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Interoperability and the Future of Global Banking

The Changing Role of CENTRAL BANKS IN TIMES OF UNCERTAINTY

A Lecture by Dr Ishrat Husain

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editorial.

Muhammad Mazherul Haq
Editor

If Necessity is the Mother of Invention, Who is the Father of Survival?

On feeling hungry, what we do is that we go find something to eat and start making it quickly if not available in eatable form, or immediately place an online order for its delivery and start waiting impatiently. The wait becomes unbearable as time passes. It is not only the desire of the hungry person who wants the food instantly, it is also common at many other places as well, particularly at fast food restaurants where people start asking for quick service, just after placing the orders.

To address this phenomena, restaurants have started to display the progress of the orders on the screen or they handover a small device to the buyers who collect the order when it is buzzed off or lighted up. Here, the display screen and the buzzer are not the inventions influenced by the desire of people to get food earlier, but that is only an innovative use of those two gadgets which might have been invented to address some other necessity. However, the pressure cooker, microwave oven and lot of other electronic/ manual kitchen appliances fall under the definition of inventions and to some extent they meet the necessity of quick processing/ cooking the food.

What's next now in the case of quick cooking? Is it over? No, not at all. It all depends upon the intensity of the necessity because it is the mother of invention. If necessities are limited, the pace of inventions will be slow or vice versa. In the present scenario when the luxuries are converting into necessities of life at a faster pace, there is an all-time motivation for the inventors to find some new solutions till the desire of the people is met perfectly, which does not seem possible in the real world.

Where do the most inventions concentrate, when and in which area do they appear, it all depends upon the intensity of necessity, as said earlier. Higher the intensity of needs, higher the inventions to come, stand true in each case. If there had been any co-efficient of correlation measured between the two, definitely, it is going to appear close to +1 i.e., both the variables moving in the same direction, and perfectly correlated. The recent inventions in the field of communication are testimony to it. Remember, there always exist outliers and in case of inventions, it also stands true that some inventions happened merely on chance, such as, penicillin: the world's first antibiotic, dynamite, matches and Coca-Cola, etc.

Almost all kinds of industrial revolutions, agricultural revolution, revolutions in transportation, communication, and space exploration, all are closely anchored to the unabated spree of inventions continuing from the distant past till today. Earlier done in isolation and to meet the needs of the royals and affluent people, the benefit of the inventions remained limited and short lived. Presently, the situation has changed altogether, where big businesses and industrial giants across the board make massive funds available for R & D purposes to capture the new and larger segment of the markets. However, in both the eras, necessity, whether induced or autonomous, has been the mother of all inventions.

The human being's thrust for invention and innovation is unending. In the excitement of success, the inventors even forgot to pay the due attention to safeguard the natural resources or the environment. Earlier, their efforts were focused on the betterment of humanity only, but it has now extended to include nature to keep it intact for the coming generations. Previously, no attention was being given on the fallout of any inventions i.e., their harmful impact on the life of human being as well as their any possible degradation to the natural resources.

Like in many other spheres of life, the concept of go-green is also being adopted in the field of inventions where green inventions are also environmentally friendly. There are many green inventions that have been developed to help reduce the impact of human activities on the environment. A few examples of green inventions are: i) Lamp powered by salt water: a lamp that is powered by salt water, which can provide light for up to 8 hours, ii) Edible cutlery made from rice: cutlery made from rice flour, which is biodegradable and edible, iii) Pineapple leather: Leather made from pineapple leaves, which is an eco-friendly alternative to traditional leather and lots more.

When it comes to providing safeguards to the coming generations, the role of the father can never be undermined. A father figure, recognized as a physically stronger person, is usually responsible for arranging food and shelter for the children, necessary for survival. A father is also known for providing his family with a loving and peaceful atmosphere and lead his family toward enjoying a successful, sustainable happy life, enabling future generations to come and enjoy.

