

economicletter

a weekly publication of The Institute of Bankers Pakistan

Pakistan

According to **SBP**, expatriate income (**home remittance**) in the first quarter of the current fiscal (July – September 2015) rose to \$ 4.966 bn compared to \$ 4.771 bn in the same quarter last fiscal.

According to **SBP**, **government borrowing** from banks for **budgetary support** during the first quarter of the current fiscal (July – September 2015) rose to just under Rs. 402 bn compared to Rs. 110 bn in the same quarter of 2014-15.

The **SBP** has allowed the facility of direct membership of cheques clearing house to Microfinance Banks (**MFBs**) aimed at avoiding delays in transfer of funds.

According to SBP, total liquid **foreign exchange reserves** as on October 09, 2015 stood at \$ 19.993 bn of which \$ 15.104 bn was held by SBP and the rest with banks.

Moody's Investors Services, a top international credit rating agency, has held that delays in privatization of state-owned enterprises (SOEs) does not impair Pakistan's "B3" **sovereign bond rating**.

The Asian Development Bank (**ADB**) has assessed that **Pakistan's economic** growth is being **slowed** due to weaknesses in the "**external demand**" position. The consequence is resulting in achieving growth rates of 6 - 7% per annum unsustainable.

The government has unveiled a plan to **privatise 69 energy related** entities in its first roadshow held in the U.S.

According to Pakistan Bureau of Statistics (**PBS**), f.o.b data merchandise **trade deficit** in the first quarter of the current fiscal (July – September 2015) narrowed to \$ 5.52 bn against \$ 6.47 bn in the same quarter last fiscal.

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	6.37	6.62	Rs. 160.2	Rs. 117.6	Rs. 104.6	33,843	Rs. 40,028
Ending	6.34	6.59	Rs. 161.2	Rs. 118.75	Rs. 104.7	33,954	Rs. 40,200
Change	-0.03	-0.03	+1.00	+1.15	+0.1	+111	+172

According to PBS, f.o.b data, merchandise export earnings during July – September 2015 fell to \$ 5.164 bn against \$ 6.001 bn in the same quarter of 2014. Total merchandise import payments were also recorded lower at \$ 10.679 bn against \$ 12.474 bn during the above quarters.

The Prime Minister has performed the ground-breaking ceremony of the 1,180 MWs electric power plant at Bhikki near Sheikhpura in the province of Punjab and has expressed hope that given the various projects in the offing power outages would be eliminated before the end of 2018.

According to the Federal Finance Minister, 10,600 MWs of electricity would be added to the national grid by early 2018 as projects in the pipeline start production.

The Federal Minister of Finance has urged the SBP to ensure that bank's open 20% of their new branches in rural and in underserved areas across the country.

The Deputy Director of the World Trade Organisation (WTO) has expressed reservations over the government's policy of subsidising the country's agricultural sector in particular and the industrial sector somewhat generally besides infringing some information technology laws.

International

A United Nations report has urged that the global economy needs a fair and efficient sovereign debt workout mechanism to tackle related issues.

The Finance Minister of G-20 group of countries have approved measures, subject to approval of heads of government of the Group, to crackdown on tax evasion.

China's liquid foreign exchange reserves fell by \$ 180 bn during the July – September 2015 quarter the largest ever quarterly fall but were still the highest in the world at \$ 3.514 trillion at end-September of the year. The fall was principally due to the central bank's intervention in stabilising the value of the depreciating yuan as also due to the government's outlay for arresting the volatility in the stock markets of the country particularly the top Shanghai bourse.

China is to introduce structural reforms coupled with easing of regulatory controls both aimed at further opening of the economy with a view to reverse the sluggish growth presently circumventing.



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