VOLUME 18 / ISSUE 01 / JANUARY 06, 2023
IBP - A Company Set Up Under Section 42 of the Companies Act, 2017

economicletter

a weekly publication of The Institute of Bankers Pakistan

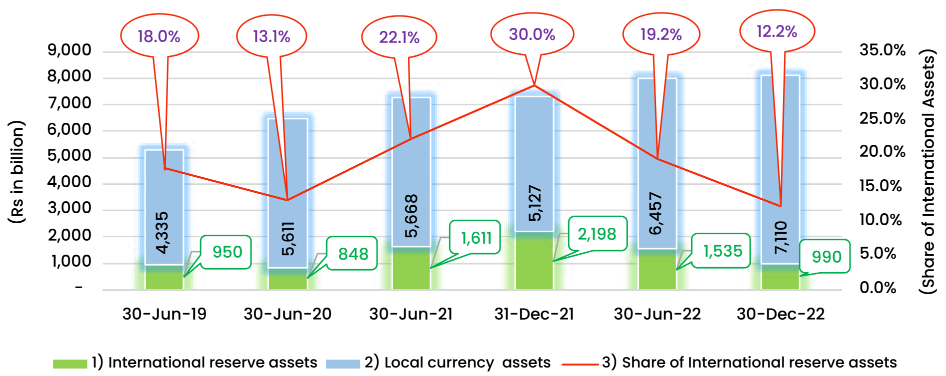
Domestic Economic Roundup

Key Money & Banking Indicators:

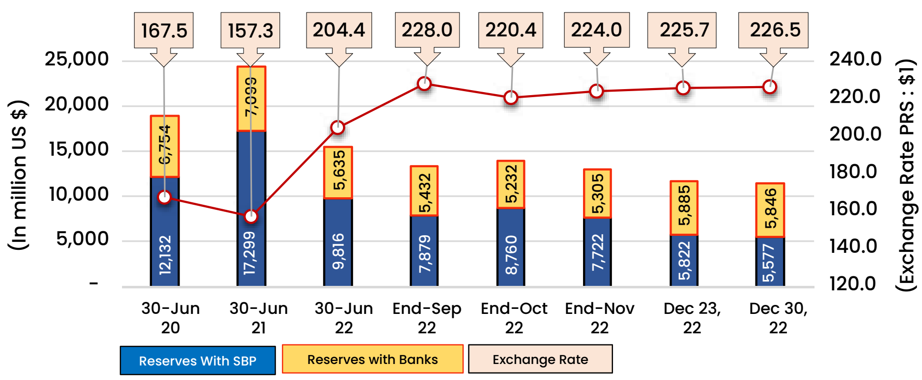
	Stocks at End - June 2022	Flows FY21	Flows FY22	Impact Since 1st July to 16-Dec-22	Impact Since 1st July to 17-Dec-21
Total Deposits with Banks	19,934.8	2,595.0	2,615.1	38.5	(53.4)
Broad Money (M2)	27,602.6	3,389.7	3,304.9	272.2	245.3
Govt. Sector Borrowings (Net)	19,622.9	1,717.9	3,357.7	918.3	(27.1)
Credit to Private Sector	9,241.2	766.2	1,612.1	260.0	604.3

(Rs in billion)

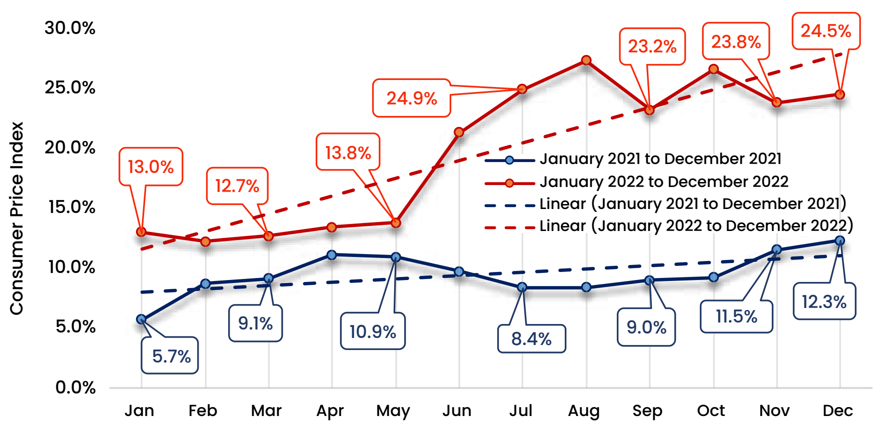
Assets Composition of Total Banknotes Issued



