VOLUME 17 / ISSUE 31 / AUGUST 05, 2022
IBP - A Company Set Up Under Section 42 of the Companies Act, 2017

economicletter

a weekly publication of The Institute of Bankers Pakistan

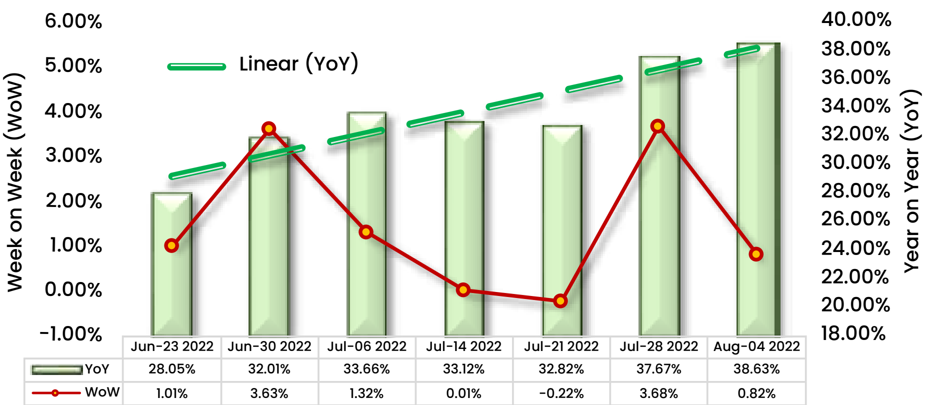
Domestic Economic Roundup

Weekly Position of All Scheduled Banks*

	At Close of Business on (Rs in billion)			%age Change over Corresponding Week
	July-16 2021	July-08-2022	July-15 2022	
Paid-up capital	562.7	584.9	585.8	4.1%
Reserves	381.3	439.1	440.1	15.4%
Unappropriated/ Unremitted Profits	728.6	885.3	897.8	23.2%
Surplus/ (deficit) on revaluation of Assets	266.1	126.2	148.6	-44.1%
Net Assets	1,938.6	2,035.5	2,072.3	6.9%

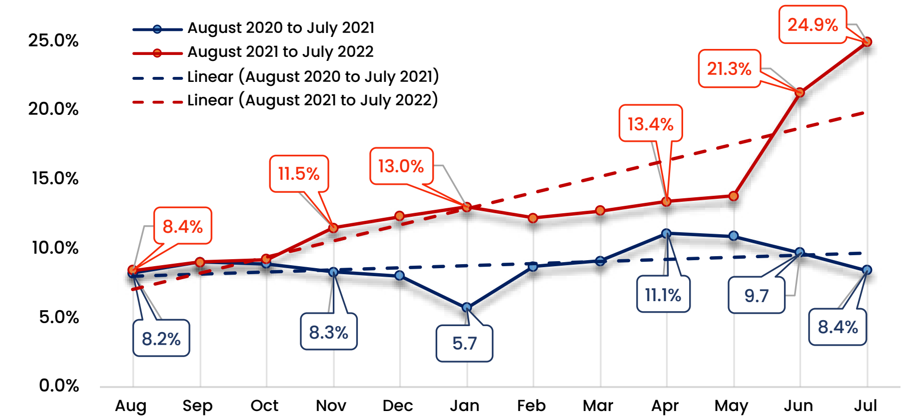
*Includes all commercial banks and sepcialized banks (ZTBL, PPCBL, and SME Bank)

Weekly Trend in Sensitive Price Indicator (SPI)

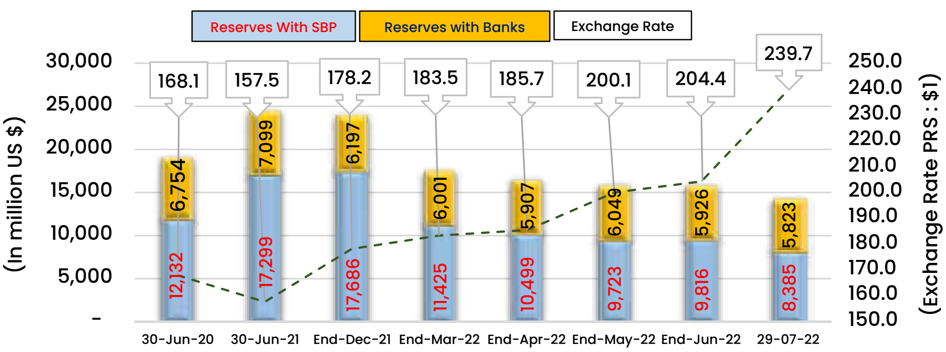


	Jun-23 2022	Jun-30 2022	Jul-06 2022	Jul-14 2022	Jul-21 2022	Jul-28 2022	Aug-04 2022
YoY	28.05%	32.01%	33.66%	33.12%	32.82%	37.67%	38.63%
WoW	1.01%	3.63%	1.32%	0.01%	-0.22%	3.68%	0.82%

