

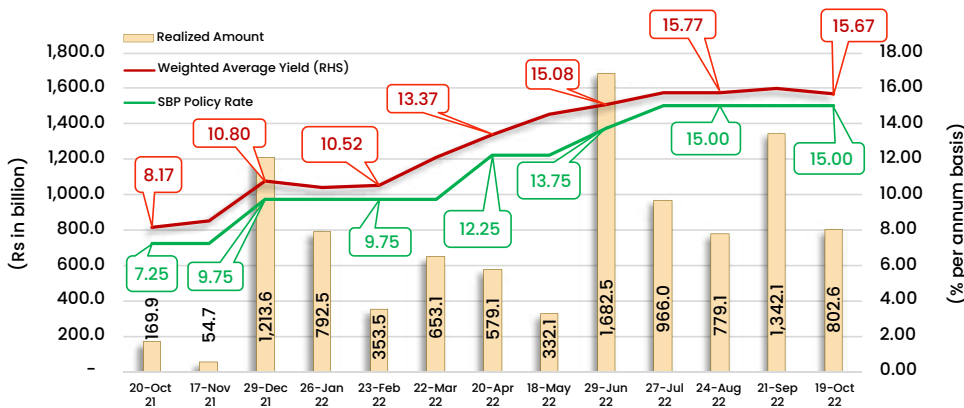
Domestic Economic Roundup

Key Money & Banking Indicators:

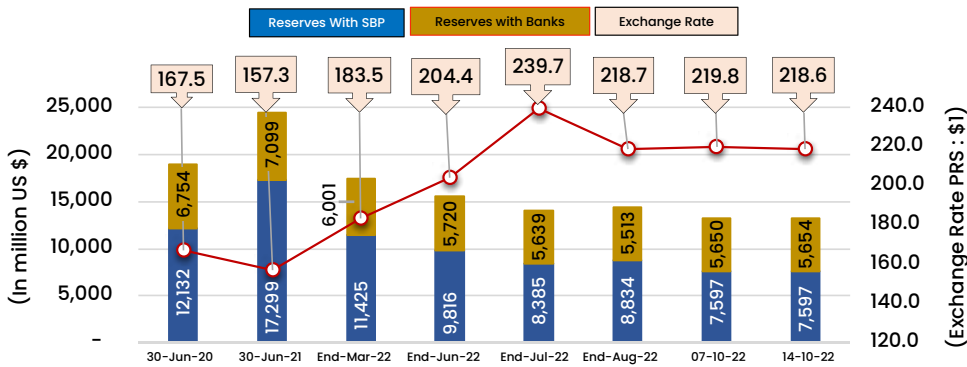
	Stocks at End - June 2022	Flows		Impact Since 1st July to	
		FY21	FY22	7-Oct-22	8-Oct-21
Total Deposits with Banks	19,934.8	2,595.0	2,615.1	(263.5)	(459.9)
Broad Money (M2)	27,603.0	3,389.7	3,305.3	(10.3)	(190.1)
Govt. Sector Borrowings (Net)	19,666.8	1,717.9	3,401.7	688.7	(141.3)
Credit to Private Sector	9,241.2	766.2	1,612.1	(94.3)	137.2

(rs in billion)

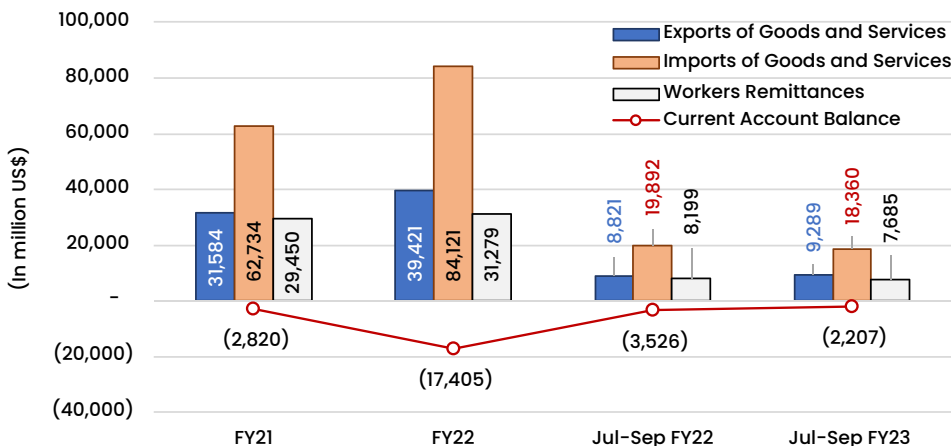
MTBs Acceptance (Auction+ Non-Competitive Bids)



Forex Reserves and Exchange Rate



Major Components of Current Account Balance



Markets at a Glance

Rates taken till Friday, October 21, 2022

SBP POLICY RATE

15.00% | Effective from July 13, 2022

KIBOR (6 MONTHS)

	Bid%	Offer%
Change Starting	15.50	15.75
Change Ending	15.58	15.83
Change	+0.08	+0.08

FOREX RATES

	GBP	EURO	USD
Change Starting	PKR 246.76	PKR 213.28	PKR 218.43
Change Ending	PKR 247.05	PKR 216.24	PKR 220.84
Change	+0.29	+2.96	+2.41

