

Domestic Economic Roundup

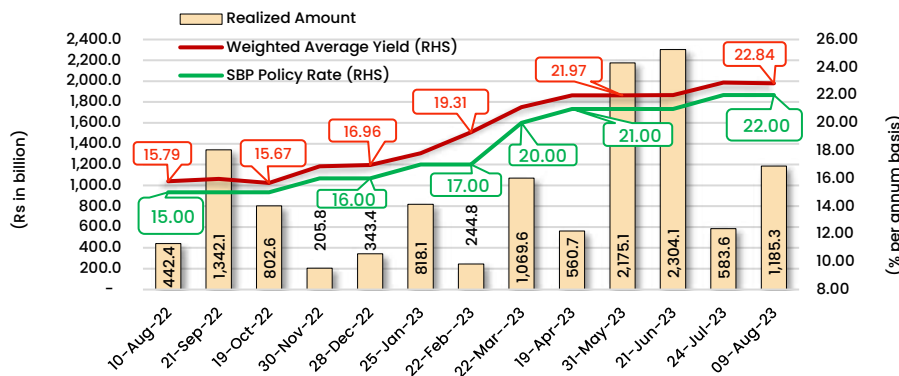
Key Money & Banking Indicators:

	Stocks at End - June 2023*	Flows		Monetary Impact Since 1st July to	
		FY22	FY23*	28-Jul-23	29-Jul-22
Total Deposits with Banks	22,322.8	2,615.1	2,387.9	(161.4)	(620.3)
Broad Money (M2)	31,590.7	3,304.9	3,988.0	(641.7)	(405.5)
Govt. Sector Borrowings (Net)	23,840.7	3,357.7	4,217.8	(55.3)	247.1
Credit to Private Sector	9,168.3	1,612.1	211.4	(172.6)	151.9

(Rs in billion) P = Provisional

https://www.sbp.org.pk/ecodata/BroadMoney_M2.pdf

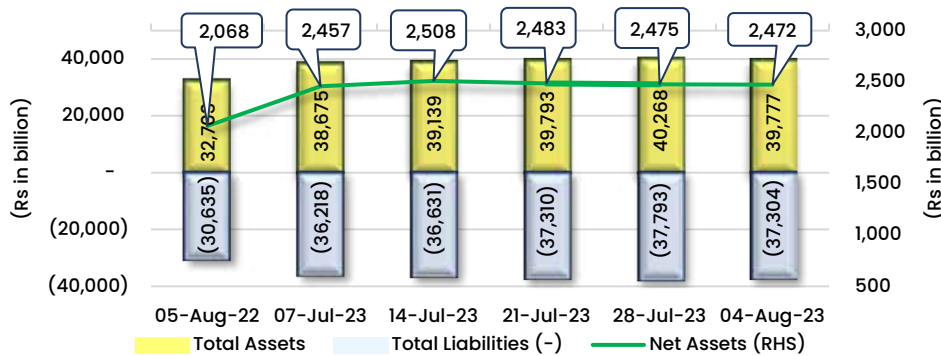
MTBs Acceptance (Auction + Non-Competitive Bids)



Source MTB's : <https://www.sbp.org.pk/ecodata/auction-tbills.pdf>

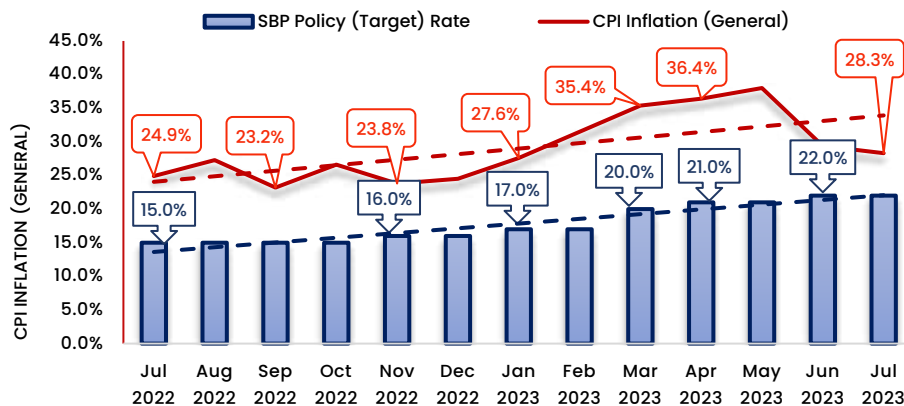
Source SBP Policy : <https://www.sbp.org.pk/ecodata/sir.pdf>

Total Assets and Liabilities of Scheduled Banks



Source: https://www.sbp.org.pk/publications/press_comm/index.htm

SBP Policy Rate Vs. CPI Inflation (YoY)