A good balance is needed to be maintained in meeting the present needs without compromising the ability of future generations to meet their own needs i.e., the sustainability should never be bargained at the cost of present pleasure and comforts, because if sustainability is not given due consideration in all walks of life, including inventing things, there will be a big question mark on the survival of the future generations which is always of foremost importance in prudent societies. Simply, we can say that while necessity is the mother of invention, sustainability is the father of survival.

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HEAD OF PUBLICATIONS/EDITOR
Muhammad Mazherul Haq

SENIOR MANAGER PUBLICATIONS
Shahla Naqvi
92 (21) 35277 529
publications@ibp.org.pk

Advertising
Muhammad Akram
92 (21) 35277511
m.akram@ibp.org.pk

Design
M. Jahangir Ishaq | S. Haris Jamshaid

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IBP WELCOMES
NEW CHIEF EXECUTIVE

Mr Riaz Nazarali Chunara
CE, The Institute of Bankers Pakistan

Mr Riaz Nazarali Chunara assumed the charge of Chief Executive of the Institute of Bankers Pakistan (IBP) on July 03, 2023 in addition to his present position of Managing Director, National Institute of Banking and Finance (NIBAF) - a training subsidiary of State Bank of Pakistan.

Mr Chunara joined SBP in May 2007 as Director Accounts in SBP Banking Services Corporation. Since then, he worked in various SBP Departments including Currency Management, Finance, Government Banking, Internal Audit and Compliance. In January 2019, he was deputed as Managing Director NIBAF. He has also been associated with different committees entrusted with different tasks and has represented at various national and international fora relating to the functions of SBP.

Mr Chunara is a fellow member of The Institute of Chartered Accountants of Pakistan (ICAP) and The Chartered Institute of Management Accountants (CIMA), UK. He started his career with Unilever Pakistan. After leaving Unilever as Controller Ice cream, he moved to work for several multinational organizations in Kenya and Tanzania before leaving East Africa as Regional Manager Finance for Aga Khan University campuses in East Africa.

He has been serving in various committees of Institute of Cost and Management Accountants of Pakistan (ICMAP), ICAP and CIMA UK and is currently part of the Education and Training Committee, Public Sector Committee and Digital Accounting and Assurance Board of ICAP.

Since Pakistan's banking and financial business is on rapid increase in the backdrop of record growth in population which has now reached around 250 million people, there exists an enormous potential to thrive in the banking and finance sector. This expansion, however, could better be managed by adopting the latest IT-based techniques to cope up with the challenges posed by digitization of the banking transactions. IBP and NIBAF (presently in the merger phase to come up as a single training entity working under the aegis of SBP) are jointly serving the industry to create learning opportunities and attaining more accomplishments.

We are happy and honored to have Mr Chunara head the IBP team and are confident that under his worthy guidance, the collaboration of IBP and NIBAF will drive their mission(s) forward, striving to reach greater heights, and improve operational efficiency in both organizations, allowing them to better serve the training needs of the banking and financial sector, when they are merged together.

TRAINING ROUNDUP

JULY - SEPTEMBER 2023

During the quarter July - September 2023, IBP conducted 31 Regular and 9 Customized trainings and e-Learning programs. More than 730 participants were trained during this period.

The Institute has also conducted below mentioned certification programs:

- Certification in Trade Based Money Laundering, 12 participants benefited by this program;
- Certification in Foreign Trade Operations, 11 participants attended this training;
- Certification in Data Analytics with Python, 14 participants attended this training.

Significant topics of trainings included: Prudential Regulations for SME; ESG (Environmental, Social & Governance) Framework; GoAML Reporting of STRs & FMU Guidelines; Creating Dashboard Using Microsoft Power BI; Cloud Computing and SBP's Framework on Cloud Services Outsourcing; Risk Quantification Techniques & Capital Management; Reporting of Foreign Exchange Returns Through Core Banking System; Advance Credit Administration and Collateral Management; Money Laundering and Terrorist Financing Risk in Designated Non-Financial Business and Professions (DNFBPs).