PAKISTAN STOCK EXCHANGE

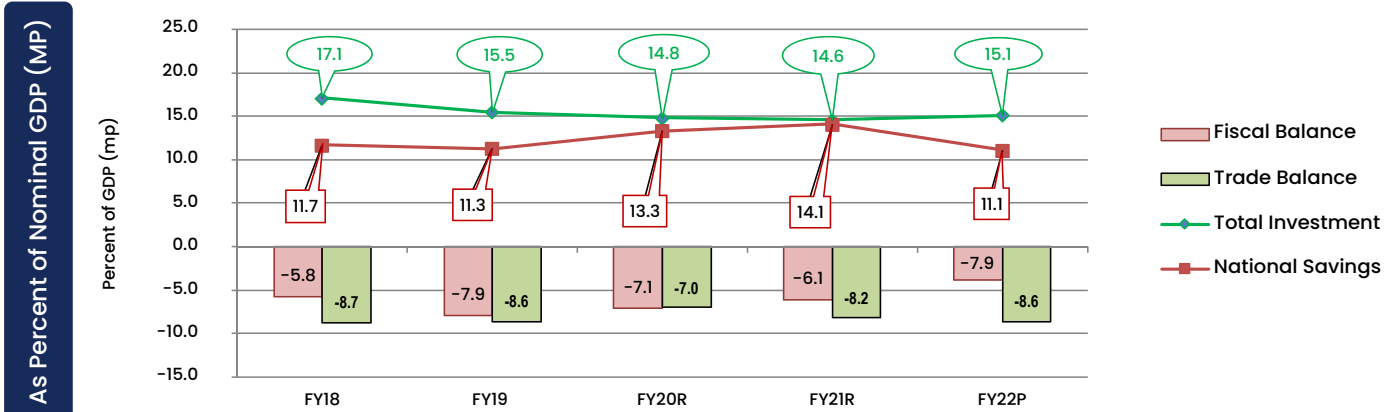
	100 Index
Change Starting	41,948
Change Ending	42,213
Change	+265

GOLD RATES

	10 GM, 24K
Change Starting	PKR 117,210
Change Ending	PKR 116,584
Change	-626

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



CPI INFLATION	Annual Average			Year-on-Year		
	FY20	FY21	FY22	Sep 2021	Aug 2022	Sep 2022
General	10.7	8.9	12.2	9.0	27.3	23.2
Food (Urban)	13.6	12.4	13.4	10.8	28.8	30.8
Non-Food (Urban)	8.3	5.7	10.8	8.1	24.7	15.2

Currency in Circulation as on (Stock data)						Rs in billion
June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	Oct 08, 2021	Oct 07, 2022	
4,950.0	6,142.0	6,909.9	7,572.5	7,179.1	7,828.7	

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

President KCCI Urges MSPIDA for Local Manufacturing of Spare Parts

President, Karachi Chamber of Commerce and Industry (KCCI) Mohammad Tariq Yousuf has advised the importers of motorcycle spare parts to set up their own cottage industries for manufacturing various spare parts.

These parts were currently being imported. It was no more feasible to import these parts because of uncertain situation due to currency fluctuation, he said while exchanging views with a delegation of All Pakistan Motorcycle Spare Parts Importers and Dealers Association (MSPIDA) in his office at the chamber, said KCCI release on October 18, 2022.

The delegation was led by MSPIDA Chairman Nasir Maqbool. KCCI Senior Vice President Touseef Ahmed, Vice President Muhammad Haris Agar, Chairman KCCI's Special Committee on Small Traders Majeed Memon, former President KCCI Iftikhar Ahmed Vohra, former Chairman MSPIDA Faisal Khalil, KCCI Managing Committee Members and MSPIDA Members also attended the meeting. KCCI president emphasized that setting up small industries for manufacturing spare parts was the only solution to most of the problems being faced by spare parts traders.

The issues included exorbitant customs duty, delays in clearance of consignments, heavy demurrage/ detention losses and high cost of imported goods due to rising dollar value. He also advised that any member of MSPIDA facing law and order problem could contact KCCI's Police Chamber Liaison Committee, and Law and Order Subcommittee for quick relief.

Moreover, all MSPIDA members facing delays in clearance of imported goods could also approach KCCI. The chamber would get in touch with the Customs Authorities and the State Bank of Pakistan for the resolution. Earlier, Chairman MSPIDA Nasir Maqbool, in his short remarks, congratulated the newly elected office bearers and hoped that the cooperation between the two institutions would strengthen further. Collective efforts will be made for resolving numerous issues particularly the Customs and valuation issues being faced by the importers of spare parts, he pledged.

Textile Exports Increased by 3.7 percent to \$4.6 billion in 1st Quarter, FY23

The exports of textile goods increased by 3.7 percent during the first Quarter (Q1) of the current fiscal year as compared to the corresponding period of last year. The textile goods' exports were recorded at \$4,583.6 million in July-September (FY23) against the exports of \$4,420.9 million in July-September (FY22), showing growth of 3.7 percent, according to the latest data released by Pakistan Bureau of Statistics (PBS) on October 13, 2022.

The textile products that contributed to trade growth included cotton cloth, the exports of which grew by 4.2 percent to \$580.5 million from \$557.1 million while the exports of knit wear increased by 15.4 percent, from \$1,144.6 million to \$1,320.9 million.

Likewise, the exports of tents, canvas and tarpaulin increased by 40.6, from \$21.2 million to \$29.8 million, ready-made garments by 5.9 percent, from \$861.1 million to \$911.5 million and art, silk and synthetic textile by 0.4 percent from \$107.9 million to \$108.3 million.

The exports of raw cotton witnessed cent percent growth by growing to \$5.9 million, according to PBS data.

The textile goods that witnessed negative growth in trade included cotton yarn, the exports of which declined by 18.1 percent, from \$288.6 million to \$236.3 million.

Likewise, the exports of cotton (carded or combed) declined by 85.5 percent, from \$1.5 million to \$0.2 million, yarn (other than cotton yarn) by 5 percent, from \$12.4 million to \$11.8 million, bed-wear by 2.9 percent from \$803.2 million to \$779.7 million, towels by 1.7 percent, from \$241.3 million to \$237.2 million, made-up articles (excluding towels, bedwear) by 9 percent, from \$197.4 million to \$179.7 million while the exports of all other textile materials went down by 1.5 percent, from \$184.4 million to \$181.7 million.

