

# economicletter

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## Pakistan

The SBP Governor has informed the National Assembly Standing Committee on Finance that the SBP has never granted any permission to any individual to purchase property abroad.

According to SBP, the current account deficit during the first seven months of the current fiscal (July-January 2016-17) stood at \$ 4.716 bn (2.5% of GDP) against \$ 2.479 bn (1.5% of GDP) in the same period last fiscal.

The SBP has directed banks and other financial institutions not to provide banking services to proscribed entities and persons or their associated persons as required under money-laundering and combating the financing of terrorism regulations already in place.

The SBP has directed banks and exchange companies to encash U.S. dollar bills of all types inclusive of small denomination.

The SBP has amended its guidelines relative to asset freeze, travel ban and arms embargo.

According to SBP, total liquid foreign exchange reserves as on 17<sup>th</sup> February 2017, stood at \$ 21.929 bn of which \$ 17.028 bn was held by SBP and the rest with banks.

The Privatisation Commission has invited expression of interest (Eoi) for divestment of 93.88% of government shares holding alongwith management control of Small and Medium Enterprise (SME) Bank.

Total car sales (industry data) during July-January 2016-17 at 104,156 units was lower by 3.5% over the same period of 2015-16.

Large-scale manufacturing (LSM) sector posted growth (PBS data) of 3.9% during July-December 2016 over the same half of 2015.

Arrival of new crop seed-cotton (phutti) at ginneries across the country (PCGA data) by mid-February at 10.68 mn bales was

## Markets at a glance \*Rates are taken till 5 pm\*

Weekly Review	KIBOR (6 months)		Foreign Exchange Rates			PSX	Gold Rate
	Bid %	Offer %	UK(£)	EURO(€)	USD(\$)	100 Index	(10 gm)
Beginning	5.89	6.14	Rs. 133.50	Rs. 113.60	Rs. 107.10	49,375	Rs. 43,371
Ending	5.87	6.12	Rs. 133.20	Rs. 112.80	Rs. 107.10	49,007	Rs. 43,628
Change	-0.02	-0.02	-0.3	-0.8	+0.00	-368	+257

higher by 10.3% over the same period last crop season. Arrivals from Punjab and Sindh were higher by 16.4% and 0.7% respectively during the above periods.

The government has deployed 15,000 military personnel to protect completion of projects under the China-Pakistan Economic Corridor (CPEC) agreements.

The World Bank in a special study has placed Pakistan at 58th position in its Indicators of Sustainable Energy of Developing Countries surveyed which averaged 46 points.

Seafood export earnings (PBS f.o.b. data) during July-January 2016-17 rose to \$ 183.45 mn against \$ 166.29 mn in the same period of 2015-16.

## International

The newly elected President of the U.S. has withdrawn his country's membership from the Trans-Pacific Partnership.

The European Union (EU) Parliament has approved the Canada-EU historic deal after seven years of protracted negotiation.

Unemployment in the U.K. during October-December 2016 at 4.8% of workforce was unchanged from the previous quarter and was lowest for 11 years.

China's total outstanding domestic debt equaled 270% of the country's GDP by end-2016.

CPI inflation in Britain registered a rise of 1.8% in January, year-on-year, the highest monthly rise since June 2014.

CPI inflation in Turkey registered a rise of 9.22% in January, year – on – year. The central bank of the country expects it to reach a level of 8.0% by end 2017.

CPI inflation in Egypt rose to 28.1% in January, more than double the level of 13.6 % in October last year. Food inflation in January was higher by 37.2%, YoY.

The central bank of Indonesia has left its benchmark policy rate unchanged at 4.75%, having pruned it six times by a cumulative 150 basis points (bps) in 2016.

GDP growth in Singapore chocked at 2.0% in 2016 only slightly higher than 1.9% in 2015 and the weakest since 2009.

GDP growth in Poland slowed to 2.8% in 2016 against 3.5% in 2015 and is now being projected to rise by 3.5% in 2017.



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