ASSESSMENTS UPDATE

During the quarter July-September 2023, IBP has held ISQ JAIBP Fast Track Stage 1 for Mobilink Microfinance Bank & ISQ JAIBP Fast Track Stage 2 for Bank AL Habib. IBP has also organized Recruitment Tests for the Bank of Punjab & Sindh Bank Limited along with 2 Promotion Tests & nine post-training assessments for its multiple clients. More than 3000 candidates were assessed during this quarter.

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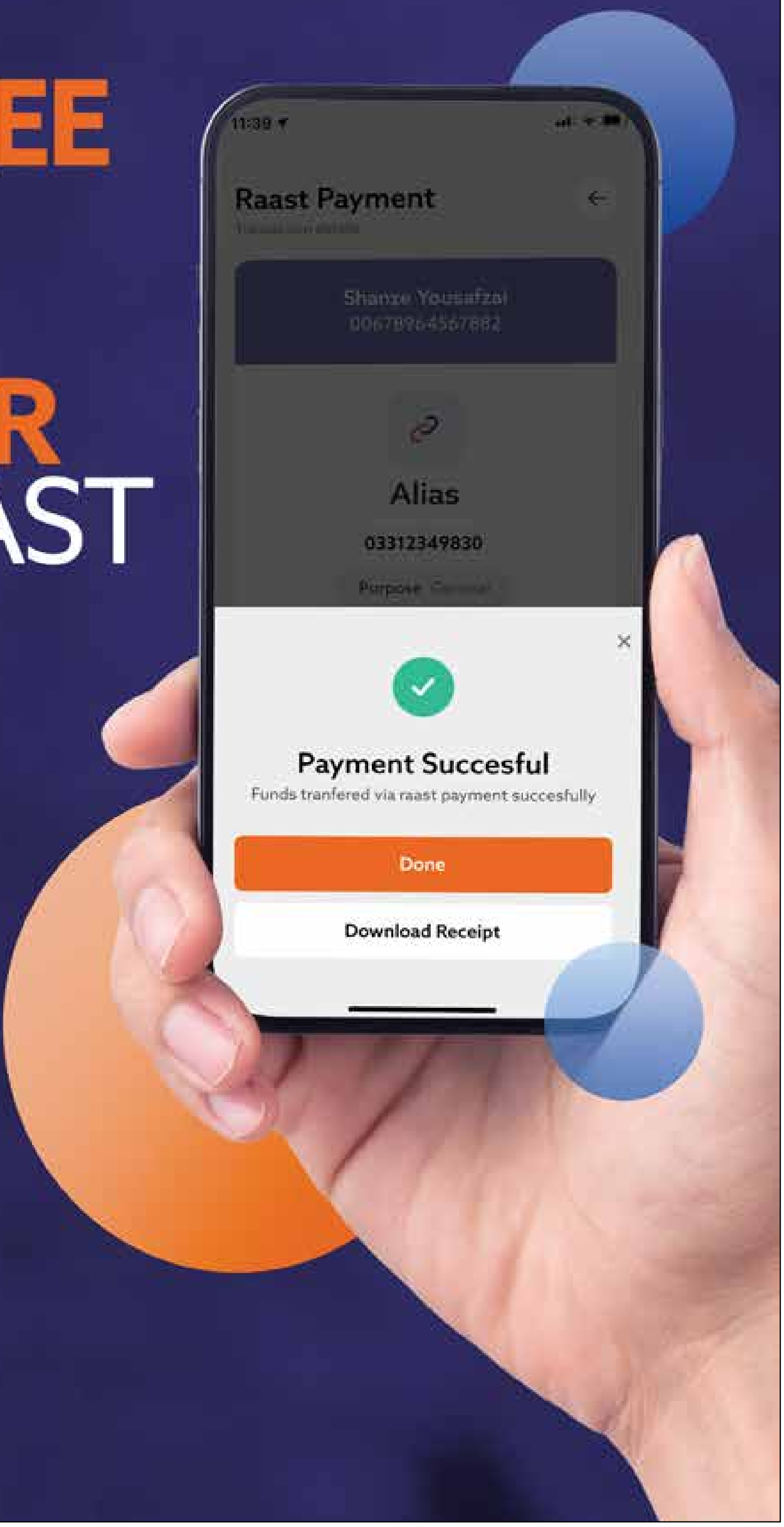