CPI InflationTrend (YoY - August to July)



Forex Reserves and Exchange Rate



Markets at a Glance

Rates taken till Friday, August 05, 2022

SBP POLICY RATE

15.00% | Effective from July 13, 2022

KIBOR (6 MONTHS)

	Bid%	Offer%
Starting	15.58	15.83
Ending	15.64	15.89
Change	+0.06	+0.06

FOREX RATES

	GBP	EURO	USD
Starting	PKR 292.29	PKR 244.81	PKR 239.37
Ending	PKR 272.44	PKR 229.20	PKR 224.04
Change	-19.85	-15.61	-15.33

PAKISTAN STOCK EXCHANGE

	100 Index
Starting	40,150
Ending	42,096
Change	+1,946

GOLD RATES

	10 GM, 24K
Starting	PKR 134,350
Ending	PKR 128,964
Change	-5,386

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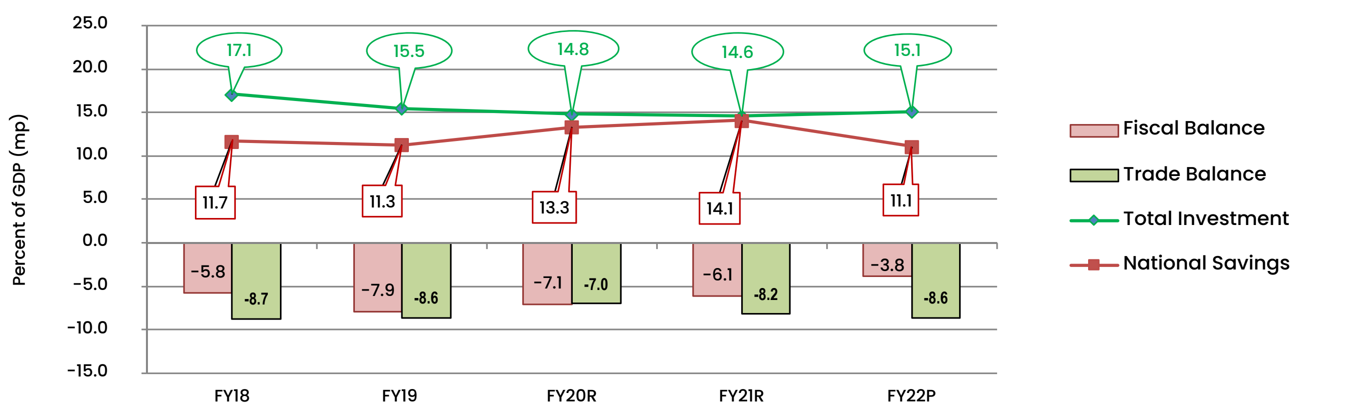
Pakistan's Major Economic Indicators

Real Sector (Percent Growth)	FY18	FY19	FY20^F	FY21^R	FY22^P
Real GDP (2015-16 = 100)	6.1%	3.1%	-0.9%	5.7%	6.0%
Agriculture Sector	3.9%	0.9%	3.9%	3.5%	4.4%
Manufacturing Sector	7.1%	4.5%	-7.8%	10.5%	9.8%
Services Sector	6.0%	5.0%	-1.2%	6.0%	6.2%
Real GDP (Rs. in billion)	33,859.6	34,916.0	34,586.7	36,572.6	38,755.1
Nominal GDP (Rs. in billion)	36,514.2	41,110.2	44,746.9	52,213.3	62,677.6
GNI (MP) PRS Per Capita	194,181	214,695	230,349	268,223	314,353
GNI (MP) US $ Per Capita	1,767.9	1,577.6	1,457.6	1,676.5	1,797.5

As Percent of Nominal GDP (MP)



CPI INFLATION (YoY%)	Annual Average			Year-on-Year		
	FY19	FY20	FY21	July 2021	June 2022	July 2022
General	6.8	10.7	8.9	8.4	21.3	24.9
Food (Urban)	4.6	13.6	12.4	9.4	24.0	27.4
Non-Food (Urban)	8.5	8.3	5.7	8.2	17.3	21.3

Currency in Circulation as on (Stock data)					Rs in billion
June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	Jun 23, 2021	Jul 22, 2022
4,387.8	4,950.0	6,142.0	6,909.9	6,631.0	7,244.9

Sources: i) Pakistan Economic Survey 2021-22, Finance Division ii) Pakistan Bureau of Statistics iii) Data published on SBP website | P = Provisional | R = Revised | F = Final

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Governor SBP to Set Up Joint Interaction Committee with FPCCI

Dr Murtaza Syed, Governor (A) State Bank of Pakistan (SBP) has announced the formation of a committee and appointment of an SBP liaison officer for close coordination with the Federation of Pakistan Chambers of Commerce & Industry (FPCCI) and timely redressal of grievances of business committee. He made this announcement during his visit to the FPCCI on the invitation of their management, according to an August 3, 2022 press release.

