economicletter

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Pakistan

According to SBP, the current account deficit narrowed to $ 1.005 bn (0.8 % of GDP) during July – November 2015 against $ 2.457 bn (2.0 % of GDP) during the same period of 2014.

According to SBP, branchless banking (BB) accounts rose to 10.8 mn by the end of second quarter of April – June of 2015 compared to 7.5 mn accounts by the end of first quarter of the year. The volume of transactions of "BB" registered a growth of 37 % while the value of transactions was higher by 43 % during the above quarters.

The SBP has ordained that Board members should not chair audit committees of banks, DFIs and microfinance banks.

According to SBP, new private sector net credit off-take rose to Rs. 133 bn during July to mid-November 2015 compared to Rs. 78 bn in the same period of 2014.

The Economic Coordination Committee (ECC) of the Cabinet has approved equity investment of $ 200 mn in the TAPI gas pipeline project.

The large – scale manufacturing (LSM) sector (PBS data) registered a growth of 4.21 % during July – October 2015 over the same period of 2014.

Arrival of new crop seed-cotton (phutti) at ginneries across the country by mid-December 2015 was lower by 32 % (PCGA data) over the same period of 2014. Arrivals from Punjab and Sindh were lower by 43 % and 4 % respectively during the above periods.

Export earnings of textile and clothing (PBS f.o.b data) during July – November 2015 fell to $ 5.233 bn against $ 5.713 bn in the same period of 2014.

Total merchandise export earnings (PBS f.o.b data) during the first five months of the current fiscal (July – November 2015) was recorded lower at $ 8.534 bn against $ 5.909 bn during the same period last fiscal.

Total import cost of food products (PBS f.o.b data) during July-November 2015 stood lower at $ 2.218 bn against $ 2.384 bn during the same period of 2014.

Total merchandise import payments (PBS f.o.b data) during July – November 2015 fell to $ 18.402 bn against $ 20.311 bn during the same period of 2014.

Total import cost of the oil sector comprising of crude oil and petroleum products (PBS f.o.b data) during July – November

2015 stood at $ 3.594 bn against $ 6.114 bn during the same period of 2014.

China has signed a memorandum of understanding (MoU) to boost investment and trade with particular emphasis on redressing the trade imbalance currently very high in favour of China.

The Securities and Exchange Commission of Pakistan (SECP) has directed the three stock markets of the country at Karachi, Lahore and Islamabad to develop a viable investors protection fund trust to safeguard investors interests once the three are merged into one scheduled to be operable from January 11, 2016.

A Chinese firm has signed a letter of agreement (LoI) to provide $ 1.5 bn for mining 3.5 mn tones of coal from Thar, Sindh, annually to aid in developing a power project capable of generating 600 MWs of electricity.

Financial close has taken place of the 1,320 MWs power project to cost $ 1.9 bn located at Port Qasim Authority (PQA) scheduled to go into production by end – 2017. The project forms part of China – Pakistan Economic Corridor (CPEC).

International

The Organization of Petroleum Exporting Countries (OPEC) has forecast that oil prices would reach a level of about $ 70 a barrel by 2020 and would then rise to about $ 95 a barrel by 2040. It is currently trading in the range of $ 35 – 37 a barrel.

Greece has sold 14 public sector airports to the private sector to raise funds bringing down its public debt hovering around 1.80 % of GDP, as part of austerity measures agreed to in the latest bailout package provided by the ECB, the E.U and the IMF jointly.

The World Bank has forecast that Bangladesh economy would grow by 8 % an year during the next four years.

According to a World Bank (WB) report the trade – corridor between India – Bangladesh ranks third after the U.S – Mexico and Russia – Ukraine corridors.

The World Trade Organization (WTO) has ruled that subsidies being provided by developed countries on agricultural exports should be abolished completely as they counter free trade practice.

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