Source SBP Rate: <https://www.sbp.org.pk/ecodata/sir.pdf>

Source CPI: <https://www.pbs.gov.pk/cpi>

Markets at a Glance

Rates taken till Friday, August 11, 2023

SBP POLICY RATE

22.00% | Effective from June 27, 2023

<https://www.sbp.org.pk/ecodata/sir.pdf>

KIBOR (3 MONTHS)

	Bid%	Offer%
Change Starting	22.46	22.71
Change Ending	22.69	22.94
Change	+0.23	+0.23

https://www.sbp.org.pk/ecodata/kibor_index.asp

FOREX RATES

	GBP	EURO	USD
Change Starting	PKR 364.53	PKR 313.98	PKR 286.97
Change Ending	PKR 366.67	PKR 317.26	PKR 288.49
Change	+2.14	+3.28	+1.52

<https://www.sbp.org.pk/ecodata/rates/m2m/M2M-Current.asp>

PAKISTAN STOCK EXCHANGE

	100 Index
Change Starting	48,586
Change Ending	48,424
Change	-162

<https://dps.psx.com.pk/>

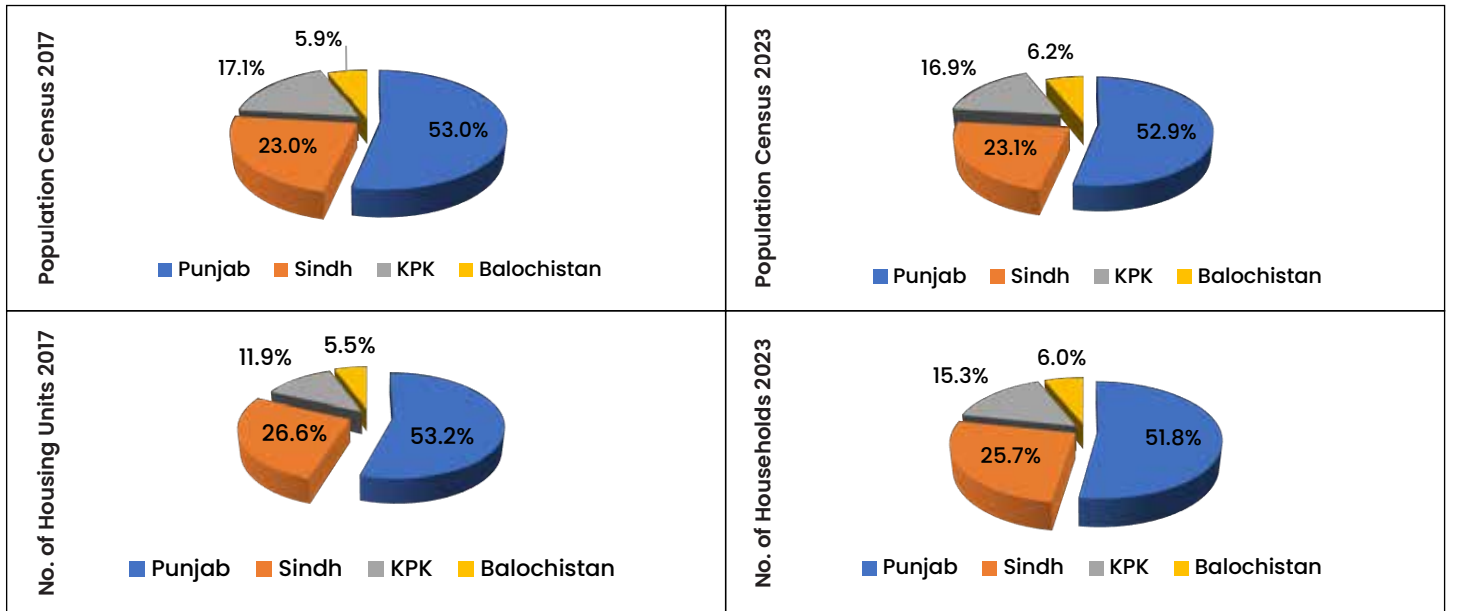
GOLD RATES*

	10 GM, 24K
Change Starting	PKR 178,415
Change Ending	PKR 177,462
Change	-953

<https://www.forex.pk/bullion-rates.php>

Summary of Census 2023 Vs 2017 (In million)						Avg. Annual Growth rate Population	
	Population 2017		Housing Units	Households	Average Household Size		
	2017	2023	2017	2023	2017		2023
Punjab	110.0	127.7	17.1	19.9	6.38	6.43	2.53%
Sindh	47.9	55.7	8.6	9.9	5.55	5.64	2.57%
KPK	35.5	40.9	3.8	5.9	7.83	6.94	2.38%
Balochistan	12.3	14.9	1.8	2.3	6.87	6.42	3.20%
Pakistan	207.7	241.5	32.2	38.3	6.39	6.30	2.55%