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HIGHLIGHTS OF MARKETING & SALES ACTIVITIES

July - September 2023

IBP has been the premier knowledge leader for the financial sector since 1951. With the goal of ensuring continuous learning and development of human capital serving in the banking sector, IBP has designed and launched diplomas, certifications, eLearning, customized trainings, and capacity assessment tools.

The Marketing and Sales team has started collaborating with universities for ISQ Fast Track for Universities after receiving authorization from the competent authority. The ISQ Fast Track MOUs with Islamia University Bahawalpur, G.C. University Lahore, The Institute of Management Sciences (IM Sciences) Peshawar and the University of Karachi have been successfully inked this quarter by Marketing & Sales, which runs from July through September 2023.

ISQ JAIBP Stage-1 examination for Bank Alfalah Ltd was successfully conducted by the Marketing & Sales team during this quarter for their 21 MTOs via ISQ Fast Track approach. In addition, the ISQ JAIBP Stage-1 exams were taken from 41 employees of Mobilink Microfinance Bank Limited and 56 participants from Bank Al Habib Limited successfully completed the ISQ JAIBP Stage-2 examination. Under the ISQ Fast Track pathway, online examinations were conducted from these banks, which is another milestone for IBP. Another MOU was signed between Agahe Pakistan and the Institute of Bankers Pakistan (IBP) where IBP is to provide customized trainings to the employees of Agahe Pakistan for their capacity building in different cities as well as registering their employees in IBP's Branch Management Development Program (BMDP) for Microfinance sector.

The Marketing & Sales team organized a customized, three-day course on microfinance capacity building for Agahe Pakistan staff in this quarter. Additionally, using a pre-booking model, two additional tailored trainings were organized in Rahimyar Khan on "SBP Currency Management Guidelines and Penalty Structure for Banks" and in Gujrat on "Legal and Regulatory Requirements in Accounts Opening with Special Reference to AML/CFT-KYC", where various banks designated their regional employees.

A certification program for Cash officers (2-days training session) and General Banking officers (5-days training session) for Sindh Bank Limited was also organized by the Marketing & Sales team in Karachi and Lahore. IBP has also been successful in concluding an annual arrangement with BOP for providing e-learning solution to all BOP employees, beginning from July 2023.

The Marketing & Sales team set up the assessment tests were conducted which includes Galaxy MTO batch for the Bank of Punjab (BOP), Operation Managers Certification Program (OMCP) for Bank AL Habib Limited, and written assessment test for NBP overseas job position. A promotion test was also conducted for the Bank of Punjab (BOP) employees during this quarter.

The Changing Role of

CENTRAL BANKS IN TIMES OF UNCERTAINTY

A Lecture by Dr Ishrat Husain

The Islamic Development Bank Institute (IsDBI) in Jeddah, Kingdom of Saudi Arabia, organized a public lecture on August 17, 2023 titled 'The Changing Role of Central Banks in Times of Uncertainty,' delivered by Dr Ishrat Husain, a former Governor of the State Bank of Pakistan. He also served on a number of important positions nationally and internationally, including as Dean of the Institute of Business Administration, Karachi. Dr Husain, a distinguished economist and experienced central banker, discussed the current global economic trends and challenges, and the heightened responsibilities of central banks during periods of economic turbulence and uncertainty.

