

# economicletter

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## Pakistan

The Government has constituted an independent Monetary Policy Committee (MPC) to formulate monetary policy and allied decisions emanating from it.

According to SBP, total liquid foreign exchange reserves as on January 22, 2016 stood at \$ 20.502 bn of which \$ 15.647 bn was held by SBP and the rest with banks.

The Securities and Exchange Commission of Pakistan (SECP) has notified fresh regulations for asset management companies AMES and non-bank financial institutions (NBFI) with a view to protect the interests of investors in them.

Total merchandise export earnings (PBS f.o.b. data) during July – December 2015 was recorded lower at \$ 10.314 bn against \$ 12.057 bn during the same period of 2014. Total merchandise

import payments stood at \$ 22.213 bn against \$ 24.145 bn during the above periods.

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Merchandise export earnings of non-textile products (PBS f.o.b. data) during July – December 2015 fell to \$ 4.045 bn against \$ 5.173 bn in the same period of 2014.

Import cost of crude oil and petroleum products were lower by 44.13 % and 37.26 % during July – December 2015 over the same period of 2014.

Export earnings of textiles and clothing (PBS f.o.b. data) fell to \$ 6.289 bn during the first half of the current fiscal (July –

## 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	6.12	6.37	Rs. 148	Rs. 114	Rs. 104	33,936	Rs. 38,614
Ending	6.10	6.35	Rs. 149	Rs. 114	Rs. 104	31,290	Rs. 39,171
Change	-0.02	-0.02	+1	0.00	0.00	-2646	+557

December 2015) against \$ 6.884 bn during the same half last fiscal.

Import cost of food products during July – December 2015 fell to \$ 2.810 bn during July – December 2014.

Pakistan and China have signed a letter of exchange for undertaking the feasibility study for the development of Gwadar Port City Master Plan so Baluchistan costing Rs. 410 mn on a government to government arrangement.

The Senate Standing Committee has been informed by the Cotton Commissioner that cotton production in the current crop season till now was lower by 33 % over the last crop season. Punjab's production was down by 44 % and Sind's by 4 % during the above crop seasons.

## International

China has signed 17 agreements worth \$ 600 bn with Iran, the first of its kind, to promote close economic ties with the country. With generation periods varying in completion.

Iran and Italy has signed numerous deals worth 17 bn euros aimed principally at making Iran a trading hub between Europe and the Middle – East.

The Trans – Pacific Partnership (TPP), the new U.S – led trade body is estimated to increase the national income of the U.S by \$ 131 bn with a time lag of one year during which the inter – country contours will become fully operational.

The European Union's Watchdog has strongly criticized the bailout packages in some EU countries particularly in the eurozone as it was breed in inefficiency in economic management and thus hampering growth.

France is to build six nuclear – reactors for civilian energy as part of the \$ 150 bn defence deal it has signed with India.

The World Bank has come to conclude that slower growth rates in emerging economies was restricting rise in oil prices which in turn was slowing global growth.

The IMF expects GDP growth in Kenya, the largest east – African economy besides being a major player in world's tea market, to rise to 6.0 % this year against the estimated growth of 5.6 % in 2015.



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