Forex Reserves and Exchange Rate



CPI InflationTrend (YoY - January to December)



Markets at a Glance

Rates taken till Friday, January 06, 2023

SBP POLICY RATE

16.00% | Effective from November 28, 2022

KIBOR (6 MONTHS)

	Bid%	Offer%
Starting	16.79	17.04
Ending	16.85	17.10
Change	+0.06	+0.06

FOREX RATES

	GBP	EURO	USD
Starting	PKR 273.08	PKR 241.31	PKR 226.43
Ending	PKR 270.36	PKR 239.15	PKR 227.14
Change	-2.72	-2.16	+0.71

PAKISTAN STOCK EXCHANGE

	100 Index
Starting	40,420
Ending	41,008
Change	+588

GOLD RATES

	10 GM, 24K
Starting	PKR 132,326
Ending	PKR 134,237
Change	+1911

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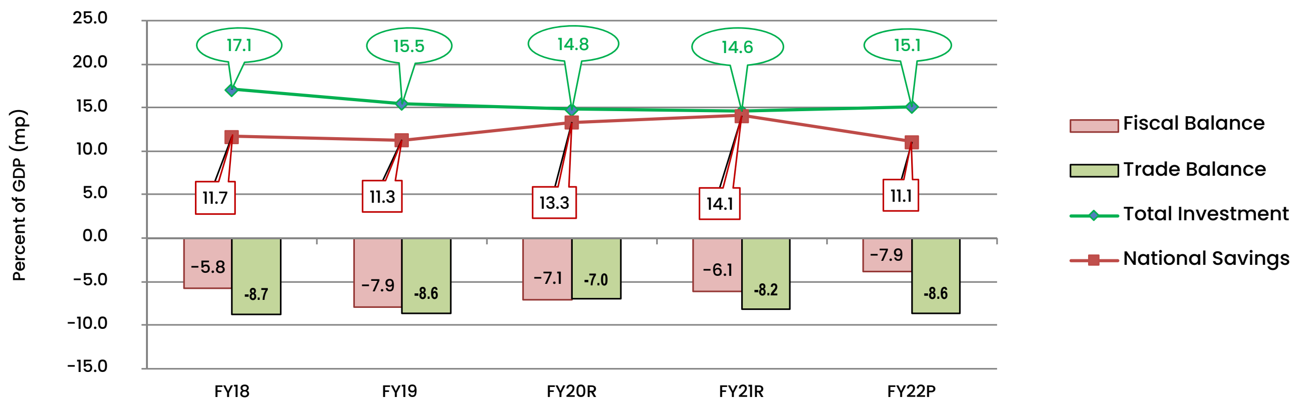
Pakistan's Major Economic Indicators

Real Sector (Percent Growth)	FY18	FY19	FY20F	FY21R	FY22P
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	1,768	1,578	1,458	1,676	1,798

As Percent of Nominal GDP (MP)



CPI INFLATION	Annual Average			Year-on-Year		
	FY20	FY21	FY22	Dec 2021	Nov 2022	Dec 2022p
General	10.7	8.9	12.2	12.3	23.8	24.5
Food (Urban)	13.6	12.4	13.4	11.7	29.7	32.7
Non-Food (Urban)	8.3	5.7	10.8	13.4	16.4	14.8

Currency in Circulation as on (Stock data)					Rs in billion
June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	Dec 17, 2021	Dec 16, 2022
4,950.0	6,142.0	6,909.9	7,572.5	7,199.9	7,795.7

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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NA Body Meets to Curb Wheat and Fertilizer Smuggling for Price Stabilization

National Assembly (NA) Standing Committee on National Food Security and Research expressed its concerns over the smuggling of wheat and fertilizers and asked for taking appropriate measures to curb the menace for ensuring supply of the commodity on affordable price across the country.

The Committee, which met on January 4, 2023 with Rao Muhammad Ajmal Khan, Member National Assembly (MNA) in the Chair also noted that due to smuggling of wheat, prices of flour in local market increased, besides the ban on the inter provincial movement of wheat was another reason to enhance gap between demand and supply in deficit areas and price fluctuation in open market.

Briefing the Committee, Secretary Ministry of National Food Security and Research Zafar Hassan said that there were sufficient stocks of wheat available to tackle with local requirements.

He said that about 1.2 million metric tons of wheat had also been imported and remaining quantity of 1.4 million metric tons were in pipeline and would arrive up till March 2023.

He said that delay in wheat releases from the official stocks to millers by the provincial governments were the main reason of price hike, adding that delayed releases are creating gap between demand and supply of the commodity and sparking price in local markets.