The relevant excerpts from Dr Ishrat Husain's lecture have been transcribed from the lecture video and reproduced with permission from The Islamic Development Bank Institute (IsDBI) for the interest of our readers, to help them develop insights and learnings of the roles and expectations from the central banks in a time of economic uncertainty, that might shape the discourse of central banking in the near future.

Compiled by Shahla Naqvi & M. Abdul Basit Adil*

My topic today is itself very uncertain because we don't have a 20/20 vision in order to foresee as to what is going to happen in the future. So with that limitation in mind I would start with what our cumulative knowledge is and where we look at things as of August 17, 2023.

SOURCES OF UNCERTAINTY

I'll start with the sources of uncertainty, I have my own list but each one of you may either add or subtract to this list, this is not a definitive list, this is more of a tentative list which I want to humbly present and share with you and we can have discussion on the sources of uncertainty.

It is one of the difficulties with this particular period of uncertainty that we are unable to assign probability distributions with each one of these sources of uncertainty, so there is no additive or linear function as far as the sources of uncertainty are concerned.

There is very much of interactive actions and interactive impacts which endogenize some of the decisions, making it quite difficult and very complex. So, previously we have a single source of uncertainty, Global Financial Crisis, COVID-19 and you could handle this. But this is an amalgam, combination of many sources and therefore specifying what kind of the function we have, is quite difficult in assigning the probability distribution.

Scope and Mandate of the Central Banks

In the world there are some independent central banks mostly in the advanced countries. There are some semi-autonomous central banks in emerging markets and there are some very much controlled central banks which belong to the bureaucracy of the government. So the response capacity of each one of them will vary according to the scope and mandate of the central bank.

So that further complicates as to what the role of the central bank should be. My major thrust, because of my background, would be on the emerging markets and the poor countries. I am not so qualified to probe into the advanced countries and how they are going to tackle. Let me start with the sources of uncertainty to set the ball rolling.

Eight Major Sources of Uncertainty in the Future

1. Macroeconomic Instability at Global Level

You have a struggle between controlling inflation and at the same time trying to keep the wheels of the economy rolling and unemployment under control and that is what happening today. IMF has come up with a slow growth scenario in order to combat inflation and this macroeconomic instability will have serious repercussions for the developing world because almost 50 percent of the global output today originates from the emerging markets and the developing countries. We are living in a very highly interdependent global economy.

2. Geopolitical Risks

So far, after the collapse of the Soviet Union, we had a single sole power center which was the United States, but lo and behold! Now we have another center which has emerged as a competitor to the United States, so we are now talking not only of the unipolar world or bipolar world, but now we are talking about the multipolar world. The Ukraine-Russian War which came to most of us as a surprise is as a very clear manifestation of what the multi-polar worlds would look like. What is unfortunate is that the countries which were pleading us in the 1990s and 2000, up to 2010 till Trump, to open up our economies, to liberalize our international trade, to opt for financial integration, are now moving inward and protecting their own economies. They are not allowing the Chinese to sell their technologies or their products, there are export controls and they have subsidies they used to condemn the industrial policy. Now they have got huge subsidies for domestic manufacturing of chips and semiconductors and so many others, so they are now retracing their path because of this geopolitical risk, which will have repercussions also for us.

3. Rising Income Inequalities

My third and more depressing source is rising income equalities. It has the implications for social cohesion and trust. Social capital and trust are very important ingredients of any economy. Once you lose that trust and when you have too much polarization, where 50 percent of the bottom poor population have the same wealth as the top one percent of the population, then that is a recipe for social unrest some way or the other, and that trust and the social capital which glues the economy is completely disappearing. To me, this

> **"What is unfortunate is that the countries which were pleading us in the 1990s and 2000, up to 2010 till Trump, to open up our economies, to liberalize our international trade, to opt for financial integration, are now moving inward and protecting their own economies."**

is very serious. Even China and India, which have done extremely well as far as economic growth is concerned, have more billionaires and dollar terms today than they had 10 years ago and the number is growing every year.

