over the same period last crop season. Arrivals from Punjab and Sindh were lower by 45.14 % and by 11.98 % respectively during the above periods.

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	6.80	7.05	Rs. 158.9	Rs. 116.00	Rs. 104.2	33,891	Rs. 39,257
Ending	6.79	7.04	Rs. 161.00	Rs. 117.6	Rs. 104.3	33,672	Rs. 38,400
Change	-0.01	-0.01	+2.1	+1.6	+0.1	-219	-857

Pakistan has emerged as the third largest, after the U.S and China, supplier of merchandise goods importable by Afghanistan.

The Economic Coordination Committee (ECC) of the Cabinet has directed Sui Southern Gas Company Ltd. (SSGCL) and Sui Northern Gas Pipeline Ltd. (SNGPL) to raise Rs. 101 bn jointly to lay a new gas pipeline to connect supply between the two main distributors.

International

China has revised downwards its GDP growth rate to 7.3 % in 2014 against earlier provisional estimates of it being 7.4 %.

China's liquid foreign exchange reserves fell by \$ 93.9 bn in August over July to stand at \$ 3.557 trillion, still the highest in the world.

The central banks of India and Sri Lanka have signed a fresh \$ 1.1 bn currency swap deal to promote bilateral trade and investment in local currencies. This is in addition to the \$ 400 mn swap agreement signed for the same purpose last April.

The Indian government is to equalize pensions available to pensioners in the defence services with those who had retired earlier and were availing pension at old rates.

Japan's economy contracted by 0.3 % during the April – June quarter, year-on-year.

The U.S visible trade deficit narrowed to \$ 41.9 bn in July, lower by 7.4% over June.

Russia has signed deals to increase its supply of natural gas to the European Union (EU), already meeting one-third of the region's needs.

The G-20 group of countries comprising of leading and fast growing economies have agreed to shift focus from low-interest policies to robust growth oriented policies as easy monetary rate policies had failed to deliver growth.

Thailand is to provide \$ 5.7 bn easy credit to the farming sector with a view to stem stagnation in the economy. It is the world's second largest exporter of rice after Vietnam.

Saudi Arabia is to allow foreign investors 100 % ownership in the Kingdom's wholesale and retail markets against the previous rule to share stakes with local nationals.

GDP growth in Saudi Arabia accelerated to 3.8 % in the second quarter of 2015 against 2.3 % in the first quarter of the year, both over the respective quarters of 2014.

The 19 – nation eurozone's economy expanded by 0.4 % in the second quarter to June, year-on- year. It was a gain of 1.2 % over the same quarter of 2014 when the economy experienced contraction.



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