He said that federal government was providing wheat to 11 other national entities and as well as to provinces, adding that the demand from provinces increased after recent floods and would be provided additional 0.6 million tons by importing the commodity. He apprised the meeting that tendering process for the import of 2.6 million metric tons of wheat was completed, adding that first tender was awarded in May, 2022 and last was awarded in December 2022, whereas under government-to-government agreement, wheat was also being imported from Russia.

Zafar Hassan told the meeting that due to Russia-Ukraine war, the prices of grains witnessed worldwide increase, adding that the local markets were also impacted and prices of different commodities went up.

Meanwhile, the meeting was also apprised about the progress of Prime Minister Kissan Package and told that an amount of Rs663.9 billion was released by end of November, 2022, adding that State Bank of Pakistan (SBP) has issued notification for the waver of Rs10.6 billion on markup on outstanding loans for the subsistence farmers in the flood hit areas.

Among others, the meeting was attended by Members National Assembly (MNA) Ahmad Raza Mancka, Kamal Uddin, Sardar Riaz Mehmood Khan. Chairman PARC and other officials of the ministry also attended the meeting.

Trade Deficit Narrows by 32.6 percent in 1st Half of FY23

The trade deficit witnessed a decline of 32.6 percent during the first half of the current fiscal year as compared to the corresponding period of last year, Pakistan Bureau of Statistics (PBS) reported.

The trade deficit during July-December (2022-23) was recorded at $17.1 billion against the deficit of $25.4 billion in July-December (2021-22), a decline of 32.6 percent. The exports during the period were recorded at $14.2 billion against $15.1 billion last year, showing a decline of 5.8 percent.

On the other hand, the imports witnessed a sharp decline of 22.6 percent by falling from $40.6 billion last year to $31.4 billion during the current fiscal year. On year-on-year basis, the exports from the country witnessed decline of 16.6 percent and were recorded at $2.3 billion in December 2022 against the exports of $2.8 billion in December 2021.

The imports also decreased to $5.2 billion in December 2022 from $7.6 billion in December 2021, showing negative growth of 31.9 percent. On month-on-month basis, the exports during December 2022 declined by 3.6 percent when compared to the exports of $2.4 billion in November 2022.

The imports into the country also declined by 0.4 percent in December 2022 when compared to the imports of $5.2 billion in November 2022, according to the data. Meanwhile, the services' exports went up by 4 percent during the first five months (July-November) of the current fiscal year as compared to the same period of last year.

The service trade during the period under review was recorded at $2.2 billion against the exports of $2.2 billion last year. Likewise, the import of services witnessed 11.8 percent decrease by going down from $3.5 billion last year to $3.1 billion during the current year, according to PBS break up of figures.

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Investment under CPEC to Reach $62 Billion by 2030: Report

The total planned investment under China Pakistan Economic Corridor (CPEC) is $62 billion between FY2015 and FY2030, out of which $27.4 billion projects have been realized, with energy sector (power generation, coal mining and transmission lines) representing 76 percent.

It covers power generation projects (both fossil fuel and renewables) of about 11 GW. To-date January 4, 2023, about 5,520 MW energy projects have been completed. More than half of these projects are coal-based power plants, according to an annual report on renewable energy released by Sustainable Development Policy Institute (SDPI).

The report says the completed projects under the corridor include 1320 MW Sahiwal Coal-fired Power Plant, 1320MW Coal-fired Power Plant at Port Qasim, Karachi, 1320MW China Hub Coal Power Project, Hub, Balochistan, 660 MW Engro Thar Coal Power Project, 1000 MW Quaid-e-Azam Solar Park, Bahawalpur, 50 MW Hydro China Dawood Wind Farm, Gharo, 100 MW UEP Wind Farm, Jhimpir, Thatta, 50 MW Sachal Wind Farm, Jhimpir, Thatta, 100 MW Three Gorges Second and Third Wind Power Project, Matiari to Lahore ±660 KV HVDC Transmission Line Project, and 720 MW Karot Hydropower Project, AJK/Punjab.

The projects that are under construction include 1320 SSRL Thar Coal Block-I (2×660MW), 330MW HUBCO Thar Coal Power Project, 330MW HUBCO ThalNova Thar Coal Power Project, 884MW Suki Kinari Hydropower Project, KP, and 300 MW Coal-Fired Power Project, Gwadar.

Similarly, the CPEC projects that are under consideration include 1124 MW Kohala Hydropower Project, AJK, 700.7MW Azad Pattan Hydropower Project, AJK/Punjab, 1320 MW Thar Mine Mouth Oracle Power Plant, 50 MW Cacho Wind Power Project, and 50 MW Western Energy (Pvt.) Ltd. Wind Power Project.