*It includes data from Islamabad and FATA



<https://rb.gy/vexgb> | <https://shorturl.at/tDOX4> | <https://shorturl.at/eiyEL>

CPI INFLATION	Annual Average			Year-on-Year		
	FY20	FY21	FY22	Jul 2022	Jun 2023	Jul 2023 ^P
General	10.7	8.9	12.2	24.9	29.4	28.3
Food (Urban)	13.6	12.4	13.4	27.4	40.8	40.2
Non-Food (Urban)	8.3	5.7	10.8	21.3	18.7	17.3

<https://www.sbp.org.pk/ecodata/MPM-New.pdf>

<https://www.pbs.gov.pk/cpi>

Currency in Circulation as on (Stock data) (Rs in billion)					
June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	Jul 29, 2022	Jul 28, 2023
4,950.0	6,142.0	6,909.9	7,572.5	7,786.8	8,679.6

P = Provisional | R = Revised | F = Final

https://www.sbp.org.pk/ecodata/BroadMoney_M2.pdf

Central Banks' Gallery

State Bank of Pakistan:

Workers' Remittances Amounted to US\$ 2 billion in July 2023

Workers' remittances recorded an inflow of US\$2 billion during July 23. During July 23, remittances decreased by 7.3 percent on m/m basis and by 19.3 percent on y/y basis. Remittances inflows during July 23 were mainly sourced from Saudi Arabia (\$486.7 million), United Arab Emirates (\$315.1 million), United Kingdom (\$305.7 million) and United States of America (\$238.1) million respectively.

<https://www.sbp.org.pk/press/2023/Pr-10-Aug-2023.pdf>

Agriculture Financing Hits Record Rs 1.78 trillion in FY23 Amid SBP Efforts and PM's Kissan Package

The financial institutions disbursed Rs 1,776 billion under agriculture financing during FY23 and achieved 97.6 percent of the agriculture credit target of Rs 1,819 billion set by State Bank of Pakistan (SBP), recording an impressive growth of over 25 percent compared to Rs 1,419 billion disbursed in FY22. The outstanding portfolio of agriculture credit also registered a growth of 10 percent and reached Rs 760 billion at the end of June 2023 compared to Rs 691 billion at end June 2022.

The unprecedented performance in FY23 is owed to the collective efforts of the financial institutions and various initiatives taken in the backdrop of several challenges including the devastating floods of 2022, rising input costs and monetary tightening in recent years. Among the various initiatives, SBP's Champion Bank Model and Agriculture Credit Scoring Model played a key role in supporting financial institutions in extending agriculture financing, particularly in the underserved areas where significant growth was registered in FY23. In addition, the strategic guidance of Agricultural Credit Advisory Committee (ACAC) coupled with rigorous monitoring of financing by SBP provided further support in accelerating agriculture finance. The last ACAC meeting, held in December 2022, brought industry's focus to the potential of Islamic banking for meeting the needs of the farming community. As a result, Islamic agriculture financing also grew significantly during the year.

SBP has also released the annual ranking of banks under the Agriculture Credit Scoring Model to bring transparency and competition among the various agriculture credit providers. SBP's scoring model gauges the agriculture credit

performance of banks against a multi-dimensional criterion with particular focus on regional and sectoral performance. Introduced in FY22, the model facilitated the banks to focus on areas where improvement is required to achieve their targets, particularly on improving qualitative aspects. The complete score card results of banks for FY23 and detailed scoring criteria are accessible at

<https://www.sbp.org.pk/ACS/Index.html>

<https://www.sbp.org.pk/press/2023/Pr-09-Aug-2023.pdf>

Bank of England:

Monetary Policy Statement

The Bank of England's Monetary Policy Committee (MPC) on August 03, 2023 sets monetary policy to meet the 2 percent inflation target, and in a way that helps to sustain growth and employment. At its meeting ending on August 02, 2023, the MPC voted by a majority of 6-3 to increase Bank Rate by 0.25 percentage points, to 5.25 percent. Two members preferred to increase Bank Rate by 0.5 percentage points, to 5.5 percent, and one member preferred to maintain Bank Rate at 5 percent. <http://rb.gy/ezn9e>

CPI Inflation:

Monthly (July 2023)	7.8%	Annually (July 22- June 23)	7.9%
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<https://www.bankofengland.co.uk/decision-maker-panel/2023/july-2023>

Central Bank of the U.A.E:

CBUAE revokes the license of Dirham Exchange and the Registration RMB Commercial Brokers Co

The Central Bank of the UAE (CBUAE) has revoked the license of Dirham Exchange, an exchange house operating in the UAE, and struck off its name from the Register, and revoked the registration of RMB Commercial Brokers Co, a Hawaladar operating in the country. The CBUAE, through its supervisory and regulatory mandates, works to ensure that all exchange houses, their owners and employees and Hawaladars abide by the UAE laws, regulations and standards adopted by the CBUAE to safeguard the transparency and integrity of the UAE financial system.