Meanwhile, on year-on-year basis, the textile goods' exports increased by 2.7 percent in September 2022 to \$1,527.1 million against exports of \$1,487.1 million in September 2021.

On month-on-month basis the textile goods' exports however declined by 3.1 percent in September 2022 when compared to the exports of \$1,575.4 million in July 2022, according to the PBS data.

It is pertinent to mention here that the overall trade deficit witnessed a decline of 21.4 percent, with a considerable decline in imports and upward trend in exports during the first quarter (Q1) of the current fiscal year as compared to the corresponding period of last year.

The exports during July-September FY23 were recorded at \$7.1 billion against the exports of \$7 billion in July-September FY22, showing a growth of 1.8 percent.

On the other hand, the imports into the country decreased by 12.7 percent during the period under review by going down from \$18.7 billion last year to \$16.3 during the current year.

Based on the figures, the trade deficit was recorded at \$9.2 billion this year against the deficit of \$11.7 billion last year, showing improvement by 21.4 percent, according to the data.

OICCI for Heavy Penalties on IPR Breach

Overseas Investors Chamber of Commerce and Industry (OICCI) – the collective body of over 200 top foreign investors, has recommended a substantial increase in penalties to ensure Intellectual Property Rights (IPR) protection which is imperative to attract foreign direct investment in high-value research-based products and services in Pakistan. Sharing the results of OICCI's IPR Survey- 2022, conducted annually, the Chamber's President Ghias Khan and CEO and Secretary General, M. Abdul Aleem, in their joint statement here on October 17, 2022, called for full and strong IPR enforcement. They mentioned that the Intellectual Property Organization of Pakistan, the regulatory body for IPR, was without its Chairman since May 2021.

There had not been any significant action taken to strengthen the IPR Tribunals, especially in Karachi. IPR violations had caused the government significant revenue loss besides endangering the life and well-being of public exposed to counterfeit products including medicine, the OICCI top office bearers said. OICCI President emphasized that timely registration of copyrights and trademarks supported by strict enforcement regime was critical for building confidence of the existing and potential foreign investors in Pakistan.

OICCI would continue to support IPOP and share its international knowledge base on IPR towards ensuring a robust IPR regime in the country, he added.

He said that research-based foreign pharmaceutical companies operating in Pakistan were quite concerned that there was very poor linkage between the Patent Law and Drug Regulatory Authority of Pakistan on product registration. The registrations were being issued to companies infringing patents, forcing the patent holders to approach court for the protection of IPR at a heavy cost.

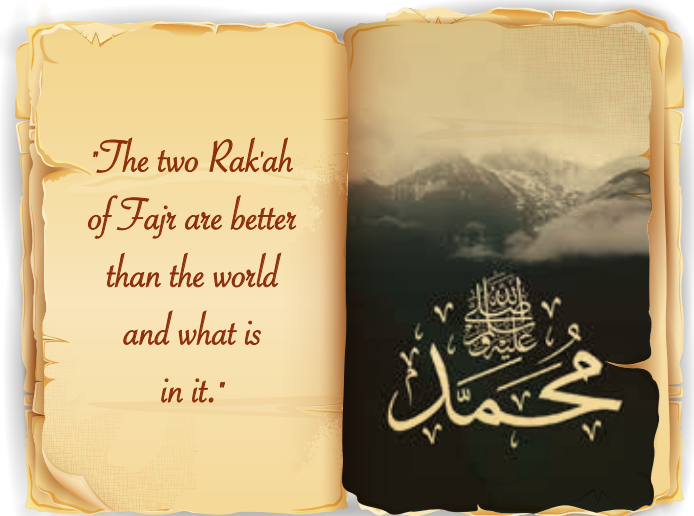
Lengthy processing timelines for granting IP rights, complicated procedure for registration and long drawn judicial procedure for the protection of IP rights were the key issues highlighted in the OICCI IPR Survey 2022. More than 50 percent of the respondents believe that Trademarks and Copyrights get registered in 1-3 years whereas 53 percent of the respondent (vs 46 percent in previous survey) reported that it takes more than 3 years to resolve an IPR dispute, he said.

OICCI members, however, had appreciated the increasing focus of Custom IPR Wing at Karachi Port for closely monitoring the import of counterfeit products.

OICCI's CEO and Secretary General, M. Abdul Aleem said that OICCI worked closely with IPOP in supporting initiatives towards strict monitoring of IPR violated products. More engagement with brand owners in Pakistan and improving check on import valuation which would help boost the

government revenue and manufacturing of legitimate value-added products in Pakistan.

IPOP together with Law Enforcement Agencies and media has a pivotal role in promoting high level of protection of IPR in Pakistan and attracting quality research-based product and investments in the country, he said.



Public Debt to GDP Ratio to Fall to 71.7 percent in FY23: World Bank

Pakistan's public and publicly guaranteed debt to GDP ratio is expected to fall gradually in the upcoming years from 78 percent recorded at the end of Fiscal Year 2021-22 (FY22) to 71.7 percent in FY23 and 71.9 percent in FY24, said a report recently published by the World Bank.

"At the end of FY22, public and publicly guaranteed debt had increased to Rs52,214 billion (78.0 percent of GDP) from Rs42,199 billion (75.6 percent of GDP) at end-FY21", the report titled 'Pakistan Development Update, October 2022' said.

It added, the new debt was largely sourced through long-term domestic debt instruments carrying variable interest rates, which improved the overall maturity profile but also increased debt servicing costs and interest rate risks.

Of the total public debt, the share of external debt was 37.6 percent at end-FY22, whereas short-term debt was 13.6 percent.

The fiscal deficit reached a record high of Rs5,260 billion (7.9 percent of GDP) in FY22, up from Rs3,403 billion (6.1 percent of GDP) in FY21.