The senior management of the SBP led by Governor (A) Dr Murtaza Syed and comprising, among others, Deputy Governors Dr Inayat Hussain and Ms Sima Kamil visited the FPCCI to discuss current economic challenges and the measures being taken by the Government and SBP. The Governor (A) appreciated business community for their endurance in facing the challenges posed by both international and domestic events and ensured that SBP will provide them its full support by addressing their concerns as much as possible.

The Governor (A) in his address apprised the audience that staff-level IMF agreement is already in place and the board-level approval is expected in the third week of August as their board will meet after their vacations in the first-half of August are over. He added that SBP believes that rupee is undervalued at the moment and dollar has overshot in the forex market due to several reasons; however, he hoped that it will come down to its real value in 2-3 months. He invited the business community to sit together with the SBP for a constructive consultative process and give suggestions on prevailing economic situation, foreign exchange and other related issues. Dr Syed also assured the participants to look into technical requirement of prior approvals required by the commercial banks from SBP on the clearance of financial documents of the consignments with the H.S. Codes starting with 84 & 85 as these restrictions were affecting the import of tractor parts and other agricultural machinery as well.

President FPCCI Mr Irfan Iqbal Sheikh in his inaugural remarks welcomed Dr Syed and the senior management of the central bank for their visit to the FPCCI. Shedding light on current business scenario from FPCCI perspective, he requested the Governor (A) to use policy tools available at the central bank's disposal to check the speculative dollar trading over the past few weeks. He observed that importers, manufacturers and industries were at the receiving end due to speculative nature & unavailability of dollars, shortage of industrial raw materials and the resultant disruptions in the production processes. Mr Irfan maintained that over the past several weeks the commercial banks have been offering LCs to importers at the rates higher than inter-bank rates and requested the SBP to play its role for course correction.

A senior SBP official highlighted the support extended to the businesses in general and to the exporters in particular. SBP enhanced short term Export Refinance limits from Rs432 billion to Rs857 billion in just last four years reflecting an increase of almost 100 percent. Likewise, outstanding stock of SBP's long term fixed rate financing for the exporters (LTFF) has also witnessed an increase from Rs209 billion to Rs329 billion in last three years reflecting 57 percent growth. The Federation acknowledged that Temporary Economic Refinance Facility (TERF) massively helped in stimulating investment and boosting economy in the backdrop of COVID-19. It will not be out of context to mention that most of the business entities availed TERF at rates far below than the maximum cap of 5 percent. The overwhelming success of TERF indicated that it was successful in filling the gap for long term investment in the country. An amount of Rs436 billion had been approved under this facility for 628 businesses.

The FPCCI members raised certain questions which were comprehensively answered by the senior SBP management during the meeting and ensured the FPCCI members that the senior management of the central bank was always available to listen to their issues and resolve them on priority. On a question regarding expiry of SBP's Refinance Facility for Renewable Energy, the Federation was informed that the scheme has been extended till June 2024. In the end, the President FPCCI submitted some suggestions for consideration of the SBP. The Governor (A) assured to look into the merits of these suggestions and take a decision soon.

Enhanced Monitoring of the Foreign Exchange Operations of Exchange Companies and Banks

In view of recent volatility in the exchange rate and the difference between the interbank rate and the rate offered by Exchange Companies (ECs) and banks to their customers, State Bank of Pakistan (SBP) has increased the monitoring of the foreign exchange operations of ECs and banks. In this respect, SBP started inspections of a number of exchange companies and banks since August 01, 2022.

On August 02, 2022 SBP suspended the operations of four branches of two ECs (Galaxy Exchange Co and Al-Hameed International Money Exchange Co) for violation of SBP regulations. SBP has also imposed monetary penalties on some ECs in the recent past. Besides, due to violations of SBP instructions, arrangements of 13 franchises have been terminated by six different ECs in the recent past.

SBP has also started conducting mystery shopping exercise throughout Pakistan to investigate the apprehensions that some ECs are not selling foreign currency to their customers. A meeting of the Exchange Companies Association of Pakistan has also been called on August 04, 2022. If needed, SBP would augment its enforcement actions on the ECs and the banks in light of findings of the on-going inspections and mystery shopping.

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SBP Management Visits OICCI for Interactive Session with Members

The Overseas Investment Chamber of Commerce and Industry (OICCI) members met with Dr Murtaza Syed, Acting Governor, State Bank of Pakistan (SBP), Dr Inayat Hussain, Deputy Governor, SBP and Sima Kamil, Deputy Governor, SBP for a discussion on urgent fiscal and monetary policy measures to help stabilize economy.

Ghias Khan, President OICCI and Abdul Aleem, Secretary General, OICCI led the discussions and raised member concerns related to the pre-approval procedure of LCs for import of machinery and spare parts, timely remittance payments, approval exemptions of shipping values being too low, and other operational issues.