The report said that Pakistan has committed in NDC 2021 that no new coal plant will be financed. Balance of Payment (BoP) crisis, along with high circular debt and surplus capacity have already scaled back future CPEC investment, as indicated by the shelving of the 1,320 MW Rahim Yar Khan coal power project in 2019.

In November 2020, Pakistan announced suspending coal-based power projects under planning and initial construction stages as part of Pakistan's climate action efforts and formalized this under the country's revised 2012 NDCs.

The decision was a follow-up to a report from an independent nine-member committee set up in 2019-20 to review the independent power project contracts, including CPEC contracts, which offered higher returns compared with global standards, the report added.

SECP Issues Consolidated Circular for Modaraba Sector

In a bid to improve efficiency and compliance in the Modaraba sector, the Securities and Exchange Commission of Pakistan (SECP) has consolidated all statutory and regulatory requirements in one circular. The step is taken as part of SECP's efforts for creating an enabling environment for the Islamic finance sector in the country.

The consolidated circular SRO 2310 contains all prior circulars, notifications, clarifications, and directives that have been issued by SECP since 1999 for the Modaraba sector while all the duplications, repealed and redundant statutory requirements have been deleted. All the up-to-date statutory and regulatory requirements have been compiled in a systematic order.

A comprehensive exercise has been done to review all previously issued circulars, clarifications, and notifications. The objective is to provide a comprehensive and prudent regulatory environment for the Modaraba sector while ensuring ease and efficiency in compliance.

A list of all repealed circulars and notifications issued since 1999 has also been provided at the end of the consolidated circular. The said circular is available at SECP's website at: https://www.secp.gov.pk/laws/circulars/

FBR Achieves Unprecedented Growth of 66 percent in Direct Taxes Collection During the Month of December 2022 Compared to December 2021

Federal Board of Revenue (FBR) has demonstrated a remarkable revenue collection performance in the first six months of the current financial year 2022-23 and has collected Rs3428 billion for the first six months against Rs2929 billion

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collected in the corresponding period of last year depicting an increase of 17 percent. FBR collected Rs740 billion for the month of December 2022 against Rs599 billion in the same month last year showing an impressive growth of almost 24 percent as compared to the same month last year. This performance is despite huge import compression and zero rating on petroleum.

Direct taxes collection continues to grow at a robust pace, which has shown growth of 66 percent during the month of December 2022 compared to December 2021, a clear indicator of the policy of shifting tax burden on wealthy and affluent. Direct taxes collection for the first six months has also registered an unprecedented growth of 49 percent. This was achieved despite the fact that certain policy interventions having revenue impact of Rs250 billion introduced through Finance Act 2022 could not be implemented as these are subjudice in the courts. Target for the month of December was Rs965 billion which could not be achieved due to the aforementioned reason.

SNIPS

Shopping for European Indulgences

The average transaction amount by US tourists in European stores this year was £1,244, significantly higher than £500 in 2019, according to The Wall Street Journal.

The revenue collection performance is also exceptional when viewed in the context that FBR has also issued refunds of Rs176 billion during the first half of the current financial year as against Rs149 billion during corresponding period of last year.

FBR also appreciates all those taxpayers who contributed to this collection and recognizes the endeavors of all field formations and officers for their untiring efforts and commitment to optimize revenue collection in difficult times where taxes on imports have been showing negative growth. The revenue collection figures are clear indicators for the achievement of the assigned revenue targets for current financial year. This unprecedented growth in tax revenues, especially direct taxes underscore the resolve of the Government and FBR to make Pakistan a thriving nation. FBR hopes that when import restrictions are eased and court cases come to a logical conclusion, the lost revenue will also be retrieved during the current fiscal year.

International Economic Roundup

Almubarak Named "The Best Central Bank Governor of the Year 2023 For the Middle East"

The Banker magazine named H.E. Fahad Almubarak, Governor of the Saudi Central Bank (SAMA), as the Best Central Bank Governor of the Year 2023 for the Middle East.

The magazine said in an article published on this occasion that under Almubarak's leadership, SAMA has taken several measures to support stability of the financial and banking systems and increased its contribution to the Saudi economic growth. Besides, SAMA has also shown a significant progress in embracing digital innovation and promoting fintech sector in the country.

In a statement sent to the magazine on this occasion, Almubarak said "as part of its mandate to support economic growth and maintain monetary stability, SAMA will continue to facilitate the process of sustainable and inclusive economic development and diversification by maintaining exchange rate stability and exploiting the potential of the Saudi financial sector as well as harnessing Fintech".