However, the report added that in line with fiscal consolidation efforts and lower subsidy expenditures as a share of GDP, the primary deficit (excluding grants) is forecast to narrow from 3.1 percent of GDP in FY22 to 3.0 percent in FY23, despite negative impacts to revenue bases and increased expenditure needs due to the floods.

Similarly, the fiscal deficit is projected to contract by one percentage point to 6.9 percent of GDP in FY23 and expected to gradually narrow over the medium term as revenue mobilization measures take hold, particularly Government Sales Tax (GST) harmonization and personal income tax reform.

Substantial growth in expenditures, particularly on energy subsidies and debt servicing payments, outweighed revenue growth. As non-interest expenditure rose, the primary deficit increased to Rs2,077 billion (3.1 percent of GDP) – over three times the primary deficit in the previous year, the report added.

Total revenue increased to Rs8,035 billion (12.0 percent of GDP) in FY22 from Rs6,903 billion (12.4 percent of GDP) in FY21, as tax revenue increased to 10.4 percent of GDP.

The main drivers of the tax revenue increase were direct taxes and sales tax on goods, in line with strong domestic economic activity, higher prices, and higher imports.

According to provisional estimates, almost three-fourths of sales tax on goods was sourced from imports. Meanwhile, Petroleum Development Levy (PDL) revenues in FY22 fell to their lowest levels since 2015, as the government reduced taxes on petroleum products to mitigate inflationary pressures.

Non-tax revenue declined to 1.6 percent of GDP, largely due to a 27.2-percent decrease in the profits of the SBP, with lending to the government capped in line with reforms to improve central bank independence.

Total expenditure increased to Rs13,295 billion (19.9 percent of GDP) in FY22 from Rs10,307 billion (18.5 percent of GDP) in FY21. Expenditure increases were driven primarily by a 26.8 percent increase in current spending, including subsidy expenditure.

Increasing domestic interest rates and Pak rupee depreciation led to higher domestic and foreign interest payments. Simultaneously, the federal grants rose by almost 38 percent in FY22 on the back of higher social protection expenditure and COVID-19 vaccine procurement, while provincial current spending rose by 12.3 percent, the report added.

Pakistan Calls for Mobilization of Funding Needed for Crises-Hit Poor Countries

Pakistan, speaking on behalf of the Group of 77 (developing countries) and China, has called for the international community to mobilize the financing required by the poor nations to deal with the adverse impacts of the coronavirus pandemic, increasing conflicts and depression of global economic conditions, and climate change.

Speaking in the UN General Assembly's Second Committee, which deals with economic and social issues, Ambassador Aamir Khan, deputy permanent representative of Pakistan to the UN, also stressed the need for appropriate and realistic planning and regulations as steps forward to better resource-utilization and sustainable development.

Despite best efforts, he said in a debate on 'Operational Activities for Development' that developing nations are struggling to achieve notable progress on a wide range of goals and targets.

Pakistan is the current chairman of G77 and China, which now has 134 members and is the United Nations' biggest intergovernmental group of emerging countries.

Noting that severe effects of climate change are adding challenges to attaining Sustainable Development Goal 11, which is aimed at making cities and human settlement inclusive, safe, the G77 chairman emphasized the need to mobilize concessional and grant finance, especially for adaptation.

A facility to deal with loss and damage should be established at the twenty-seventh Conference of the Parties to the United Nations Framework Convention on Climate Change, he added.

Further noting that development activities tend to get sidelined and do not receive as many resources as humanitarian issues and other areas, Ambassador Aamir Khan proposed that the United Nations development system provide more capacities and access to concessional finance.

Expressing concern over inadequate funding of the UN Resident Coordinator system, he underscored that adequate, predictable and sustainable funding for the development system's activities is crucial for sustainable development.

Such resources should be utilized in accordance with national priorities, he added.

Reiterating that South-South cooperation cannot be measured and assessed in the same way as official development assistance (ODA) as its value "goes beyond direct and indirect costs", Ambassador Aamir Khan expressed hope that the conceptual framework by the Statistical Commission would further be developed.

SNIPS

Heavy Investments in Equity

American investors today hold about 70 percent of their wealth in the stock market compared to before 2000 when only 58 percent opted for equities, according to MIT Sloan School of Management.

Pakistan Seeks Rescheduling of \$27 billion Bilateral Debt

Federal Minister for Finance and Revenue, Mohammad Ishaq Dar said that Pakistan would seek rescheduling of some \$27 billion worth of non-Paris Club debt largely owed to China, but will not pursue haircuts as part of any restructuring.

In an interview with British News Agency, Reuters, the minister ruled out the possibility of a default on Pakistan's debt, an extension of the maturity date on bonds due in December or a renegotiation of Pakistan's current International Monetary Fund (IMF) program.

He said multilateral development banks and international donors have been "quite flexible" with ways to meet Pakistan's external financing needs estimated at about \$32 billion after devastating floods. Some of this may come from reallocating funds from previously approved, slower-disbursing development loans, he added.

Dar, who is participating in the IMF and World Bank (WB) annual meetings, said that Pakistan will seek restructuring on equal terms for all bilateral creditors. On currency, the finance minister said Pakistan has not engaged in physical intervention in the currency, which has been battered this year by a strong U.S. dollar, but which has rallied some 10 percent since his appointment. Dar said that he views the "true value" of the rupee at a level under 200 to the dollar. It last traded at 219. "I am for a stable currency; I am for a realistic rate. I am for market-based, but not subject to a currency being taken hostage" and making speculators billions of dollars, he added.

To a question on whether he discussed with IMF officials the possibility of borrowing from the Fund's new Resilience and Sustainability Trust for middle-income countries, Dar said "We have discussed all options." He said IMF's new emergency "food shock" borrowing window may also be a good fit for the country, which has lost crops due to devastating floods and may need to import up to half millions of tons of wheat in the next year.