It was stressed upon the SBP leadership to set timelines so that industry supply chain is not compromised.

The SBP team gave a comprehensive overview of the current economic situation and the planned strategy to tackle issues in 2023, says a press release issued here on August 02, 2022. Pakistan is primarily a consumer-driven economy with consumption driving up to 95 percent of the GDP.

The SBP team was confident that Pakistan's problems were temporary and urged the OICCI members to work on improving exports to help balance the exchange rate fluctuations and currency depreciation.

Ghias Khan stated, "This meeting was a much needed first step towards the recovery of Pakistan's economy. It is imperative that we implement cogent measures to halt our pattern of circular debt. The SBP has always played a critical role in stabilizing Pakistan's economy, and I am confident that under Dr Murtaza Syed's leadership we will be able to withstand the current economic climate while charting a path for growth."

Dr Murtaza Syed commented, "SBP is taking tough measures and making difficult decisions to help avert the economic crisis. Global inflationary pressures coupled with a procyclical expansionary fiscal policy during a pro-cyclical period is one of the main reasons Pakistan is at this crossroads August 02, 2022. Once these measures are implemented and the IMF loan is received, the pressures on the economy will ease, specifically with regards to the depreciating Rupee."

OICCI serves as a platform to promote foreign investments and plays a major role in the growth of commerce and industry in the country. Collectively, OICCI invested USD 2.4 billion last year, contributing one-third of the country's total tax collections.

SECP to Introduce Digital Asset Management Companies

The Securities and Exchange Commission of Pakistan (SECP) has introduced the concept of Digital Asset Management Companies (AMCs), to promote financial inclusion and to simplify investment in AMCs. A concept paper in this regard has been published on SECP website for public consultation, according to a press statement on August 01, 2022.

Digital AMCs have the potential to facilitate investors and increase investor base, by reducing paperwork, providing services remotely, and leveraging customer data. These companies will provide all AMC services, including launching of allowed Collective Investment Schemes (CIS), online account opening to issuance and redemption of units and inter CIS conversions through digital means, where the investor is no longer required to visit any distribution point physically.

The concept note covers areas like challenges faced by brick and mortar AMCs, potential of digital AMCs in Pakistan, key ambitions underlying the development of Digital AMCs, and critical regulatory challenges. It also proposes a framework for addressing these identified gaps.

Simultaneously with publication of this Concept Paper, the SECP is also aiming to test the Digital AMC model in a sandbox testing environment.

In Pakistan, there are currently 21 AMCs with asset under management of Rs1.2 trillion. The mutual fund industry in Pakistan has only approximately 320,000 investors (0.14 percent of total population) which means this segment of capital markets is under-penetrated in comparison to other international jurisdictions.

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Pakistan's Strategy for Navigating FY2023: Five Important Facts - Joint Statement by the Ministry of Finance and the State Bank of Pakistan

On July 31, 2022, the Ministry of Finance (MoF) and State Bank of Pakistan (SBP) released a joint statement on Pakistan's Strategy for Navigating FY2023, highlighting five salient points. They are outlined as follows:

1. <u>Pakistan's problems are temporary and are being forcefully addressed.</u>

    - Pakistan's foreign exchange reserves have fallen since February as foreign exchange inflows have been outpaced by outflows. The inflows mainly comprise of multilateral loans from the IMF, World Bank and ADB; bilateral assistance in the form of deposits and loans from friendly countries like China, Saudi Arabia, and the UAE; and commercial borrowing from foreign banks and through the issuance of Eurobonds and Sukuks. The paucity of inflows has happened in large part due to the delay in completing the next review of the IMF program. Meanwhile, on the outflows side, debt servicing on foreign borrowing has continued as repayments on these debts have been coming due over this period.

    - At the same time, the exchange rate has come under significant pressure, especially since mid-June. It has been driven by general US dollar tightening, a rise in the current account deficit (exacerbated by a heavy energy import bill in June), the decline in foreign exchange reserves, and worsening sentiment due to uncertainty about the IMF program and domestic politics.

    - However, important developments have happened recently that will address both of these temporary issues. On July 13, the critical milestone of a staff-level agreement on completing the next IMF review was reached. As of July 31, 2022, all prior actions for completing the review have been met and the formal Board meeting to disburse the next tranche of $1.2 billion is expected in a couple of weeks. At the same time, macroeconomic policies—both fiscal policy and monetary policy—have been appropriately tightened to reduce demand-led pressures and rein in the current account deficit. Finally, the government has clearly announced that it intends to serve out the rest of its term until October 2023 and is ready to implement all the conditions agreed with the Fund over the remaining 12 months of the IMF program.

2. <u>In FY23, Pakistan's gross financing needs will be more than fully met under the ongoing IMF program.</u>

    - The financing needs stem from a current account deficit of around $10 billion and principal repayments on external debt of around $24 billion.