While the Uttar Pradesh which is the largest state in India which is called UP, it has only $910 per capita income compared to $4000 and $5000 in the southern states and Maharashtra and Gujarat. Bihar is even much worse than Uttar Pradesh, 210 million people live in Uttar Pradesh itself. Look at India's growth which has been phenomenal since 1991 but distribution of that growth has been very skewed both regionally as well as internally. China is the same thing, look at the coastal provinces, they are in a completely different league as compared to the Western hinterland. To me, as an economist who believes in the broad-based economic and social development, this is very disconcerting.

4. Demographic Shift

The developing countries particularly in Asia and also in sub-Saharan Africa have larger population below the age of 30. On the other hand, you have countries like Japan and Korea where the dependency ratio is increasing. Japan has now negative 0.7 percent growth rate in the population. Korea is going to go in the same direction. China has lost its position as the number one most populous country to India, and I think China is also going to have this high aging population. So you have an aging population but you have higher youthful population in the developing countries. The anti-immigration policies particularly in the European countries is giving rise to the rightest political parties who are anti-immigration. Now it is in the interest and Japan has really woken up. Japan is now being racially, culturally, ethnically a pure country, It has decided to open up its borders to the developing country professionals and skilled labor. They are still not allowing the unskilled labor to come in, like the Gulf states do, and that I think is a source for developing countries to invest in their youthful population; prepare them for skills sets which are in demand in countries like Korea and Japan and then it will be China and then it will be Europe. So that is something which we have to do ourselves as a policy and institutional imperative.

5. Huge Information Explosion

The huge information explosion going on is completely unfettered. You have the social media which is now shaping the opinions and also influencing the policy makers and you have a danger that the policy makers may accept that opinion as a true reflection of the reality and take distorted or incorrect decisions which will harm the society in the countries. So sifting out of the information from true facts to the fake and misinformation is a huge task for the policy makers. I don't think — having spent the last three years as a member of the cabinet—I don't think we are equipped to do that. We are just so responsive to the social media that we don't try to make sense out of that information because that is very powerful too which is coming up, and this is dangerous as far as the future decision making is concerned.

6. Acceleration of Major Advances in Science and Technology

Information technology, ChatGPT, genetic engineering, the challenges of cyber security—which is more powerful than commercial warfare to disrupt the economies, machine learning and artificial intelligence, quantum computing, they can all be very beneficial for the society and at the same time they can be harmful. Where the equilibrium sets, we don't know! I'm delighted that a lot of Pakistani female doctors—and we used to produce 80 percent of females as doctors, as compared to 20— but they didn't participate in the labor force. They withdrew from the labor force for maternal reasons. They have now come into the telemedicine because of the artificial intelligence and the kind of technology which is available. So even the rural areas now have access to very advanced advice and diagnostics as far as the medicine is concerned. But the ChatGPT, on the other hand, has encouraged plagiarism for the term papers, for the research papers, and the teachers are in a very difficult situation as to how they differentiate between the original contribution and the plagiarized contribution through the ChatGPT. So you have both the positive impact as well as the negative impacts of technology. And in genetic engineering, you can replace now splicing the genes and create a perfect human being...and lose their diversity and the richness of the human beings. That is a question we have to address.

7. Risks of Climate Change

The evidence is overwhelming that we are going to have serious difficulties particularly in food, energy and water nexus as far as climate is concerned and we have seen this. Pakistan had floods which created losses of $32 billion, displaced millions of people, and destroyed our crops. We never had such kind of torrential rains, we didn't have this kind of glacier melting all together, so we are witnessing and it's not something in the distance. But at the same time, we have 800 million people below the poverty line, so the World Bank (WB), Asian Development Bank (ADB) and Islamic Development Bank (IsDB) are all being told to shift their lending instruments and their volume of assistance towards the climate, which is fine. I have no problem with that, but is it at the expense of development financing, which we still need for poverty elevation, for investment in human capital, for building infrastructure in the poor countries, if it is going to be because the resources are limited. Are we going to shift our resources from development to climate change?

