

economicletter

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Pakistan

According to SBP, net foreign direct investment (FDI) into Pakistan during the first half of the current fiscal (July-December 2016) increased to \$ 1.08 bn against \$ 978.50 mn in the same period last fiscal.

According to SBP, the current account deficit widened to \$ 3.585 bn during July-December 2016 against \$ 1.865 bn during the same period of 2015.

According to SBP housing finance outstanding provided by banks and specialized institutions by end-September quarter 2016 rose to Rs. 65.85 bn higher by 13.5% over the same quarter of 2015.

The SBP has increased the financing limit for small and rural enterprises under its credit guarantee scheme (CGS) to Rs. 25 mn from Rs. 15 mn. The guarantee coverage has also been increased to 60%.

According to SBP, total liquid foreign exchange reserves as on 13 January 2017, stood at \$ 23.191 bn of which \$ 18.361 bn was held by SBP and the rest with banks.

The Prime Minister has reversed the decision of ECC of the Cabinet to withdraw the subsidy of Rs. 400 per bag of fertilizer.

The government has increased the price of motor gasoline (petrol) and high speed diesel (HSD) by 1.77 and Rs. 2.0 per litre respectively.

Export earnings of the services sector (PBS data) during July-November 2016 at \$ 2.023 bn was lower by 17.6% over the same period of 2015. Import payments of the sector at \$ 3.422 bn was lower by 0.85% during the above periods.

The large-scale manufacture (LSM) sector registered a growth of (PBS data) 3.24% during July-November 2016 over the same period of 2015.

Total locally assembled/manufactured auto sales during July-December 2016 (industry data) at 122,347 units was lower by 3.5% over the same period of 2015.

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	5.87	6.12	Rs. .133.0	Rs. 115.45	Rs. 108.7	49210.50	Rs. 39,914
Ending	5.86	6.11	Rs. 129.1	Rs. 111.85	Rs. 104.89	49364.83	Rs. 43,628
Change	-0.01	- 0.01	- 3.9	- 3.6	- 3.81	+ 154.33	+3,714

The Senate has been informed by the Federal Minister of National Food Security that wheat production in 2016 was 25.63 mn tons against consumption demand of 25 mn tons hence the increase in regulatory duty to discourage its import.

Total locally assembled/manufactured auto sales during July-December 2016 (industry data) at 122,347 units was lower by 3.5% over the same period of 2015.

International

The Chinese President attending the Davos meeting for the first time, has warned the international community that any uncalled - for restriction in the global movement of goods and services would undermine global economic growth as there is no alternative to free trade.

The IMF has forecast at the annual meeting at Davos that global economic growth would rise to 3.4% in 2017 and then to 3.6% in 2018 against estimated 3.1% in 2016.

The Bank of Korea, the central bank of South Korea, has kept on hold its key lending rate unchanged at record low of 1.25% lowest since June 2016.

The central bank of Brazil has lowered its key interest rate by 0.75% to 13.0% hoping to contain inflation further to between

4-4.5% in the current year against below the targeted 6.5% in 2016.

CPI inflation in India was recorded at 3.41% in December 2016, year-on-year, well below the central bank's target of it being 5% or close to avoid any deflationary pressure taking hold.

CPI inflation in Brazil averaged 6.29% in 2016 against 10.67% in 2015 and below the official target of containing it at 6.5%.

Foreign direct investment in Abu Dhabi, the capital city of the U.A.E, increased to \$ 25.92 bn in 2016 against \$ 24.24 bn in 2015.

Unemployment in Turkey in October 2016 was officially recorded at 11.8% of workforce, highest for over five and a - half years.

The United Arab Emirates (UAE) plans to invest \$ 163 bn by 2050 to generate renewable energy to meet near 44% of its total power needs.

Oxfam, a U.K based charity organization, has informed world leaders in their annual meeting at Davos that eight multi - billionaires own the same wealth as half of the world's poorest or 3.5 billion people possess. Six of them are from the U.S and one each from Spain and Mexico.



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