

# economicletter

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## Pakistan

The SBP in partnership with the World Bank and the United Nations has launched “Universal Finance Access Initiative Strategy” with a view to broad – basing inclusion of financial resources available in the country both for domestic and foreign investors. Pakistan’s banking performance is well appreciated by top international lenders including top international banks as bets compared to some other Asian countries and somewhat equal level of development.

According to SBP, home remittance in the first seven months of the current fiscal (July – January 2015 – 16) rose to \$ 11.20 bn against \$ 10.57 bn in the same period last fiscal.

According to SBP, private sector credit off – take in the first seven months of the current fiscal (July – January 2015 - 16) rose to Rs. 310.56 bn against Rs. 164.29 bn in the same period of 2014 – 15.

The SBP has raised the level for issuance of Islamic bonds (Sukuk) in local currency in April to a level of Rs. 100 bn (\$ 955 mn).

According to SBP, the deposit base of the banking system rose to Rs. 9.41 trillion by end – January 2015. Advances rose to Rs. 4.84 trillion against Rs. 4.46 trillion during the above periods. Total investment portfolio of the banking system stood at Rs. 6.82 trillion by end – January 2016 against Rs. 5.42 trillion by end – January 2015.

According to SBP, total liquid foreign exchange reserves as on February 05, 2016 stood at \$ 20.396 bn of which \$ 15.341 bn was held by SBP and the rest with banks.

Pakistan has signed a deal with Qatar to import 3.75 mn tonnes liquefied natural gas annually over the next 15 years at

## 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     | 6.10             | 6.35    | Rs. 154.20             | Rs. 117    | Rs. 106.95 | 31,290    | Rs. 39,171 |
| Ending        | 6.11             | 6.36    | Rs. 154                | Rs. 119.60 | Rs. 106.10 | 31,464    | Rs. 41,314 |
| Change        | +0.01            | +0.01   | +0.2                   | +2.6       | -0.85      | +356      | +2143      |

a cost of \$ 46.0 bn. It would meet 20 % of the country's energy needs till 2031. The two countries have also signed other agreements particularly to enhance bilateral trade from the current level of \$ 300 mn to \$ 1.0 bn in foreseeable future. Pakistan has also volunteered to meet Qatar's manpower needs.

The World Bank President has assured Pakistan of its continuing support as the economy has attained stability despite the security situation much to its disadvantage. The growth sustainability however needs financial reform so that the fiscal position improves.

The World Bank President has urged the provincial government of Sindh to undertake focused expenditure on some social sectors particularly in the areas of health, education and energy.

The Securities and Exchange Commission of Pakistan (SECP), under revised rules, has made it mandatory for listed companies to record names of persons having access to insider information. The measure is aimed at mitigating the menace of insider trading in stocks trading.

Qatar, following the LNG deal, has offered job visas for 100,000 Pakistanis, both white and blue collared workers.

The U.S. Administration has proposed that the Congress provide \$ 860 mn to Pakistan in the country's July – June 2016 – 17 fiscal for development in some key sectors of the economy as also to meet increased expenditure in combating terrorist activities.

Merchandise trade deficit (PBS f.o.b. data) during July – January 2015 – 16 widened by 4.31 to \$ 13.636 bn against \$ 13.072 bn in the same period of 2014 – 15.

## International

Unemployment in the U.S fell to an 8-year low at 4.9 % of workforce in January.

India's GDP has been estimated by the government to have registered a growth of 7.3 % in the third quarter of the current fiscal (October – December 2015) over the same period of 2014. The government expects the economy to grow by 7.6 % during the full fiscal ending March 2016.

According to the People's Bank of China, total liquid foreign exchange reserves held by the Bank at end – January stood at \$ 3.23 trillion, have fallen by \$ 99.5 bn over end-December 2015 level, yet continuing to remain highest of any single country in the world.



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