<https://shorturl.at/cHKX9>

The Saudi Central Bank

SAMA Licenses Fintech Consumer Microfinance Company

The Saudi Central Bank (SAMA) on August 09, 2023 licensed 'Loan' to provide consumer microfinance solutions through financial technology. With Loan, there are now six authorized companies offering consumer microfinance solutions in Saudi Arabia. This decision reflects SAMA's endeavor to support the finance sector, increase efficiency of financial transactions, and promote innovative financial solutions for financial inclusion in Saudi Arabia. SAMA emphasizes the importance of dealing exclusively with authorized financial institutions. <http://rb.gy/ii982>

SAMA Awarded ISO Certificate for Quality Management System in Legal Services

The Saudi Central Bank (SAMA), on August 02, 2023 represented by the General Department of Legal Affairs, has been awarded the 'ISO 9001:2015 certificate for quality management system in legal services.' The certificate was given in recognition of the Legal Affairs Department's adherence to international standards of quality management system in providing legal advice, legal studies, legislations, contracts drafting, and legal representation. This recognition aligns with the Council of Ministers Resolution No. 713 dated 30/11/1438H, which stresses the importance of developing legal services within governmental entities, and it reflects SAMA's unwavering commitment to excellence. SAMA strives to promote adherence to laws and regulations, thereby contributing to achieving its objectives and executing its mandates and powers as stipulated in its Law. <https://rb.gy/ex19k>

SAMA Completes Connectivity to Ministry of Hajj and Umrah Through 'Tanfeeth' Program:

The Saudi Central Bank (SAMA) on August 08, 2023 announced the completion of connectivity to the Ministry of Hajj and Umrah via 'Tanfeeth' program. The underlying objective is to optimize system connectivity and integration between Saudi government entities and banks operating in the Kingdom of Saudi Arabia, with a view to promoting automation of processes and efficiency of work flows to realize Saudi Vision 2030 objectives. The 'Tanfeeth' program seeks to promote operational efficiency by overcoming procedural hurdles in coordination with the government entities. It is also a step towards achieving SAMA's strategic objectives by upgrading its IT infrastructure for optimizing administrative processes including speed, quality, and integration with the financial institutions operating in the Kingdom. <https://rb.gy/y8z4c>

Commercial Banks' Gallery

Higher Food Prices May be Here to Stay, says BoE Economist

The Bank of England's (BoE) Chief Economist said on August 08, 2023 that higher food prices may be here to stay. Huw Pill said that the rate at which food prices are rising was expected to slow to "about 10 percent by the end of the year". But he warned a return to cheaper food was "something we may not be seeing for a while yet, if in the future at all". The price of food and non-alcoholic drinks rose by 17.4 percent in the year to June. Over the last few months, the food inflation rate has gradually been dropping after hitting a high of 19.2 percent in March, according to official figures. During a public question-and-answer session on August 07, 2023, the economist admitted it was still not a "very comfortable level". It comes days after the Bank decided to raise interest rates for the 14th time in a row in a bid to increase the cost of borrowing, dampen demand and therefore slow price rises.

Inflation remains far above the BoE's target of 2 percent. Mr Pill said food price inflation had been "more long lasting than expected" and there had been "some hiccups" with bringing it down - notably the war in Ukraine and the export of grain out of the Black Sea. Global prices for certain commodities were starting to fall, Mr Pill said.

But he also claimed that some firms had locked in higher prices when the war in Ukraine had first started "in the face of uncertainty", which had led to higher prices on the shelves.

<https://www.bbc.com/news/business-66433014>

Moody's Warning on US Banks: A Wake-Up Call for Sanguine Investors

The slide in US bank stocks this week appeared to catch traders in the options market by surprise, data shows, raising questions over whether bank investors have become a little too comfortable with the sector that only months ago was in crisis. US bank shares dropped on August 08 after ratings agency Moody's downgraded credit ratings of several US regional lenders and placed some banking giants on review for potential downgrade. It warned lenders will find it harder to make money as interest rates remain high, funding costs climb and a potential recession loom. It also cited some lenders' exposure to commercial real estate as a risk.