The Banker magazine is a monthly international financial affairs publication owned by the Financial Times Group and recognized as one of the world's premier banking and financial resource for data and analysis of the banking industry. The Best Central Bank Governor of the Year Award celebrates the officials that have best managed to stimulate growth and stabilize their economies.

Standard Chartered Becomes First Foreign Bank to Trade Bond Futures in China

Chartered Plc's China unit said it had become the first foreign bank to trade treasury bond futures in the country which is deregulating capital markets. The move comes as China steps up efforts to draw global investors amid months of foreign money outflows from its $20-trillion bond market.

In a statement on January 04, 2023, Standard Chartered Bank (China) Ltd said it had completed its first treasury bond futures transaction in China, with the permission of regulators. Treasury bond futures are a key tool to manage interest rate risks, and China's opening-up of the market will allow foreign investors to better participate in its onshore bond market and promote yuan internationalization, the bank said.

"We believe that the depth and breadth of global investors' participation in China's capital market will continue to increase" as more comprehensive risk management tools become available, its Asia chief executive officer Benjamin Hung said.

Overseas institutional investors had dumped a net 740 billion yuan ($107.5 billion) worth of Chinese bonds during a 10-month streak of outflows, amid geopolitical tensions, worries about China's economy, and US interest rate premiums over China.

Foreign holdings of yuan-denominated bonds traded on China's interbank market stood at 3.3 trillion yuan at end-November, less than 3 percent of the total market size.

Standard Chartered's bond futures trading comes nearly three years after China in early 2020 freed up banks and insurers to participate in the market for the first time, selecting its top five banks for an initial pilot scheme.

"China's unwavering efforts towards expanding its opening-up, especially the continuous opening-up of the financial markets at a high standard, provides tremendous opportunities for Standard Chartered," said Jerry Zhang, vice chairman of the China unit.

In February 2022, Standard Chartered said it would invest $300 million in China-related businesses over the next three years and double the relevant profit contribution by end-2024.

($1 = 6.8847 Chinese yuan renminbi)

Amazon CEO says Job Cuts to Exceed 18,000 Roles

Amazon.com Inc's layoffs will now increase to more than 18,000 roles as part of a workforce reduction it previously disclosed, Chief Executive Andy Jassy said in a public staff note on January 4, 2023.

The layoff decisions, which Amazon will communicate starting January 18, 2023 will largely impact the company's e-commerce and human-resources organizations, he said.

The cuts amount to 6 percent of Amazon's roughly 300,000-person corporate workforce and represent a swift turn for a retailer that recently doubled its base pay ceiling to compete more aggressively for talent.

Amazon has more than 1.5 million workers including warehouse staff, making it America's second-largest private employer after Walmart Inc.

Its stock rose 2 percent in after-hours trade.

Jassy said in the note that annual planning "has been more difficult given the uncertain economy and that we have hired rapidly over the last several years."

Amazon has braced for likely slower growth as soaring inflation encouraged businesses and consumers to cut back spending and its share price has halved in the past year.

The company began letting staff go in November from its devices division, with a source telling Reuters at the time it was targeting around 10,000 cuts.

The tech industry shed more than 150,000 workers in 2022, according to tracking site Layoffs.fyi, a number that's continuing to grow. Salesforce Inc said January 4, 2023 it planned to eliminate about 10 percent of staff, which numbered nearly 8,000 as of Oct. 31, 2022.

The reversal of Amazon's fortunes has been stark. It changed from a business deemed essential during the pandemic for delivering goods to locked-down homes, to a company that overbuilt for demand. Its layoffs now surpass the 11,000 cuts announced last year by Facebook-parent Meta Platforms Inc..

Jassy's note followed a report in the *Wall Street Journal* that the reduction would be more than 17,000 jobs. He said Amazon chose to disclose the news before informing affected staff because of a leak.

Amazon still must file certain legal notices about mass layoffs, and it plans to pay severance.

Jassy said, "Amazon has weathered uncertain and difficult economies in the past, and we will continue to do so."

Saudi Central Bank Launches Open Banking Lab

The Saudi Central Bank (SAMA) announced the launch of the Open Banking Lab according to the Open Banking Framework issued by SAMA November 2022.

The Open Banking Lab aims to enable innovation and accelerate the development of open banking services in the Kingdom as it serves as one of the most important technical enablers of the open banking ecosystem in the Kingdom. The lab will provide banks and fintechs with a technical testing environment to enable them to develop, test, and certify their open banking services to ensure compatibility with the Open Banking Framework.

