

# economicletter

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## Pakistan

According to **SBP**, total deposits of scheduled banks rose to Rs. 8.342 trillion by end December 2014 compared to Rs. 7.529 trillion as at end December 2013.

According to **SBP**, the value of transactions and number of m-wallet accounts of **branchless banking** stood at Rs. 375.9 bn and 4.7 mn respectively by end September 2014.

According to **SBP**, total **assets** of the Islamic Banking Industry (**IBI**) rose to Rs. 1.102 trillion by end September 2014 against Rs. 1.014 trillion as on end December 2013. **Deposits** of the **IBI** rose to Rs. 934 bn by end September 2014 against Rs. 868 bn as on end December 2013.

According to **SBP**, expatriate income (**home remittance**) in the first half of the current fiscal (July-December 2014) rose to **\$ 8.981 bn** compared to **\$ 7.792 bn** in the same half last fiscal. Major inflows during July-December 2014 were recorded as under:

- Saudi Arabia, \$ 2.649 bn;
- U.A.E, 1.974 bn;
- U.K, \$ 1.169 bn;
- U.S.A, \$ 1.306 bn;
- GCC countries, \$ 1.037 bn;
- EU countries, \$ 196 mn.

The **SBP** has revised the risk weight for all unrated private sector corporate entities effective December 31, 2014.

According to SBP, total **liquid foreign exchange** reserves as on January 09, 2014 stood at \$ 15.060 bn of which \$ 10.365 bn was held by SBP and the rest with banks.

The **World Bank** in its latest report titled "Global Economic Prospects" has come to conclude that political tensions in the second half of 2014-15, security situation and persisting energy problems may impinge upon **GDP growth** prospects in the full fiscal. The GDP growth which accelerated to 5.4% in the 2013-14 fiscal compared to 4.4% in 2012-13 may lose momentum in the current fiscal unless extraneous factors are well tackled.

According to Pakistan Bureau of Statistics (**PBS**) provisional f.o.b. data, total **merchandise export earnings** in the first half of the current fiscal (July-December 2014) amounted to \$ 12.073 bn against \$ 12.617 bn in the same half last fiscal. Total **goods imports** during July-December 2014 stood at \$ 24.203 bn compared to \$ 21.671 bn in the same period of 2013. The visible **trade deficit** widened to \$ 12.130 bn against \$ 9.054 bn during the above periods.

## Markets at a glance

Weekly Review	KIBOR (6 months)		Foreign Exchange Rates			KSE	Gold Rate
	Bid %	Offer %	UK (£)	Euro (€)	US (\$)	100 Index	(10 gm)
Beginning	9.16	9.41	Rs.152.69	Rs.119.02	Rs.100.74	33,324	Rs.40,157
Ending	9.04	9.29	Rs.153.40	Rs.117.14	Rs.100.73	33,786	Rs.41,014
Change	- 0.12	- 0.12	+ 0.71	- 1.88	- 0.01	+ 462	+ 857

According to **PBS**, exports of the **services sector** during July-November 2014 rose to \$ 2.376 bn against \$ 2.003 bn in the same period of 2013. Imports of the sector were recorded at \$ 3.370 bn against \$ 3.310 bn during the above periods.

The Economic Coordination Committee (**ECC**) of the Cabinet has approved a **Sovereign guarantee** for issuance of **Rs. 25.0 bn** Term Finance Certificate (**TFC**) for power distribution companies (discos).

The Federal Board of Revenue (**FBR**) has imposed an advalorem **regulatory duty** at **5.0%** on import of raw and beet sugar, gur (jaggery) cane sugar and white crystalline beet sugar.

The Federal Board of Revenue (**FBR**) is to impose a **5.0% withholding tax** on all foreign non-resident shareholders who enjoy the benefit of Pakistan sourced dividend income but do not file their tax returns.

According to Pakistan Automotive Manufacturers Association, the total **sale** of locally assembled **cars** during July-December 2014 rose to 58,727 units against 52,879 units in the same half of 2013.

According to All Pakistan Cement Manufacturers Association, total **despatch of cement** during July-December 2014 at 17.12 mn tonnes registered an increase of 6.23% over the same period of 2013.

According to Pakistan Telecommunication Authority (**PTA**), the telecom sector attracted **fresh investment** of \$ 903 mn in 2013-14 against \$ 408 mn in 2012-13.

The Securities and Exchange Commission of Pakistan (**SECP**) registered **2,192** private limited liabilities

companies during July-December 2014, an increase of **12.4%** over the same half of 2013.

## INTERNATIONAL

**Unemployment in the U.S.** fell to 5.6% of workforce in December 2014, the lowest level for six and a half years.

**China** recorded an all-time record **trade surplus** of \$ 382.46 bn in 2014 with exports at \$ 2.34 trillion and imports at \$ 1.96 trillion. The surplus was higher by 47.2% over 2013.

Averaged **CPI inflation in China** in 2014 was recorded at 2.0%, well below the government's target of it being close to 3.5% lest deflation bites deep.

**CPI inflation in India** rose to 5.0% last December against 4.38% in the previous month, both year-on-year.

**CPI inflation in Britain** fell to 0.5% last December, lowest for 14 years, compared to 1.0% in the previous month.

The **Japanese government** expects the **economy to grow** by 1.5% in the fiscal starting March 2015 compared to a contraction of 0.5% in the preceding fiscal.

**Germany** has launched a **balanced budget**, the first since 1969, where revenue income and expenditure are almost equal.

**Taiwan's exports** reached a record high at \$ 313.84 bn in 2014, higher by 2.7% over 2013, led mostly by electronic goods exports.



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