The warning caught some investors off guard. A day before, options traders' expectations for near-term swings in the shares of two major sector exchange-traded funds (ETFs) -

SPDR S&P Bank ETF (KBE.P) and SPDR S&P Regional Banking ETF (KRE.P) - hit the lowest level since the collapse of Silicon Valley Bank in March, signaling little investor concern about the sector's outlook, data from Cboe's options analytics service Trade Alert showed. On August 08, SPDR S&P Regional Banking ETF's (KRE.P) options-based 30-day implied volatility rose to 31.1 percent, up from 28.9 percent touched on August 07, 2023. At 30.7 percent late on August 09, 2023, that gauge of how much traders expect the shares to gyrate still remains well below the high of 82 percent touched in March.

Investors appear to have made their peace with risks in the sector and were not focused on defensive positioning, either because they had already shed banks' exposure, or were not very concerned about fresh bad news, said Steve Sosnick, chief strategist at Interactive Brokers.

<https://rb.gy/p23ze>

Economic Horizons

SECP, FIA to Collaborate for a Secure Digital Financial System

The Chairman, Securities and Exchange Commission of Pakistan (SECP), Mr Akif Saeed, and the Additional Director General, Federal Investigation Agency (FIA), Mr Ahmed Ishaque Jehangir, on August 08, 2023 held a meeting at SECP's head office to foster effective collaboration and identify areas of shared interest between the two entities. Senior officials from both organizations were present.

The SECP and the FIA have agreed to formalize their collaboration to protect Pakistan's digital financial system from cybercrime and fraud threats through the signing of a Memorandum of Understanding (MoU).

The meeting witnessed constructive discussions and deliberations on several key areas of mutual interest. For illegal deposit taking and illegal lending Apps, it was agreed to appoint focal persons and establish a quick communication channel, as well as regular sharing of information on matters under investigation at respective institutions.

The Chairman SECP informed the FIA team on the SECP's regulatory framework for digital lending apps, as well as efforts to prohibit exploitative practices and assure borrowers' financial sustainability. The framework also requires digital lending NBFCs to disclose fees, loan terms, installments, and charges to borrowers in a transparent manner, Akif added. Companies are also barred from obtaining customer data and are expected to follow ethical and legal standards. The SECP collaborated with Google to implement the Personal Loan App Policy in Pakistan, restricting the listing of unauthorized and illicit apps. As a result,

Google removed 115 illegal lending apps from its Play Store. The Additional Director General FIA, Ahmed Ishaque Jehangir, appreciated SECP's regulatory framework for lending apps and called for training and awareness sessions for officers on digital lending policy. He also agreed to assist SECP in capacity building and establishing digital forensics lab facilities. <https://shorturl.at/mNTW5>

SECP Strengthens Measures to Prevent Predatory Lending in Digital Nano Lending

In order to curb predatory practices and ensure financial sustainability of the borrowers in the digital nano-lending sector, on August 07, 2023 the SECP has imposed exposure limits on digital lenders and borrowers through its Circular 10 of 2023. A maximum limit of Rs 25000/- has been imposed for individual borrowers from a single loan app, and the aggregate amount of loans from multiple Apps has been restricted to not exceed Rs 75,000/-. Further, the loan period/tenor for a nano-loan through personal loan apps has been restricted to not more than 90 days. The exposure limits on borrowers shall promote responsible lending behaviors and prevent borrowers from being trapped in debt cycles due to multiple loans.

In a bid to ensure cyber security and protect sensitive data of borrowers, condition has also been imposed whereby personal loan apps must obtain a certificate from a PTA-approved Category I Cyber Security Audit Firm (CSAF). Moreover, prior to the sign-up process, apps will be obligated to display a pop-up alert in accordance with directives from SECP to inform app users about the terms, conditions, and potential ramifications of borrowing. An in-app calculator for accurate loan repayment computations and associated charges is also mandated.

Several NBFCs licensed by SECP have entered personal loans through digital applications, with a list available on the SECP website. In December 2022, SECP introduced a mandatory requirement for digital lending NBFCs to protect borrower interests by requiring transparent disclosure of fees, loan duration, instalments, and charges. Companies were prohibited from accessing consumer data and required to adhere to ethical and legal standards, including respectful debt collection practices. The SECP has also restricted unauthorized and illicit apps, collaborating with Google to introduce Pakistan's Personal Loan App Policy on May 31, 2023. As a result, Google removed 84 illegal lending apps from its Play Store following SECP's reports.