Open banking services is a new concept in the financial industry that aims to enable the consumers of financial institutions to securely share their financial data with a third-party provider, which in turn provide new and innovative financial services and products for consumers.

Open banking services will create a positive impact in the industry by strengthening the partnership between banks and fintechs and improving the financial infrastructure to guarantee better use of consumers' financial data.

The implementation of open banking services is one of the initiatives of the Fintech Strategy, one of the pillars of the Financial Sector Development Program (FSDP) under Saudi Vision 2030. The Fintech Strategy was approved by the Council of Ministers in May 2022 and aims to make the Kingdom a global Fintech hub where technology-based innovation in financial services is the foundation as a way to enhance the economic empowerment of individuals and society.

It is worth mentioning that the Saudi Central Bank released the Open Banking Framework November 2022, which includes a comprehensive set of legislation, regulatory guidelines and technical standards based on international best practices to enable banks and fintechs to provide open banking services in the Kingdom. The first version of the open banking services focused on the Account Information Service (AIS), and the second version will focus on the Payment Initiation Service (PIS).

Saudi Central Bank is tracking the development of banks and fintechs to ensure their readiness to launch open banking services within the first quarter of 2023.

For more information, visit the Open Banking Program website atopenbanking.sa or contact the program team at ob@sama.gov.sa

Agencies Issue Joint Statement on Crypto-Asset Risks to Banking Organizations

Federal bank regulatory agencies including Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency issued a statement highlighting key risks for banking organizations associated with crypto-assets and the crypto-asset sector and describing the agencies' approaches to supervision in this area, on January 3, 2023.

In particular, the statement describes several key risks associated with crypto-assets and the crypto-asset sector, as demonstrated by the significant volatility and vulnerabilities over the past year. Given these risks, the agencies continue to take a careful and cautious approach related to current and proposed crypto-asset-related activities and exposures at banking organizations. The agencies continue to assess whether or how current and proposed crypto-asset-related activities by banking organizations can be conducted in a manner that is safe and sound, legally permissible, and in compliance with applicable laws and regulations, including those designed to protect consumers.

The agencies will continue to closely monitor crypto-asset-related exposures of banking organizations, and, as warranted, will issue additional statements related to engagement by banking organizations in crypto-asset related activities.

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Fighting Climate Change

Up to $3.5 trillion will be spent every year to achieve net zero by 2050, an amount greater than UK's current GDP, according to McKinsey & Company.

Third of World in Recession this Year, IMF Head Warns

A third of the global economy will be in recession this year, the head of the International Monetary Fund (IMF) has warned. Kristalina Georgieva said 2023 will be "tougher" than last year as the US, EU and China see their economies slow. It comes as the war in Ukraine, rising prices, higher interest rates and the spread of COVID in China weigh on the global economy.

In October the IMF cut its global economic growth outlook for 2023. "We expect one third of the world economy to be in recession," Ms Georgieva said on the CBS news program Face the Nation. "Even countries that are not in recession, it would feel like recession for hundreds of millions of people," she added.

Katrina Ell, an economist at Moody's Analytics in Sydney, gave the BBC her assessment of the world economy. "While our baseline avoids a global recession over the next year, odds of one are uncomfortably high. Europe, however, will not escape recession and the US is teetering on the verge," she said.

The IMF cut its outlook for global economic growth in October, 2023 due to the war in Ukraine as well as higher interest rates as central banks around the world attempt to rein in rising prices. Since then, China has scrapped its zero-COVID policy and started to reopen its economy, even as coronavirus infections have spread rapidly in the country.

Ms Georgieva warned that China, the world's second largest economy, would face a difficult start to 2023. "For the next couple of months, it would be tough for China, and the impact on Chinese growth would be negative, the impact on the region will be negative, the impact on global growth will be negative," she said.

The IMF is an international organization with 190 member countries. They work together to try to stabilize the global economy. One of its key roles is to act as an early economic warning system.

Ms Georgieva's comments will be alarming for people around the world, not least in Asia which endured a difficult

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year in 2022. Inflation has been steadily rising across the region, largely because of the war in Ukraine, while higher interest rates have also hit households and business. Figures released over the weekend pointed to weakness in the Chinese economy at the end of 2022.

The official purchasing managers' index (PMI) for December showed that China's factory activity shrank for the third month in a row and at the fastest rate in almost three years as coronavirus infections spread in the country's factories. In the same month home prices in 100 cities fell for the sixth month in a row, according to a survey by one of the country's largest independent property research firms, China Index Academy.