    - In order to bolster Pakistan's foreign exchange reserves position, it is important for Pakistan to be slightly over financed relative to these needs.

    - As a result, an extra cushion of $4 billion is planned over the next 12 months. This funding commitment is being arranged through a number of different channels, including from friendly countries that helped Pakistan in a similar way at the beginning of the IMF program in June 2019.

3. <u>Important measures have been taken to contain the current account deficit.</u>

    - In addition to high global commodity prices, the large current account deficit in FY22 was driven by rapid domestic demand (growth reached almost 6 percent for two consecutive years leading to overheating of the economy), artificially low domestic energy prices due to the February subsidy package, an unbudgeted and procyclical fiscal expansion, and heavy energy imports in June to minimize load-shedding and build inventories.

    - To contain this deficit going forward, the policy rate was raised by 800 basis points, the energy subsidy package has been reversed, and the FY23 budget targets a consolidation of nearly 2.5 percent of GDP, centered on tax increases while protecting the most vulnerable. This will help cool domestic demand, including for fuel and electricity.

4. <u>These measures are working: the import bill fell significantly in July, as energy imports have declined and non-energy imports continue to moderate.</u>

    - Foreign exchange payments in July were significantly lower than in June. This is true for both oil and non-oil payments. Altogether, payments were a sustainable $6.1 billion in July compared to $7.9 billion in June.

    - The latest trade data indicate that non-oil imports continue to fall. Specifically, non-oil imports fell by 5.7 percent quarter-on-quarter during Q4 FY22. They are expected to reduce further going forward.

    - Looking ahead, a considerable slowdown has been witnessed in LC opening in recent weeks, again for both oil as well as non-oil commodities. Based on market reports, there was an 11 percent month-on-month decline in Oil Marketing Companies sales volume in June.

    - After the surge in energy imports in June, a stock of diesel and furnace oil sufficient for 5 and 8 weeks, respectively, is now available in the country, much higher than the normal range of 2 to 4 weeks in the past. This implies a lower need for petroleum imports going forward.

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- With the recent rains and storage of water in the dams, hydroelectricity is also likely to increase and need to generate electricity on imported fuel is expected to decline going forward.

- As a result of these trends, the import bill is likely to shrink and should begin to manifest itself more forcefully in lower FX payments over the next 1-2 months.

- Overall, imports are expected to decline in coming months due to a decline in global commodity prices, the higher oil stock, the unfolding impact of higher domestic prices of petroleum products, adjustments in electricity and gas tariffs, the removal of tax exemptions under the FY23 budget, administrative measures taken to curtail imports, and the lagged impact of the monetary and fiscal tightening that has been undertaken.

5. <u>The Rupee has overshot temporarily but it is expected to appreciate in line with fundamentals over the next few months.</u>

- Around half of the Rupee depreciation since December 2021 can be attributed to the global surge in the US dollar, following historic tightening by the Federal Reserve and heightened risk aversion.

- Of the remaining half, some is driven by domestic fundamentals. In particular, the widening of the current account deficit, especially in the last few months. As noted above, the deficit is expected to narrow going forward as the temporary surge in the import bill is brought under control. As this happens, the Rupee is expected to gradually strengthen.

- The remaining depreciation has been overdone and driven by sentiment. The Rupee has overshot due to concerns about domestic politics and the IMF program. This uncertainty is being resolved, such that the sentiment-driven part of the Rupee depreciation will also unwind over the coming period.

- Where the market has become disorderly, the State Bank has continued to step in through sales of US dollars to calm the markets and will continue to do so, as needed in the future. Strong steps to counter any speculation have also been taken, including close monitoring and inspections of banks and exchange companies. Further additional measures will be taken as situation warrants.

- The exchange rate is flexible and market-determined, and will remain so, but any disorderly movements are being countered.

- Going forward, as the current account deficit is curtailed and sentiment improves, we fully expect the Rupee to appreciate. Indeed, this was the experience during the beginning of the IMF program in 2019, when the Rupee strengthened considerably after a period of weakness in the lead-up to the program.

- Clearly, the Rupee can overshoot temporarily as it has done recently. However, it moves both ways over time. This pattern is expected to re-assert itself in the coming period. As a result, the Rupee should strengthen in line with improved fundamentals in the form of a smaller current account deficit as well as stronger sentiment.

FBR Commences the Current Financial Year by Exceeding the July Target by Significant Margin

Federal Board of Revenue (FBR) has released the provisional revenue collection figures for the month of July, 2022. According to the provisional information, FBR has collected net revenue of Rs458 billion during July 2022, which has exceeded the target of Rs443 billion by Rs15 billion. This represents a growth of about 10 percent over the collection of Rs417 billion during the same period, last year. These figures would further improve after book adjustments have been taken into account. These collections are the highest ever in the month of July. This outstanding revenue performance is a reflection of FBR's continued resolve to build further on its growth trajectory achieved during last year.