"In this scenario, we have the possibility to approaching and accessing this facility," he said.

SECP Registers 2,434 New Companies in September 2022

The Securities and Exchange Commission of Pakistan (SECP) registered 2,434 new companies in September 2022. This shows an increase of 9 percent as compared to corresponding period last month. The total number of registered companies now stands at 178,733. Foreign investment has been reported in 55 new companies. These companies have foreign investors from Afghanistan, China, Canada, Denmark, France, Germany, Italy, Jordan, Malaysia, Philippines, Portugal, Saudi Arabia, Switzerland, Russia, Turkey, the UK, the UAE and the US.

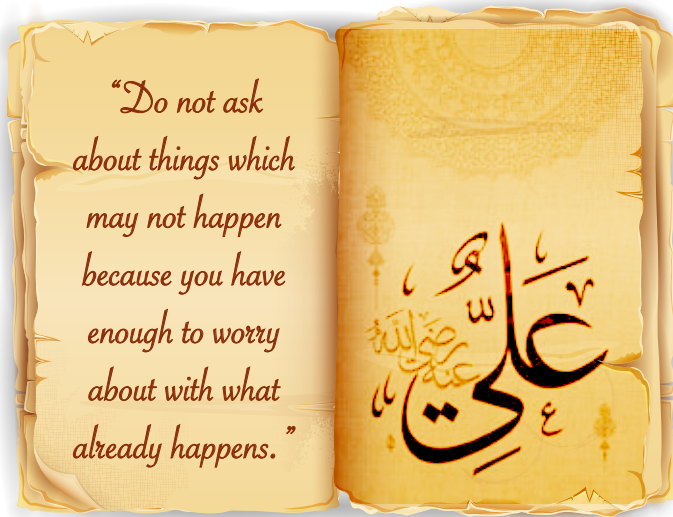
Total capitalization (paid-up-capital) with regard to newly incorporated companies for the current month stood at Rs2.6 billion. In September, about 58 percent companies were registered as private limited companies, while 40 percent were registered as single member companies. Two percent were registered as public unlisted companies, not for profit associations, foreign companies and limited liability partnership (LLP). About 99.88 percent companies were registered online, while 104 foreign users were registered from overseas.

The real estate development & construction sector took the lead with incorporation of 480, information technology with 368, trading with 290, services with 245, education with 96, tourism with 95, ecommerce with 90, food & beverages with 79, marketing & advertisement with 58, textile and corporate agricultural farming with 54 each, engineering with 52, power generation with 50, pharmaceutical with 38, chemical with 36, healthcare with 33, and 316 companies were registered in other sectors. As a result of integration of SECP with FBR and various provincial departments, 2,254 companies were registered with FBR for generation of NTN, 74 companies with EOBI, 38 companies with PESSI/SESSI and 39 companies with excise and taxation department.

IMF Sympathizes with Pakistan on Flood-Damages, Assures Support

The International Monetary Fund (IMF) has sympathized with Pakistan for the losses caused by the recent floods across the country and assured of fund's support. The assurance was made by IMF's Director of the Middle East and Central Asia Department Jihad Azour in his meeting with Federal Minister for Finance and Revenue Mohammad Ishaq Dar.

They also discussed the implementation of the IMF programme, according to press statement received here October 15, 2022. Meanwhile, the finance minister also met with United Kingdom's Minister of State for Foreign, Commonwealth and Development Office (FCDO), Ms. Vicky Ford and thanked her government for financial support and assistance to meet the challenges posed by floods.



He also appreciated the trade concessions afforded to Pakistan and other developing countries under the Developing Countries Trading Scheme (DCTS). Minister Vicky Ford assured of the United Kingdom’s continued support for Pakistan during this difficult period. The two sides discussed ways to further deepen bilateral development cooperation.

Dar led Pakistan’s delegation to the high-level round table on Pakistan’s floods – impact and response, cochaired by Vice President World Bank, Martin Raiser and UK Prime Minister’s Special Representative for Afghanistan and Pakistan, Nigel Casey. The round table was attended by all major bilateral and multilateral development partners and donors.

Initial findings of Pakistan’s post-disaster need assessment jointly prepared by the World Bank, Asian Development Bank, UNDP, European Union and the government of Pakistan were presented in the round table. In his concluding remarks, Finance Minister emphasized the need to provide adequate support to Pakistan to meet the challenges of recovery and rehabilitation.

The minister had another meeting with Chief Executive Officer Saudi Fund for Development (SFD), Sultan Abdul Rehman Al Murshid during which he conveyed Pakistan’s deep gratitude for the support provided by Saudi Arab to Pakistan at all times and welcomed the forthcoming visit of SFD team to Pakistan. CEO SFD assured of SFD’s continued support to Pakistan, the statement added.

Meanwhile, United States Assistant Secretaries, Ramin Toloui and Donald Lu called on Finance Minister Senator Mohammad Ishaq Dar at Pak Embassy to express solidarity with Pakistan over devastating floods and assure continued US support for Pakistan’s relief and recovery efforts. Other issues of mutual interest were also, discussed, the statement added.

International Economic Roundup

Pound Rises as Liz Truss Announces Resignation

The pound rose against the dollar and government borrowing costs dipped as the markets reacted to Prime Minister Liz Truss’s resignation.

Sterling hit \$1.13 as the Ms Truss made her announcement and rose higher in the afternoon before falling back to \$1.12.

One analyst said investors were “relieved” by the news, despite a lot of uncertainty remaining. Business groups said the new prime minister would have to act quickly to restore confidence.

A fall in the value of the pound increases the price of goods and services imported in to the UK from overseas – because when the pound is weak against the dollar or euro, for example, it costs more for companies in the UK to buy things such as food, raw materials or parts from abroad.