On December 31, 2023, in his first public comments since the change in policy, President Xi Jinping called for more effort and unity as China enters what he called a "new phase". The downturn in the US also means there is less demand for the products that are made in China and other Asian countries including Thailand and Vietnam.

Higher interest rates also make borrowing more expensive - so for both these reasons companies may choose not to invest in expanding their businesses. The lack of growth can trigger investors to pull money out of an economy and so countries, especially poorer ones, have less cash to pay for crucial imports like food and energy.

In these kinds of slowdowns, a currency can lose value against those of more prosperous economies, compounding the issue. The impact of higher interest rates on loans affects economies at the government level too - especially emerging markets, which may struggle to repay their debts.

For decades the Asia-Pacific region has depended on China as a major trading partner and for economic support in times of crisis. Now Asian economies are facing the lasting economic effects of how China has handled the pandemic.

The manufacture of products such as Tesla electric cars and Apple iPhones may get back on track as Beijing ends zero-COVID. But renewed demand for commodities like oil and iron ore is likely to further increase prices just as inflation appeared to have peaked.

"China's relaxed domestic COVID restrictions are not a silver bullet. The transition will be bumpy and a source of volatility at least through the March quarter," Ms Ell said. Bill Blaine, strategist and head of alternative assets at Shard Capital, described the IMF's warning as "a good wake up and smell the coffee moment".

"Even though labor markets around the world are fairly strong, the kind of jobs being created are not necessarily high paying and we are going to have a recession, we are not going to see interest rates fall as rapidly as the markets think," he told BBC Radio 4's January 3, 2023 program. "That's going to create a whole series of consequences that will keep markets on tenterhooks for at least the first half of 2023."

SNIPS

Masking the World

During the first year of the pandemic, China's exported over $57 billion worth of masks, according to The Observatory of Economic Complexity.

CBK Announces Joining of the Second Group of Banks to GCC Cross-border Payment System (AFAQ)

Following its efforts to develop the cross-border payment systems and deploy advanced technologies with the aim to enhance efficiency, minimize reliance on the financial systems and external payment platforms and reduce cost, the Central Bank of Kuwait (CBK) announced that the second group of local banks joined the GCC Cross-border Payment System (AFAQ) in the State of Kuwait.

This came in a statement of the Governor of the CBK, Basel A. Al-Haroon in which he indicated that the second phase included the joining of 6 Kuwaiti banks, namely National Bank of Kuwait, Kuwaiti Finance House, Ahli United Bank, Commercial Bank of Kuwait, Burgan Bank and Kuwait Industrial Bank, having completed all the required tests and procedures.

CBK announced in March 2022 that the first phase included the Central Bank of Kuwait and Boubyan Bank, and it would continue its efforts to facilitate the phased joining of the other local banks to AFAQ subject to completion of the security and technical tests required for the planned linkage within the preset timeframe.

The Governor added that AFAQ is optimized to process remittances in local GCC and other currencies in a short time and at reduced costs to customers in a safe and stable environment, and is part of a regional infrastructure operated and developed by Gulf Payments Company for the GCC joint regional payment systems, by providing a real-time settlement system between GCC central banks, supporting dealing in the local GCC currencies, facilitating clearing and financial settlements and ensuring prompt processing of cash transfers while maintaining their standard formats and protection. This shall help strengthen the GCC joint payment systems and develop appropriate strategies to avoid financial risks and achieve economic and financial integration in GCC States.

The Governor concluded by emphasizing that CBK is keen to adopt the latest technologies that help enhance efficiency and security of payment systems, and maintain monetary stability and financial stability in the country.

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MANAGEMENT VIEWS

Be Kind to Yourself When You Have a Setback at Work

Mistakes and setbacks are an inevitable part of professional life. How can you embrace self-compassion in the face of these challenges? First, listen to your thoughts, and take note of when you become critical or harsh with yourself. Bringing attention to these negative thoughts in the moment will help you identify them for what they are—just thoughts—and create some distance from them. Next, acknowledge your feelings. When critical thoughts arise, they are typically born from bigger, underlying emotions. Are you angry? Sad? Frustrated? Observe those emotions and give them names or labels. Then, request your own compassion. Ask yourself: “What would my most supportive friend say to me at this moment?” Visualizing this situation and treating yourself as a friend will help you gain the confidence to believe you deserve your own kindness. Finally, explore the best next steps. Once you have offered yourself some compassion, pause and ask: “What’s one step I can take to improve this situation and take some of the negativity away?” The best solutions are long-term and systemic, helping you recognize and avoid similar pitfalls in the future.