On the other hand, the gross collection increased from Rs438 billion during July last year to Rs486 billion, showing an increase of 11 percent. Likewise, the amount of refunds disbursed during July was Rs28 billion compared to Rs21 billion paid last year, showing an increase of 32 percent. This is reflective of FBR’s strong commitment to fast-track refunds and thereby prevent liquidity shortages in the industry.

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SNIPS

Working Fewer Hours

Europeans are working even less than before the pandemic — almost one day a week less than Americans in 2021, according to data for the five biggest European Union economies, but it has more to do with companies cutting costs than relaxation, says The Wall Street Journal.

The significant revenue increase in July is largely the outcome of various policy and revenue measures introduced by the government in Finance Act 2022. Unlike in the past, there is a visible focus on taxing the rich and affluent. Owing to this paradigm shift, the domestic taxes contributed 55 percent in collection while import taxes remained 45 percent. This has reversed the trend. Previously taxes at import stage were 52-53 percent of overall collection. Likewise, the growth in domestic Income Tax is almost 31 percent which is a remarkable shift towards direct taxation. Likewise, there is a significant upsurge in Advance Tax collected during July. There is also 118 percent increase in Advance Tax on sale of properties u/s 236-C due to enabling of a withholding provision applicable irrespective of the holding period.

Likewise, 40 percent increase in Advance Tax u/s 147, especially from banking companies is due to change in tax rate.

Similarly, increase in the rate of FED on cigarettes/tobacco has paid its dividends. The FED from tobacco has registered a record growth of over 47 percent or Rs2.6 billion and the corresponding increase in Sales Tax from Tobacco Sector has registered a record 67 percent growth. The increased FED on International Air Travel has also registered growth of over 200 percent.

Furthermore, Pakistan Customs has collected Rs67 billion under the head of Customs Duty during July 2022 against 65 billion collected during same period last year, registering a marginal growth of 2.58 percent. However, it suffered a dip against the target fixed for July of Rs77 billion, which is due import compression policy of the government, aiming to control the outflow of US$. Furthermore, FBR suffered from a loss of about 11 billion in Sales tax against zero rating of POL products.

It is pertinent to mention that Income Tax Returns for Tax Year-2021 have reached 3.4 million compared to 3.0 million in Tax Year-2020, showing an increase of 13 percent. The tax deposited with returns during Tax Year 2021 was Rs76 billion compared to only Rs52 billion in Tax Year 2020, showing a significant increase of 46 percent. Furthermore, building further on its ongoing drive to integrate Tier-1 Retailers across the country, around 23,265 point of sale terminals have been integrated with real time POS reporting system of FBR.

International Economic Roundup

Bank of England Warns the UK Will Fall into Recession this Year

The Bank of England has warned the UK will fall into recession as it raised interest rates by the most in 27 years. The economy is forecast to shrink in the last three months of this year and keep shrinking until the end of 2023. Interest rates rose to 1.75 percent as the Bank battles to stem soaring prices, with inflation now set to hit over 13 percent. Governor Andrew Bailey said he knew the cost of living squeeze was difficult but if it did not raise interest rates it would get "even worse". The main reason for high inflation and low growth is soaring energy bills driven by Russia's invasion of Ukraine.

A typical household will be paying almost £300 a month for their energy by October, the Bank warned. The expected recession would be the longest downturn since 2008, when the UK banking system faced collapse, bringing lending to a halt. The slump is not set to be as deep as 14 years ago, but may last just as long. The Bank's governor Andrew Bailey said he had "huge sympathy and huge understanding for those who are struggling most" with the cost of living. "I know that they will feel, 'Well, why have you raised interest rates today, doesn't that make it worse from that perspective in terms of consumption?', I'm afraid my answer to that is, it doesn't because I'm afraid the alternative is even worse in terms of persistent inflation."

Increasing interest rates is one way to try and control inflation as it raises borrowing costs and should encourage people to borrow and spend less. It can also encourage people to save more. However, many households will be squeezed further following the interest rate rise including some mortgage-holders. Now rates have gone up to 1.75 percent, homeowners on a typical tracker mortgage will have to pay about £52 more a month. Those on standard variable rate mortgages will see a £59 increase. It means tracker mortgage holders could be paying about £167 more a month compared to pre-December 2021, with variable mortgage holders paying up to £132 more. Interest rates have risen six times in row since the end of last year.

Higher interest rates also mean higher charges on things like credit cards, bank loans and car loans. Patrick Reid, a business owner in London, owes £25,000 on credit cards and loans and fears an interest rate rise will cost him. "At present I repay around £1,800 a month but I have worked out that I will conservatively need to pay another £250 a month to keep up with the debts," he said. "I will simply have to tighten my belt and be extra cautious in my spending, which means all of those non-essential items will be cut

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from my budget." Rebecca McDonald, chief economist at the Joseph Rowntree Foundation, said "staggeringly" high inflation was "going to hit low income families hard". "Many took on credit to pay their bills and are falling behind on their payments. This will be much harder to pay off with higher interest rates putting more families in financial peril."