SECP is proactively evaluating and adapting policies to increase financial access and curb manipulative business practices aimed at safeguarding interest of consumers as well as investors. Going forward, the SECP is considering imposing pricing caps on APRs as well as a total cost cap on digital nano loans after extensive, all-inclusive consultation and coordination with stakeholders, including industry participants. The Circular 10 of 2023 is available at

<https://shorturl.at/flopu>

FBR Surpasses July-2023 Target: A Promising Start for Financial Year 2023-24

Amid all the economic challenges faced by the country, Fed Board of Revenue (FBR) has successfully surpassed the revenue target for the month of July-2023 and has even shown a robust 16.6 percent growth as compared to the corresponding month of last year. As against the set target of Rs 534 billion, net revenue of Rs 538 billion has been collected, despite issuance of refunds amounting to Rs 49 billion. Direct taxes continue to show a remarkable growth of 30 percent during the current month. Inland Revenue Taxes has shown a healthy growth of 18 percent as compared to last July and FBR team is optimistic with regards to sustaining this growth pattern for rest of the year.

FBR has exhibited a promising start for financial year 2023-24 regarding the revenue collection, by putting in an outstanding effort to achieve the monthly tax target despite all the economic headwinds faced by the country. The performance of FBR amidst the current financial and economic turmoil, portrays the unwavering dedication of the tax officials to achieve the assigned target for the current year. <https://rb.gy/bvqib>

Netherlands Wants to Further Bolster Trade & Investment Ties with Pakistan

Ambassador of Netherlands to Pakistan Henny Fokel de Vries, on August 09, 2023 said that her country enjoys strong relations with Pakistan and wants to bolster bilateral trade and investment ties with it. She said this while talking to a delegation of Islamabad Chamber of Commerce & Industry (ICCI) that called on her, led by its president Ahsan Zafar Bakhtawari. The Ambassador said that this year marks the 75 years of bilateral relations between Netherlands and Pakistan. She discussed areas of mutual cooperation between Pakistan and Netherlands, especially in agriculture, floriculture, dairy, livestock & water management and added that Pakistan can learn best practices from the Netherlands in these sectors to improve its economy.

Speaking on the occasion, Ahsan Zafar Bakhtawari, President ICCI said that the bilateral trade between Pakistan and Netherlands had crossed US\$2 billion in 2022, with the trade balance in favor of Pakistan, which was encouraging. He said that the Netherlands is the world's second-largest exporter of agricultural products and it should share its technology, knowledge and expertise with Pakistan for improving our agricultural productivity. He said that Dutch is very strong in cheese and dairy processing and it should cooperate with Pakistan in this sector so that Pakistani companies could diversify into cheese and dairy processing and production. Engineer Azhar ul Islam Zafar, Vice President ICCI highlighted the lucrative economic avenues present in Pakistan in which both countries can further deepen their economic relations. He also spoke about the possible avenues for mutual collaboration between the Dutch and Pakistani businesses. <https://rb.gy/cimtg>



Karandaaz Partners with GBRSP, NIBAF to Empower Youth through Financial Literacy Training

On August 10, 2023 Karandaaz Pakistan, in collaboration with the National Institute of Banking and Finance (NIBAF) and Gilgit Baltistan Rural Support Programme (GBRSP), successfully conducted a comprehensive series of financial literacy training sessions across five districts in Gilgit Baltistan.

These impactful training sessions were held in Nagar, Ganchay, Kharmang, Shigar, and Gilgit, educating a total of 2000 public school students, with an encouraging participation of 52 percent girls. The initiative aimed to educate the youth on key financial concepts for financial well-being.

The comprehensive training program spanning a week, was held across twelve public schools in the region. A total of 27 local government teachers were selected for Training of the Trainers (ToT), enabling them to deliver the training to the students under the supervision of NIBAF, according to a press release issued on August 09, 2023. The initiative aimed to enhance the skills of local teachers, making them a valuable asset for the region's educational ecosystem. To support the initiative, 4,000 books containing carefully curated content on financial literacy for the age group of 13ths to 17th years were dispatched by NIBAF to the participating schools, further enriching the educational experience of the students.

Highlighting the significance of the program, CEO Karandaaz Pakistan Waqas ul Hasan remarked, "We believe that financial literacy and entrepreneurship education are vital for the holistic development of our youth. This successful intervention underscores Karandaaz Pakistan's commitment to empowering the youth and fostering financial inclusion in Gilgit Baltistan. The organization

remains dedicated to implementing sustainable initiatives that equip individuals with the necessary tools for a financially secure future.”

SNIPS

Low AI Uptake

Seven out of 10 employees in the US say they never use AI, while half feel substantially unprepared to use it, according to a survey by Gallup.

Chief Secretary Gilgit Baltistan said, “Karandaz Pakistan’s financial literacy training program in collaboration with NIBAF and GBRSP is a commendable effort to equip the youth of Gilgit Baltistan with essential financial management skills. This initiative will empower our students and contribute towards a financially inclusive and prosperous future for our region.”