A weaker pound can push rising costs higher as well if companies choose to pass on higher prices to customers. For people planning a trip overseas, changes in the pound affect how far money can go abroad.

While the pound plunged to a record low against the dollar last month, government borrowing costs rose sharply in the aftermath of the government promising huge tax cuts in its mini-budget without saying how it would pay for them.

But these costs fell back after the Bank of England stepped in with an emergency support programme, and after Jeremy Hunt reversed nearly all the mini-budget measures when he became chancellor.

Mr Hunt is due to announce plans for spending and tax on October 31 in his economic plan, which the Treasury confirmed was set to go ahead, although there are reports it could be delayed due to the Conservative leadership contest. Although the resignation of Liz Truss as prime minister leaves the UK without a leader when it faces huge economic, fiscal and financial market challenges, the markets appear to be relieved,” said Paul Dales, chief UK economist at Capital Economics.

“But more needs to be done and the new prime minister and their chancellor have a big task to navigate the economy through the cost of living crisis, cost of borrowing crisis and the cost of credibility crisis.” Simon French, chief economist at Panmure Gordon, said the market reaction had been “fairly muted”, with investors waiting for the “detail of what comes next”.

Ms Truss said her successor would be elected in a Tory leadership contest, to be completed in the next week. Her resignation came after a key minister quit and Tory MPs rebelled in a chaotic parliamentary vote on Wednesday.

Mr French said the markets could rally "more aggressively" if a clear favourite emerged for PM. "The sooner you get there the more likely the person who has won will have the support to do the difficult stuff."

The head of the CBI business lobby group, Tony Danker, said: "The politics of recent weeks have undermined the confidence of people, businesses, markets and global investors in Britain. [The next prime minister] will need to deliver a credible fiscal plan for the medium term as soon as possible, and a plan for the long-term growth of our economy."

The interest rate - or yield - on UK government bonds for borrowing over a 10-year period climbed above 4 percent at one point on Thursday morning, but then fell back steadily as speculation grew about the possible departure of Ms Truss.

Typically, the government agrees to repay the investor on a certain date in the future when a bond "matures". In the meantime, it pays interest on the loan. However, the mini-budget hit confidence in bonds, and it led to investors demanding a much higher rate of interest in return for investing in them. Some bonds halved in value.

Following the PM's statement, the yield edged higher again to about 3.8 percent, but still remained below the level seen at the start of the day.

Ahead of Liz Truss's resignation, Bill Blain of Shard Capital had told the BBC that the markets had been "watching in a kind of stunned, open-mouthed horror" at political events. "The problem we've got is that the last couple of weeks has really destroyed the image of political competency and that's one of the key elements to make any economy work," he said.

Soaring Food Prices Push Inflation to 40-Year High in UK

UK food prices are rising at their fastest rate in 42 years as the cost-of-living crisis continues to squeeze household budgets. Food costs jumped 14.6 percent in the year to September - the biggest rise since 1980 - with bread, cereal, meat and dairy prices all climbing.

It comes as people also struggle with higher energy and transport costs. Overall inflation - the rate at which UK prices rise - surged to 10.1 percent last month and is expected to climb further. The prices of most key items in the average household's food shopping basket went up last

month, including fish, sugar, fruit and rice, the Office for National Statistics (ONS) said. Experts say the rise in the cost of groceries has been accelerated by the war in Ukraine, which has disrupted grain, oil and fertilizer supplies from the region.

Food and drink prices have also been affected by the recent weakness in the pound, which has made imported products and ingredients more expensive.

Karen Betts, chief executive of the Food and Drink Federation, said: "Food and drink manufacturers continue to do everything they can to keep product prices down, but huge rises in ingredient, raw material, energy and other costs mean they have no choice but to pass some price rises on."

According to the ONS, overall inflation is back at the 40-year high seen in July after dipping to 9.9 percent in August.

It said the cost of furniture and hotel stays had also risen - although these were partially offset by the falling price of petrol and airline tickets.

It comes as an international news agency survey uncovers growing concern about the squeeze on finances. Some 85 percent of those asked are now worried about the rising cost of living, up from 69 percent in a similar poll in January.

Dozens of LNG-Laden Ships Queue Off Europe's Coasts Unable to Unload

Dozens of ships carrying liquefied natural gas (LNG) circling off the coasts of Spain unable to secure slots to unload have prompted grid operators for the country to warn they may have to suspend loading to deal with this "exceptional situation".

Europe is facing an energy supply squeeze as Russia has progressively cut gas flows after the West imposed sanctions in response to Russia's invasion of Ukraine in late February.

The region has had to find alternative supplies, including LNG, but the arrival of multiple cargoes of the super chilled fuel has exposed Europe's lack of "regasification" capacity, as plants that convert the seaborne fuel back to gas are operating at maximum limit.

If the backlog is not cleared soon those ships may start looking for alternative ports outside Europe to offload their cargo.

There are more than 35 LNG-laden vessels drifting off Spain and around the Mediterranean, with at least eight vessels anchored off the Bay of Cadiz alone, traders, analysts and sources at LNG terminals familiar with the situation said on October 17, 2022.

Spain is offering just six slots at its regasification terminals for cargoes this week, an industry source said, less than a fifth of the number of vessels queuing off its coasts. The country has six terminals in total.

In a statement issued late on October 17, 2022 and entitled "declaration of exceptional operational situation", Spain's national gas grid operator Enagas said it may have to reject unloads of LNG due to overcapacity at its terminals. It added that high occupation levels at the country's regasification plants was expected to remain at least until the first week of November.

There are also LNG vessels at anchor near other European countries which could mean dozens more are waiting, one source with knowledge of the situation said. "Floating storage levels in LNG shipping is at all time high levels with slightly more than 2.5 million tonnes tied up in floating storage," said Oystein Kalleklev, chief executive of shipowner FLEX LNG Management.