BP Reports Huge Profits as Energy Bills Soar

British petroleum has reported massive profits for the three months to June after oil and gas prices soared. The energy giant saw underlying profits hit $8.45 billion (£6.9 billion) - more than triple the amount it made at the same time last year.

The figure is the second highest in the firm's history and takes its half-year profits to $14.6 billion. It comes on the day typical household energy bills have been forecast to hit more than £3,600 a year this winter.

The figure is hundreds of pounds more than previously predicted, prompting calls for more support for families struggling with the cost of living. Dr Craig Lowrey, principal consultant at Cornwall Insight, told the international news agency August 02, 2022 program that energy bills "at this point in time" looked set to stay high across 2023 and into 2024. "This is very much a long-term problem for households and one which is going to need concerted and enduring action from the government to help manage that," he said.

BP's profits were higher than expected and follow record profits from rival Shell and huge earnings from British Gas owner Centrica last week. The huge increase in profits for firms has been fueled by higher prices for oil and gas, which have risen sharply due to the war in Ukraine.

In recent months, Russia has reduced supplies to Europe following the invasion and fears are growing it may switch off the taps altogether. The potential of gas supply problems has led to the wholesale price soaring, which has led to energy firms passing those costs onto customers - pushing up household energy bills by unprecedented amounts.

Following political pressure, the UK government announced in May that oil and gas firms would pay an extra 25 percent in tax on profits to help households with rising bills. However, as the legalization was not formally introduced until July, the tax will not apply to profits announced by BP and others between April and June. Higher oil prices have also led to the price of petrol and diesel reaching record highs at the pumps in recent months, although prices have started to fall slightly.

BP said following its bumper profit results that it would boost shareholder payouts by 10 percent as well as buy back shares as a result of its higher earnings.

MANAGEMENT VIEWS

Interject with Tact in a Virtual Meeting

Getting a word in during virtual meetings can be challenging, but it is a skill worth cultivating. Here are some strategies to help you tactfully interject.

- **Signal your interest.** To avoid coming off as disruptive, signal your desire to contribute by using the "raise hand" feature on your meeting software, unmuting yourself or turning on your camera, typing in the chat to say you would like to chime in, or gently raising your hand if you are on video.

- **Try the "pass the baton" strategy.** In advance of the video meeting, review the agenda and let the organizer know where you would like to contribute. That way, they can call on you at the appropriate time.

- **Look for natural transition points.** When there is a natural break in the conversation, or when someone else is done speaking, try jumping in with: "Great point. Before we move on, let me add ABC," or, "Actually, there's some thing I need to say here...," or, "I am glad you brought that up. I would like to add XYZ."

(This tip is adapted from *How to Tactfully Interject in a Virtual Meeting*, by Melody Wilding – HBR.)

Show Your Employees How Much You Value Them

To lead a team of engaged, productive, and inspired employees, you need to show them that you value them. Here's how to recognize and honor your people.

- **Really get to know them.** Invest time in deeper conversations to glean insights about your employees' goals, what motivates them, what excites them about the work they are doing, and what challenges they are facing — both at work and at home.

- **Make developmental conversations routine.** At least once a month, check in with your employees about their growth trajectory. Questions to track include: "What are your personal developmental goals for the coming month? What are you in the process of learning? What are your career goals, and how can I help you achieve them?"

- **Back up words with actions.** Advocate for your employees and acknowledge their achievements in public and

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behind closed doors to give them opportunities for recognition and career advancement.

(This tip is adapted from *Simple Ways to Make Your Team Feel Valued,* by Kate Lee – HBR.)

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BTS's Stock Market Wipeout

South Korea pop group BTS's agency Hybe, lost $ 1.7 billion in market value as its shares plunged up to 28 percent following the band members' announcement that why they will focus on individual projects for a while, says Bloomberg Business.

Streamline Your Hiring Process

The hiring process is too often time-consuming and expensive. As a manager, how can you streamline yours — and improve the quality of your hiring decisions?

- **Reduce the number of interviewers in your process.** If you have more than four or five interviewers, the costs associated with the additional complexity in your process have most likely exceeded the benefits.
- **Shift away from consensus-driven decision making.** Be explicit about who gets to make the final call on each hiring decision and who may have veto power.
- **Ask interviewers to use numerical ratings when evaluating candidates.** Doing so helps hiring committees focus on the holistic view rather than on one-off negative comments. And having interviewers submit their ratings before hearing input from colleagues will reduce the chance of groupthink.

(This tip is adapted from *It's Time to Streamline the Hiring Process*, by Atta Tarki et al. – HBR.)

