

economicletter

a weekly publication of The Institute of Bankers Pakistan

Pakistan

According to SBP, the current account deficit narrowed to \$ 109 mn during July – September 2015 (0.1 % of GDP) against \$ 1.631 bn (2.4 % of GDP) in the same period of 2014.

According to SBP, net private foreign direct investment (FDI) in the first quarter of the current fiscal (July – September 2015) rose to \$ 216.2 mn against \$ 200.7 mn in the same quarter last fiscal. Portfolio investment (net) witnessed an outflow of \$ 100 mn compared to an inflow of \$ 170 mn during the above quarters.

The SBP has extended the period by three months for foreign exchange companies to import U.S dollars in cash against export of permissible foreign currencies.

According to SBP, SMEs new financing at end – June 2015 was higher by 3.19 % over end - June 2014 level.

According to SBP, total liquid foreign exchange reserves as on October 16, 2015 stood at \$ 19.921 bn of which \$ 15.020 bn was held by SBP and the rest with banks.

Russia has signed an agreement under which it would build a gas pipeline stretching a length of 1,100 kilometers to transport imported LNG from Karachi to Lahore. The estimated cost of the project is \$ 2.0 bn. The entire laying of the pipeline would be completed in two phases by end – 2017 and end – 2018.

The imported LNG to be piped from Karachi to Lahore would be used in two halves. One-half would be used for generating 3,600 MWs of electricity while the remaining half would be

supplied to the fertilizer and industrial sectors and CNG outlets across the province of Punjab.

The Prime Minister has performed the ground-breaking ceremony of the 1,230 MWs Jhang Power plant, costing Rs. 570 bn, to be operational by end – 2017.

According to the Chairman, Privatisation Commission, the losses of Pakistan Steel Mill (PSM) currently stand at over Rs. 113.0 bn.

According to Pakistan Electric Power Company (Pepco) receivables in the power sector by end - August were recorded at Rs. 663 bn.

The Asian Development Bank (ADB) has approved a credit line of \$ 197 mn for upgradation of highways in Sindh.

The Securities and Exchange Commission (SECP) has directed listed private companies to maintain financial websites as a mandatory requirement.

The government would provide near Rs. 21 bn by way of subsidies on the use of different types of fertilizers of which Rs. 10.0 bn would be provided by the Federal government, Rs. 7.0 bn would be provided by Punjab and just under Rs. 4.0 bn would be given by Balochistan.

The Federal Finance Minister has directed that pensions paid would be through bank accounts from March 2016 so that the menace of ghost pensioners is eliminated altogether.

According to Pakistan Bureau of Statistics (PBS) export earnings of the services sector during July – August 2015 fell to \$ 940.43 mn against \$ 1.05 bn in the same months of 2014. Import payments of the sector were also recorded lower at \$ 1.205 bn against \$ 1.555 bn during the above months.

According to the Federal Commerce Minister, the country's exports to Spain have increased by 100% following the GSP – plus status granted by the European Union.

According to Pakistan Automotive Manufacturers Association total sale of locally assembled cars during July – September 2015, rose to 44,372 units against 22,630 units during the same period of 2014-2015 fiscal.

International

The Chinese economy expanded by 6.9 % during July – September 2015, year – on – year.

The Russian economy contracted by 4.3 % during July – September 2015, year – on – year.

The U.S budgetary deficit fell to \$ 439 bn in the fiscal ending September 2015 against \$ 483 bn in the preceding fiscal.

Britain has scrapped the law of “guilty until proven innocent” for bankers.

Saudi Arabia's capital markets authority has introduced measures to prevent trading in shares by anonymous investors.

Leading Chinese banks have provided \$ 165.47 bn new loans in September, highest during any single month ever, for some ailing infrastructure development projects.

China has invested a \$ 285 bn in 218 new projects mostly in small and medium – sized ventures during July – September 2015 by way of diversification of the economy aimed at reversing the slowing trend of the economy.

CPI inflation in China was recorded at 1.6 % in September, year-on-year.

The Organization of Petroleum Exporting Countries (OPEC) is considering measures to ensure a floor price of \$ 70.0 a barrel over an extended period of time.

Fitch rating agency has cut Brazils credit rating from “BBB” to “BBB minus” citing loan-covered shaky investment deals as the main factor behind the downgrade.

China has overtaken the U.S as having the largest number of billionaires.



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