The shortage of regasification plants, or pipelines connecting countries that have those facilities to other European markets, means that the LNG floating offshore cannot be used. "We have seen a high number of cargoes waiting offshore in southern Spain or circling in the Med, as well as some cargoes waiting off the UK," said Alex Froy, LNG analyst at data intelligence firm ICIS.

The bottlenecks have been compounded by lower industrial demand as Europe's economy slows as well as lower-than-expected domestic consumption in Spain due to unseasonably warm weather.

ICIS's Froy said another reason for the congestion is that prices are expected to rise as winter approaches and heating demand increases, so some ships are waiting to sell their cargoes at a higher price that can offset the extra shipping costs incurred by sitting offshore.

Price of an LNG cargo delivered in late November or early December is around \$2/mmBtu higher than current prices. "This strategy partly works because some companies have flexibility in their shipping portfolios due to outages like the closure of the U.S. Freeport plant," Froy said.

He was referring to the second-largest U.S. exporter of LNG that halted operations in June after an explosion and fire. "If more cargoes were being produced companies might not be able to leave their ships waiting around so long," he said. Earlier on October 17, 2022, China halted LNG sales to foreign buyers to ensure its own supply, which market players say might push more vessels to head to Asia.

Spain has the biggest regasification capacity in the European Union, accounting for 33 percent of all LNG and 44 percent of LNG storage capacity. This week, the leaders of France, Germany, Spain and Portugal are scheduled to meet to try to reach an agreement on the MidCat pipeline

that could carry Spanish gas – and in the future hydrogen – to central Europe. MidCat would create a third gas connection between France and Spain, which its main backers, Madrid, Lisbon and more recently Berlin, say would help Europe reduce its Russian gas reliance.

IMF-WB Annual Meetings 2022: Act Now, Act Together, Among Integrated Policies

The Governor of Bank Indonesia, Perry Warjiyo, and Finance Minister of the Republic of Indonesia, Sri Mulyani Indrawati, are attending the International Monetary Fund (IMF) – World Bank Annual Meetings, including the 4th G20 Meeting of Finance Ministers and Central Bank Governors, from October 11-16, 2022 in Washington DC, United States. The meetings have highlighted broad global economic moderation, which has occurred more sharply than expected, coupled with high inflation. The economic outlook has been impacted by the cost-of-living change, tighter financial sector conditions in most jurisdictions, the Russia-Ukraine conflict as well as the prolonging impact of the COVID-19 pandemic.

At the meeting, the Governor of Bank Indonesia, Perry Warjiyo, stated that the IMF Global Policy Agenda: Act Now, Act Together, has been in line and complemented the theme of Indonesia's G20 Presidency in 2022, namely Recover Together, Recover Stronger.

In addition, Bank Indonesia Governor, Perry Warjiyo, outlined three main points to be noted. First, the global challenges currently faced demand a policy response utilizing more than one policy instrument, thus necessitating development of the IMF Integrated Policy Framework (IPF) and the BIS Macro-Financial Stability Framework (MFSF). To that end, Indonesia already implements a policy mix consisting of monetary, fiscal, exchange rate stability and macroprudential. Second, the importance of developing financial digitalization. Bank Indonesia has actively developed payment system digitalization, including cross-border payment agreements among Thailand, Malaysia, Singapore and the Philippines, launching Quick Response (QR) Code, and Bank Indonesia Fast Payment (BI-FAST). Third, the importance of strengthening the global financial safety net (GFSN) to increase financing capacity in order to assist countries in need through IMF quota reform.

The IMF put forward several policy response recommendations for member countries. Front-loaded monetary policy is required to maintain price stability and to anchor inflation in the future. The main agenda of fiscal policy is to protect vulnerable groups through targeted short-term aid to alleviate the cost-of-living crisis. Given tight liquidity conditions in the financial sector, macroprudential policy is required to safeguard against systemic risk. Structural reform must be improved to up level economic productivity and capacity to ease supply constraints and support monetary policy in terms of dealing with inflation.

Furthermore, policies to accelerate the green energy transition will reward an energy security in the long term and reduce the macroeconomic cost of climate change. Finally, multilateral cooperation is required avoid global fragmentation.

Federal Reserve Board Invites Public Comment on an Advance Notice of Proposed Rulemaking to Enhance Regulators' Ability to Resolve Large Banks in an Orderly Way Should They Fail

The Federal Reserve Board on October 14, 2022 invited public comment on an advance notice of proposed rulemaking to enhance regulators' ability to resolve large banks in an orderly way should they fail.

Recent merger activity and organic growth have increased the size of large banking organizations. If they were to fail, their large size could complicate efforts by regulators to resolve the firms without disruption to customers and counterparties.

As a result, the advance notice of proposed rulemaking asks for comment on several potential new requirements and resources that could be used for an orderly resolution of these large banking organizations, including a long-term debt requirement.

"As the banking system changes, policymakers must continuously evaluate whether resolution-related standards and prudential standards for large banks keep pace," Vice Chair for Supervision Michael S. Barr said. "That is why we welcome comment on an advance notice of proposed rulemaking on resolution-related standards, and are evaluating whether capital requirements for large banks, including global systemically important banks—as well as other elements of the prudential framework—should be updated."

The advance notice of proposed rulemaking was jointly developed with the Federal Deposit Insurance Corporation (FDIC). Comments will be accepted for 60 days after publication in the Federal Register.

Also, on October 14, 2022, the Board announced its approval of the application by U.S. Bancorp, of Minneapolis, Minnesota, to acquire MUFG Union Bank, National Association, of San Francisco, California. In connection with the Board's approval, U.S. Bancorp has committed to provide the Board and the FDIC with an interim update to its resolution plan reflecting the combined organization, and implementation plans related to heightened prudential standards.