(This tip is adapted from *What Does Self-Compassion Really Mean?*, by Stephanie Harrison – HBR.)

When Presenting, Put Your Audience First

Being a great public speaker is about much more than making an attention-grabbing introduction, maintaining eye contact, and knowing what to do with your hands. It is about addressing what your listeners want and need to hear—not what you want to say and how you want to say it. To make your presentation about your audience, start by asking yourself three questions.

- **What do I know about their understanding of this topic?** If your audience has minimal understanding of your subject, include some foundational education about it early in the presentation. Make sure to minimize jargon, acronyms, and technical terms that can confuse your listeners. If your audience is already educated about and experienced with your topic, meet them where they are.
- **What do they want me to understand about their reality right now?** Demonstrate compassion and understanding for their situation and feelings before you try to educate or persuade them about your position. You should also carve out time to stop talking and start listening. Yes, even if you are the presenter, you can (and often should) engage in a dialogue rather than delivering a monologue.
- **How can I continue a conversation beyond the presentation?** Your listeners may have questions, challenges, or ideas that they want to share, but you may not have time to address everything during your allotted time. Proactively let them know how they can reach out to you after the fact—whether it is staying after the meeting to chat, sharing your email address, or having them reach out to you via LinkedIn.

(This tip is adapted from *The Best Public Speakers Put the Audience First*, by Deborah Grayson Riegel – HBR.)

How to Decide Whether to Give Written or Verbal Feedback

Should you give feedback to your employees verbally, or in writing? There is no one-size-fits-all approach. In order for feedback to land effectively, you need to consider which delivery method will work best for the context, audience, and goals of your specific situation.

Give written feedback when:
- **You have time to do it right.** Take time to read it over—checking for content, tone, and typos—and make sure that you are happy with it as a permanent record of your management.
- **You want to reinforce or capture what is been said in a conversation.** When providing instructions, next steps, best practices, or other information that your employee will reference again in their work, put it in writing.
- **You want to give the other person time to process first.** You might even add reflective questions at the end of your evaluations to facilitate conversation.

Give spoken feedback when:
- **Your input is more complex.** Taking time to have a conversation will likely yield better results when your feedback could evolve or change depending on input from the other person.
- **There are difficult emotions involved.** When someone reads negative feedback, they may react more strongly than if they hear it directly from you.

Your goal is to repair or strengthen the relationship. When you take time to listen to the other person’s perspective and work together to find solutions, you can end up coming to a place of deeper mutual understanding.

(This tip is adapted from *When to Give Verbal Feedback—and When to Do It in Writing*, by Sarah Gershman and Casey Mank – HBR.)

Editor: Muhammad Mazherul Haq | **Deputy Editor:** Shahla Naqvi | **Designed by:** Muhammad Jahangir Ishaq | **Email:** Publications@ibp.org.pk
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JANUARY

Date	Workshop	Facilitator	Fee	Timings	Mode
11 Wednesday	Handling of Image Based Clearing - SBP Regulations	Yawer Aijaz	PKR 9,500 *(Excluding Sales Tax)*	9:30 AM - 1:30 PM	VIRTUAL TRAINING
12 Thursday	Compliance and Regulatory Instructions on Foreign Exchange	Ejaz Qadri	PKR 9,500 *(Excluding Sales Tax)*	9:30 AM - 1:30 PM	VIRTUAL TRAINING
13 Friday	Reporting of STR for Trade Transactions - Live Scenario	Salim Thobani	PKR 9,500 *(Excluding Sales Tax)*	2:00 PM - 6:00 PM	VIRTUAL TRAINING
17 | Tuesday Faisalabad	Electronic Know Your Customer (eKYC) system; KYC, CDD and Sanctions Screening	Atif Sohail	PKR 15,000 *(Excluding Sales Tax)*		CLASSROOM TRAINING
17 Tuesday	Combating Money Laundering & Banking Frauds Investigation	Kamran Hyder	PKR 9,500 *(Excluding Sales Tax)*	2:00 PM - 6:00 PM	VIRTUAL TRAINING
18 Wednesday	International Standard Demand Guarantee Practice for URDG 758 (ISDGP) & Latest SWIFT MTS on Guarantees	Aqeel Muslim	PKR 9,500 *(Excluding Sales Tax)*	9:30 AM - 1:30 PM	VIRTUAL TRAINING
19 | Thursday Gujranwala	Cash Management - Regulatory Requirementst	Naveed ur Rehman	PKR 15,000 *(Excluding Sales Tax)*		CLASSROOM TRAINING

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