Director Digital Financial Services at Karandaz Pakistan Sharjeel Murtaza commented, “An enabled DFS ecosystem can only be as good as its adoption. The lack of financial literacy has proven to be a primary barrier to financial inclusion and it is fully recognized that financial inclusion can only be achieved when the users of financial services not only have access to a range of financial services but are able to use them regularly. Therefore, alongside enablement and market systems development, we at Karandaz have now honed in on the critical aspect of adoption and increasing financial literacy is one of the top priorities.”

Karandaz Pakistan also signed an MoU with NIBAF for increasing financial literacy amongst the youth of Pakistan. This financial literacy training program is the first of many more, aiming to achieve several outcomes.

It seeks to empower students with essential financial management skills, develop entrepreneurial skills and foster an environment of entrepreneurship and economic growth. Additionally, it aims to increase awareness of financial services such as credit, saving and budgeting, digital payments, and the benefits of bank accounts, while paving the way for future financial literacy initiatives in Gilgit Baltistan, ensuring sustainability and continuity.

<https://shorturl.at/axyVW>

SNIPS

Youth Unemployment in China

At least one in five young people in China are unable to find a job, according to Bloomberg.

International Economic Roundup

Italian Banks Hit with Surprise Windfall Tax

Italy has passed a one-off 40 percent tax on the profits banks earns from higher interest rates, in a shock move that has seen shares plummet. A hike in official interest rates has resulted in record profits for Italian banks, prompting the government’s move. Proceeds will be used to help mortgage holders and to cut taxes, the government says. But Italian banks have said the tax on their profits will be “substantially negative” for the sector. The surprise move was agreed by Prime Minister Giorgia Meloni’s ministers at a cabinet meeting late on August 07, 2023. They vowed to invest the funds raised into helping households and businesses struggling with the cost of borrowing. “One has only to look at banks’ first-half profits to realize that we are not talking about a few millions, but of billions,” Deputy Prime Minister Matteo Salvini told a news conference in Rome late on August 07, 2023.

The tax will apply to the net interest income that comes from the gap between the banks’ lending and deposit rates. Around €2 billion (£1.7 billion) is reportedly expected to be generated from the levy, which will be used to fund support for families hit by higher interest rates. Italy’s parliament now has 60 days to pass the tax decree into law. Foreign Minister Antonio Tajani told the Corriere della Sera newspaper the tax was not against the banks, “but a measure to protect families” and those struggling to pay mortgages.

But some European banks have said the surprise move is bad news for the sector. Equity Research Analyst at Citi, Azzurra Guelfi, said: “We see this tax as substantially negative for banks given both the impact on capital and profit as well as for cost of equity of bank shares.” Shares in the country’s two largest banks, Intesa Sanpaolo and UniCredit, dropped by 8 percent and 6.5 percent respectively on Tuesday morning following the announcement.

Shares in Banco BPM, the country’s third-largest bank dropped 8.2 percent, while the state-owned Monte dei Paschi di Siena dipped by 7.4 percent. Other banks including BPER Banca, Banca Generali and Mediobanca were also down. The fallout has had ramifications for other banks, with shares dropping at Germany’s Deutsche Bank and Commerzbank, and France’s BNP Paribas and Credit Agricole.

“The tax that Italy has levied on the excess profits that banks are perceived to be making has come as a surprise and is likely raising concerns that other countries could follow Italy’s example,” said Stuart Cole, chief macro economist at Equiti Capital. Other European countries including Hungary and Spain have imposed similar windfall taxes on banks. In

May, Lithuanian lawmakers backed a temporary windfall tax on banks to fund defence spending, while Estonia is planning to raise the tax level on banks to 18 percent, up from 14 percent this year. A windfall tax is a levy imposed by a government on companies that have benefited from something they were not responsible for - in other words, a windfall.

<https://www.bbc.com/news/world-europe-66440335>



China Exports See Biggest Drop for Three Years

China's imports and exports fell more sharply than expected last month as weaker global demand threatened the recovery prospects of the world's second-largest economy. Official figures show that exports fell by 14.5 percent in July compared with a year earlier, while imports dropped 12.4 percent. The grim trade figures reinforce concerns that the country's economic growth could slow further this year. It will increase pressure on Beijing to help boost the post-pandemic recovery.

China's economy grew just 3 percent last year - apart from the slowdown when COVID struck, the weakest rate since 1976 - reflecting the toll from coronavirus restrictions that remained some of the most stringent in the world, long after many other countries had resumed more normal patterns. A full lockdown was imposed for two full months from March 2022 in the financial hub of Shanghai, home to around 25 million people, with the government delivering food packages to residents confined in their home. Though officials loosened restrictions in November, recovery has remained lackluster. The unemployment rate among China's youth exceeded 20 percent in May and a crisis in the housing sector has damaged confidence.

