

# economicletter

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## Pakistan

The SBP has extended the deadline for submission of risk loss data collection mechanism by banks and DFIs to end-March 2017.

According to SBP, total liquid foreign exchange reserves as on February 12, 2016 stood at \$ 20.387 bn of which \$15.515 bn was held by SBP and the rest with banks.

The Prime Minister has introduced a zero-rated tax regime for the export sector with a view to reverse its declining trend.

Total merchandise export earnings (PBS f.o.b. data) during July – January 2015 – 16 fell to \$ 12.087 bn against \$ 14.115 bn in the same period last fiscal.

Total merchandise import payments during July – January 2015 – 2016 (PBS f.o.b. data) was recorded lower at \$ 25.723 bn against \$ 27.187 bn in the same period of 2014 – 15.

The National Electric Power Regulatory Authority (Nepra) has approved an increase of 57.66 paisas per units for consumers of K-Electric by way of its monthly fuel adjustment policy for November 2015.

Pakistan's banking sector has been ranked as best performing in Asia over the last three years by Credit Suisse, one of the top international banks.

The German Ambassador to Pakistan has opined that the Pakistani economy is of considerable interest for investors from the country. Germany is the largest economy of Europe.

## 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	6.11	6.36	Rs. 154	Rs. 119.60	Rs. 106.10	31,464	Rs. 41,314
Ending	6.11	6.36	Rs. 152.45	Rs. 117.75	Rs. 106.3	31,011	Rs. 40,714
Change	+0.00	+0.00	-1.55	-1.85	+0.2	-453	-600

Total sale of locally assembled Cars (industry data) during July – January 2015 – 16 at 107, 907 units represented an increase of 44.88 % over the same period of 2014 – 15.

Total despatch of cement (industry data) during July – January 2015 – 16 rose by 6.4 % over the same period of 2014 – 15 to 20.02 mn tonnes. Domestic sale was higher by 15.6 % while foreign sale was lower by 24.98 % during the above periods.

Sea-food including feed stock export earnings (PBS f.o.b. data) in the first half of the current fiscal (July – December 2015) at \$ 166.54 mn was lower by 7 % over the same half last fiscal due mainly due to ban imposed by the EU countries on grounds of it being unhygienic.

## International

The U.S. Federal Reserve Chief has warned that interest rate policies globally, slowing Chinese economic growth and falling oil prices pose a risk for recovery in the U.S. economy as the above factors in combination may trigger a new global recession in 2016, last seen in 2008.

Total Liquid foreign exchange reserves of Saudi Arabia fell to \$ 611.9 bn at end – 2015, lowest for four years, compared to \$ 732.0 bn at end – 2014.

Iran and Japan have signed an investment agreement aimed essentially at luring Japanese investors in Iran's natural gas and oil sectors, proven and dormant, for value-added ventures rather than in raw form. Iran has 18.2 % of world's proven gas reserves and 9.3 % of world's proven oil reserves. Japan stands to gain via advanced technology investment which, in turn, would provide a fillip to its own sagging economy, currently in a state of technical recession.

International crude oil decline in prices remained unabated and was quoted at \$ 29 a barrel at the New York stock exchange, the first time at below \$ 30 a barrel. (The middle and low economies are failing to capitulate partly because of absorptive and storage capacities and partly due to expectation of it further to as low as \$ 20 a barrel).

CPI inflation in India was recorded at 5.69 % in January, year-on-year highest for 17 months.

The European Union (EU) has imposed anti-dumping duty against steel imports from China.



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