

economicletter

a weekly publication of The Institute of Bankers Pakistan

Pakistan

According to SBP, home remittance during July – November 2015 rose to \$ 8.098 bn against \$ 7.529 bn in the same period of 2014.

According to SBP, total debt and liabilities of public sector enterprises (PSEs) increased to Rs. 690 bn by end – first quarter of the current fiscal (July – September 2015) against Rs. 477 bn during the same end – quarter last fiscal.

According to SBP, total liquid foreign exchange reserves as on December 04, 2015 stood at \$ 20.450 bn of which \$ 15.441 bn was held by SBP and the rest with banks.

The government proposes to partially privatise Pakistan International Airlines (PIA) by divesting 24 % of shares held by

it in the entity by early next year to a strategic buyer, local or foreign. The proposal rests upon induction of new technology for enhanced efficiency resulting in recouping of losses currently being incurred.

Merchandise trade deficit f.o.b data during July – November 2015 narrowed to \$ 9.936 bn against \$ 10.402 bn in the same period of 2014.

According to the European Union's (EU) Global Index on Financial Inclusion (GIFI) 2015, Pakistan's banking system has been placed at position number 5, higher by two notches over the 2014 index.

The Economic Coordination Committee (ECC) of the Cabinet has approved export of 500,000 tonnes of surplus sugar derivatives entailing a subsidy of Rs. 7.0 bn.

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	6.28	6.53	Rs. 160.7	Rs. 116.5	Rs. 107.15	32,707	Rs. 38,100
Ending	6.27	6.52	Rs. 160.7	Rs. 116.25	Rs. 106.25	33,048	Rs. 37,885
Change	-0.01	-0.01	0.00	-0.25	-0.9	+341	-215

The Oil and Gas Regulatory Authority (Ogra) has allowed increases of between 2.5 % and 7.0 %, varying with regions, in gas tariff for both the distribution companies in the north and south (SNGPL and SSGCL).

The Asian Development Bank (ADB) has approved a credit line of \$ 250 mn to facilitate cross –border trade between Chaman, Torkham and Wagah.

Total despatches of cement during July – November 2015 registered a growth of 5.46 % over the same period of 2014. Domestic despatches were higher by 15.64 % while export despatches were lower by 25.73 % during the above periods.

International

China is to invest \$ 60 bn in many a countries of the African continent by way of trade facility, financial support and concessional credit lines at zero percent interest rate.

Total liquid foreign exchange reserves held by the central bank of China stood at \$ 3.440 trn by end – November 2015, the lowest level for three years but still the highest holding in the world.

The Organisation of Petroleum Exporting Countries (OPEC) has left its production level unchanged at 31 mn bpd despite over-supply in world markets resulting in further erosion of prices.

International crude oil prices have plummeted to a seven-year low following the OPEC stance of keeping the production level unchanged at 31 mn bpd.

The European Union (EU) has signed a free trade agreement (FTA) with Vietnam, the first of its kind with any developing country. Bilateral trade between the two rose near three-fold to about \$ 30 bn in the last decade which would be boosted further as tariff barriers are progressively dismantled.

The Bank of England (BOE) has left its key lending rate unchanged at 0.50 %.

The Royal Bank of Canada has left its key lending rate unchanged at 0.50 %.

CPI inflation in China rose to 1.5 % in November against 1.3 % in October, year – on – year.



Editor: Syed Mahdi Mustafa [M.Sc. London School of Economics] |

Composer: Fizza Rizvi

Published by: The Institute of Bankers Pakistan, M.T. Khan Road, Karachi 74200, Pakistan

Phone: (021) 35277538 | Fax: (021) 35222416 | Email: publications@ibp.org.pk | Website: www.ibp.org.pk

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