Weaker economic growth overseas has also reduced foreign demand for Chinese goods, while geopolitical tensions between China and the US and others have taken a further toll on trade, encouraging international firms to shift investments out of the country. July was the third

month in a row that China's shipments overseas have declined, marking the sharpest fall since February 2020 at the height of the pandemic. Exports to the US, one of China's biggest buyers, fell 23.1 percent year-on-year. The European Union also bought 20.6 percent less from China. Louise Loo from Oxford Economics warned that the pressures on foreign trade will linger, as higher borrowing costs and rising living costs weigh on economic activity in other parts of the world, eroding demand for goods. "The backdrop for China's external demand could become considerably more challenging in the coming quarters," she said.

China's position as a major importer also means its sluggish trade performance is likely to have a knock-on effect on the global economy, said Steve Clayton, head of equity funds for investment firm Hargreaves Lansdown. Prices for commodities from oil to copper slipped in response to the news, while shares in luxury goods producers such as LVMH - which have long looked to China for growth - also dropped.

"A weaker China means lower demand in the wider global economy too," Mr Clayton said. "China's woes may well be felt beyond its own shores, underlining the interlinkage of the world's leading economies." China's central bank has cut interest rates in recent months in a bid to boost the economy and regulators have also relaxed their scrutiny of key sectors such as the tech industry. But officials have so far resisted major measures to stimulate the economy. Weak growth means China is not facing the rising prices that have rattled many other countries and prompted central bankers elsewhere to sharply increase borrowing costs.

<https://www.bbc.com/news/business-66436582>

HR TIPS

Keep Your Audience Engaged in Your Presentation

To become an excellent presenter, you need to master the art of grabbing your audience's attention—and holding it. Here are three techniques you can use to engage any audience like a pro.

- **Physical.** Whether you are giving an in-person presentation or conducting a virtual meeting, think about how you can get your audience moving. A simple invitation to "Turn to the person next to you and greet them" or "Raise your hand if X, Y, or Z" can get them involved. Your goal is to turn your audience into participants, not just observers.

- **Mental.** Fight back against your audience’s tendency to zone out or multitask by fostering cognitive engagement. You can do this by asking direct questions, incorporating provocative statements or data, and introducing smart, surprising analogies.
- **Linguistic.** Use language to invite your audience in. Mention participants’ names when you can, and use phrases like “As you know...” or “Today, you will learn...” to directly address the crowd. You can also spur your listeners’ imaginations with phrases like “What if you could...” and “Picture this...” to help them visualize the future, or “Remember when...” or “Think back to when...” to bring them back to the past.

(This tip is adapted from *3 Ways to Keep Your Audience Focused During a Presentation*, by Matt Abrahams – HBR.)

How to Communicate Your Ideas More Effectively

You have great ideas—but they are just not landing with your colleagues. What can you do to communicate your thoughts more effectively? Here are three strategies to ensure your ideas resonate with any audience.

- Think small. Ask yourself: “What’s one idea I can sell to my audience (peer, client, boss, or team) in our next meeting?” You may feel eager to present several options at once, but resist the temptation. Choose your best idea and aim for a small, simple win. It will carry you forward, helping you build momentum and credibility until you are ready to share the next idea...and then the next.
- Keep it brief. Think 10 minutes or less. It is safe to assume that your audience’s bandwidth is limited. Cut down your presentation into one big headline and two or three supporting points.
- Remember that it is not about you. Pitching great ideas is not about advancing your own interests—it is about advancing the team. Put your ego and ambition aside, consider what the team needs, and deliver your idea in a way that the audience will understand.


(This tip is adapted from *What to Do When Your Ideas Are not Landing*, by Anne Sugar – HBR.)

Boost Productivity by Bringing Nature to Work


Studies find that being exposed to nature at work boosts people’s productivity, helpfulness, and creativity—with no evidence of negative side effects. How can you build little moments of nature into your team’s workplace (without breaking the budget)? Here are some strategies that can help. First, give employees opportunities to access the real thing: indoor fountains, natural sounds from the outdoors, and windows with views of gardens, trees, or landscapes. But keep in mind that people benefit from even artificial experiences of nature. Murals, photographs, paintings, noise machines that simulate nature, and artificial plants will give your team a little boost throughout the day. Next, think beyond the office. Encourage employees to spend some time outdoors each day at lunch, after work, or in the morning (if the climate allows). Finally, find unused spaces and put them to use. For instance, you might add some flowers to the office kitchen, or on a larger scale, you might consider planting some trees in your office’s overly industrial parking lot.

(This tip is adapted from *Research: A Little Nature in the Office Boosts Morale and Productivity*, by Anthony Klotz et al. – HBR.)

SNIPS **Disney Park Revival**
The per capita spending at Disney’s parks is now more than 40 percent higher than in 2019, as per Barron’s.



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ALL A VERY HAPPY
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