How to Handle On-Camera Meeting Anxiety

On-camera meetings are not going away, and they can be particularly nerve-wracking if you are an anxious person. Here are some ways to manage the stress of a big virtual meeting. Start by identifying what you can control. This could include blocking off your schedule so you have enough time to prepare notes in advance. Next, focus your attention. Before the meeting, try splashing cold water on your face, humming, breathing deeply and producing a long exhale, or bringing to mind a dear friend or loved one. Props can help, too, such as a fidget toy or stress ball — anything that will help you feel grounded. Finally, to the extent that you can, pace your workday and workweek around the big virtual meetings that bring you stress. For example, you may prefer to have meeting-packed days followed by Zoom-free days to recharge. Or, if you prefer, try scheduling no more than two virtual meetings per day to keep a consistent pace. Figure out what cadence makes sense for you, communicate it to your colleagues, and try to stick to it.

(This tip is adapted from *Working Through Your On-Camera Meeting Anxiety*, by Morra Aarons-Mele – HBR.)

Be Persuasive — Even When You Are Outnumbered

It is hard to be a dissenter. How can you maximize your chances of persuading your colleagues and bosses when you find yourself going against the grain? Start by demonstrating your past experience and competence to cash in the goodwill you have earned. Next, illustrate that you have the best interests of the group at heart. Acknowledge your position's potential upfront costs or short-term pain points, but emphasize that you are focused on a better long-term future for the team. You want to inspire trust and evoke curiosity, not fear. As you deliver your dissenting idea, stay consistent when you are met with challenges from the group. Be prepared to explain your position in several different ways, depending on your colleagues' counterpoints. And most importantly, emphasize objective information as much as possible and try to limit your subjective opinions or intuitions. Show how your own view has evolved over time in response to new high-quality information, and watch your team follow suit.

(This tip is adapted from *7 Rules for Persuasive Dissent*, by Todd B. Kashdan – HBR.)

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A Lifetime of Work

An average person spends about 82,000 hours working, the only thing that takes more time is sleeping, according to a Gallup research.

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IBP Training Calendar | August 2022

The Institute of Bankers Pakistan

Date	Workshop	Facilitator	Fee	Timings	Mode
11 Thursday	Processing Effective Credit Proposal & Risk Analysis	Mehwish Naz	PKR 9,500 (Excluding Sales Tax)	9:30 AM - 1:30 PM	VIRTUAL TRAINING
12 Friday	UCP 600 (Uniform Customs & Practice for Documentary Credits) and Letters of Credit	Aqeel Muslim	PKR 9,500 (Excluding Sales Tax)	9:30 AM - 1:30 PM	VIRTUAL TRAINING
13 Saturday	Strengthening SMEs and Entrepreneurship for Productivity and Inclusive Growth	Imran Ahmed	PKR 9,500 (Excluding Sales Tax)	3 PM - 7 PM	VIRTUAL TRAINING
16 Tuesday	How to Grow Sales in Retail Banking?	M. Hasan Mumtaz	PKR 9,500 (Excluding Sales Tax)	9:30 AM - 1:30 PM	VIRTUAL TRAINING
18 Thursday	Regulatory Framework on Digital Banking	Kenneth Fahad/ Nadeem	PKR 9,500 (Excluding Sales Tax)	9:30 AM - 1:30 PM	VIRTUAL TRAINING
19 Friday	Latest SBP's Guidelines on Call Center Management at Banks	Sundus Saleem*	PKR 9,500 (Excluding Sales Tax)	9:30 AM - 1:30 PM	VIRTUAL TRAINING
20-21 | 27-28 Aug 3-4 Sep Saturday & Sunday	Certificate Course in AML/CFT Compliance	Multiple Trainers	PKR 40,000 (Excluding Sales Tax)	10 AM - 2 PM	VIRTUAL TRAINING
22 Monday	SBP's AML CFT Regulations and Update on FATCA	Usman Ali Khan	PKR 9,500 (Excluding Sales Tax)	2 PM - 6 PM	VIRTUAL TRAINING
24 Wednesday	Fraud Risk Management: Awareness, Detection and Prevention	Syed Khurram Abbas	PKR 9,500 (Excluding Sales Tax)	9:30 AM - 1:30 PM	VIRTUAL TRAINING
25 Thursday	SBP Regulatory Compliance and Banks' Operational Issues	Beenish Mustafa	PKR 9,500 (Excluding Sales Tax)	9:30 AM - 1:30 PM	VIRTUAL TRAINING
26 Friday	Fair Treatment of Customers Framework - Latest Trends	Sundus Saleem*	PKR 9,500 (Excluding Sales Tax)	9:30 AM - 1:30 PM	VIRTUAL TRAINING
25 | Thursday Karachi	Data Transformation & Cleaning with Power Query in Microsoft Excel	Arshad Alam	PKR 15,000 (Excluding Sales Tax)	9 AM to 5 PM	CLASSROOM TRAINING

* Subject to the consent of employer which is in process

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