MANAGEMENT VIEWS



How to Support Employees After Violence Against Their Community

When violent attacks targeting a specific race, religion, gender, sexual orientation, or other community are highly publicized, it can cause psychological trauma for people who share an identity with the victim(s). How can you support your employees who feel unsafe in the world because of their social identities?

- **Cultivate A Culture of Psychological Safety.** Foster an environment where conversations about race, religion, and other aspects of identity are commonplace and where employees feel comfortable sharing their experiences with identity-based trauma. Supporting your people starts with understanding what they are going through.
- **Encourage Rest and Recovery.** Acknowledge the traumatic nature of current events for those who share an identity with the victim(s). Ask those employees what they need, and be prepared to give them time and space to heal.
- **Create and Empower Employee Affinity Networks.** These groups may allow people to develop a support system within the organization, which they can then turn to for solidarity in the wake of violent news.

(This tip is adapted from *Supporting Employees After Violence Against Their Community*, by Angelica Leigh and Shimul Melwani – HBR.)

Dispelling Common Myths About In-Person Work

As the hybrid era unfolds, the benefits of in-person work are increasingly misunderstood. To get the most of your time together as a team, you need to be aware of the common myths about in-person work.

Myth #1: People learn more effectively in person. Because it rarely affords opportunities for meaningful practice and feedback, in-person learning is often less impactful than well-designed virtual learning. Make an effort to regularly design these types of experiences for your team.

Myth #2: In-person events help create (or strengthen) culture. Culture is built upon what your team experiences all day, every day at work—not what they experience when they step away from the normal routine for a workshop,

keynote, or holiday party. Do not depend on these outlier events; commit to building a healthy culture in the day-to-day, hybrid flow of things.

Myth #3: In-person gatherings are necessary to give people a break from screens. Healthy screen habits should not depend on where your employees are working from. They can—and should—be developed remotely, too. Encourage both your remote and in-office employees to unplug routinely.

Myth #4: Networking and human connection can only happen in person. False! People have long been able to develop meaningful relationships by writing letters and emails and speaking on the phone. Add video calls to that list.

(This tip is adapted from *4 Myths About In-Person Work, Dispelled*, by Heidi Grant and Tal Goldhamer – HBR.)

Build Pre-Work into Your Meetings

It is no secret that the term “pre-work” inspires groans, eye-rolls, and even—during that all-too-familiar moment of realization—a sense of impending doom. It does not have to be this way. Instead of asking people to do work beforehand, embed pre-work into your meetings. Whether it is a simple slide deck or short document, your goal is to quickly bring people up to speed on “how we got here,” preemptively address questions that are easy to anticipate, and clarify the purpose of your time together. If you are meeting in person, you might even print out the document and pair people up to review it together. After a period of silent memo-reading, invite everyone to input their thoughts, questions, and observations into a shared document to help get the conversation going. Google Docs, word clouds, or Mentimeter polls are helpful tools for this. And be sure to explain your reasoning for the pre-work. People do not like to jump through hoops unnecessarily. This exercise is not meant to create more work or elongate meetings, but rather to boost efficiency and reduce unnecessary meetings down the road.

(This tip is adapted from *How to Effectively Build Pre-Work into Meetings*, by Rae Ringel – HBR.)

Foster Friendship on Your Team

Whether your team is fully in person, all remote, or hybrid, a workplace that encourages friendship is good for employee morale, productivity, and retention. How can you build a culture that fosters friendship?

- **Establish a Buddy System.** Pair up each new hire with a veteran employee as a part of their onboarding—and make sure they meet regularly. Not only will an assigned buddy help new employees learn the ropes faster, it also gives them a connection through which they can meet other colleagues who can become friends down the road.
- **Increase Face Time.** The best way to develop a real connection with someone is to see and hear them—even if it is on Zoom or FaceTime. Encourage your team to talk more and email less.
- **Encourage Jam Sessions.** When people share a common goal and make something together, they form a connection. Look for opportunities for your employees to collaborate and innovate freely.
- **Do Not Force It.** You cannot make people be friends—but as long as the opportunity for friendship is there, you have done your job.

(This tip is adapted from *The Power of Work Friends*, by Jon Clifton – HBR.)

How to Be Inclusive of Deaf Employees

Sensory and linguistic differences are not a loss—they are an opportunity for exploration, innovation, and competitive advantage. Deaf employees bring a positive gain to companies through the innovation that comes from their lived experiences, as well as their abundance of innate skills. How can you build a team that is inclusive of deaf employees? Start by assessing your culture. Rigorously examine the impact of physical, sensory, and social barriers throughout your organization. For example, does your organization provide training and awareness of linguistic diversity, including visual languages? Are you actively recruiting candidates from schools, universities, and organizations serving the deaf community? Record your observations and make the necessary improvements—going beyond minimum compliance requirements. Then, check in regularly with your deaf employees and ask them about their experience at work, for suggestions about how they can contribute to the team is goals, and whether the team feels supportive. Be honest about what you do not know and demonstrate a sincere willingness to learn.

(This tip is adapted from *Is Your Organization Inclusive of Deaf Employees?*, by Roberta J. Cordano – HBR.)



OCTOBER

	Workshop	Facilitator	Fee	Timings	
24 Monday	Financial Analysis and Importance of Key Ratios	Imran Soomro	PKR 9,500 <i>(Excluding Sales Tax)</i>	2:00 PM - 6:00 PM	
26 Wednesday	Green Business Facilitation - Need of the Hour	Dr. S. Asim Ali Bukhari	PKR 9,500 <i>(Excluding Sales Tax)</i>	9:30 AM - 1:30 PM	

For Details, visit: <https://ibp.org.pk/wp-content/uploads/2022/10/IBP-TC-Q4-2022.pdf>