I'm very worried about it because that means that more people would be at hunger, illiteracy, poverty and we are going backwards rather than going forward.

8. Poverty Alleviation

I emphasized earlier that this whole 25-year period from 1990 to 2000, I would say 20 years, 2010 was a glorious period for developing countries where they increased their share in global GDP. They reduced the poverty from 2 billion to 800 million, they also were able to increase their share in the world international trade because international trade was growing twice as much as a global GDP. So you had countries which had liberalized a trade. China is a very good example of that who captured the market shares. China, now today, is the largest exporting nation in the world. So this process of globalization, in my view as an economist, has really been a very positive influence on raising the standards of living.

Well, what is happening since 2010 after the global financial crisis and the COVID-19 is that the forces of de-globalization are becoming more active. That has a serious, in my view, negative impact on the future growth and development of the poor countries particularly in sub-Saharan Africa who are still suffering from major disabilities of economic growth and they need our support in trade and financial integration. Look at how the migrants are being treated. We have ships capsizing, we have refugees who are being completely ignored by the developed countries and this is something which is a reflection of the poor state of economy. So is de-globalization going to accentuate at the same time when the developed countries are very much hesitant to accept the immigrants? As I said, Italy now has a righteous party in power and Spain just had an election where I think they will have to use the coalition government in combination with the righteous parties.

So having identified the sources of uncertainty where the central banks have to adapt themselves, this is just not the role of the central banks what I have sketched out, it is a joint effort of the governments, the private sector, the civil society, the academia, the financial markets, everybody, when we put our heads together then we will be able to get into a viable approach —I'm not saying *solutions* because you don't know what the solutions are going to be—viable approach, to tackle these uncertainties.

IS GLOBAL GOVERNANCE STRUCTURE REALLY GEARED TO MEET THESE CHALLENGES?

We have a United Nations but we have a decision making which is concentrated in the hands of the five countries. They can veto things which they don't like. The representation of the developing countries, the emerging countries is completely lopsided. You have international financial institutions which are also heavily dominated by the countries which have the money to subscribe to the capital of these countries. We have a World Trade Organization where the dispute resolution machinery has been out of gear for such a long time that the disputes are not being settled.

So, while the challenges are formidable, the governance structure at the global level is completely inadequate to meet these challenges. So to expect that the central banks alone will be able to play a role which will impact or mitigate or address these uncertainties is unrealistic, in my view. Therefore we have to be very, very modest and very humble that we don't put too much burden on just one set of institutions.

> "Social capital and trust are very important ingredients of any economy. Once you lose that trust and when you have too much polarization, where 50 percent of the bottom poor population have the same wealth as the top one percent of the population, then that is a recipe for social unrest some way or the other…"

Although, the history of the central banks, in my view, has been very impressive. As you start looking at the oil pricing crisis of the 1970s and because of that there was a huge spate of inflation all over the world, particularly in the United States, the central bank came to establish itself as a competent non-political, non-partisan institution which had one single objective in mind which was to suppress the inflationary tendencies and to anchor the inflationary expectations.

Fighting Inflation

That is Paul A. Volcker's leading role as the Chairman, Board of Governors of the Federal Reserve System, which was followed by others. Then came the European Central Bank which combined all the European central banks and has been a very effective and very powerful institution. So the central banks had been recognized as a force as far as fighting inflation was concerned. But to me, coming from a developing country, inflation is not the only concern we have. We have to accelerate the rate of economic growth whereby our youth can find employment and also we have to fight inflation. So there are three objectives:

- How to sustain or accelerate economic growth to create jobs,
- Reduce unemployment,
- Reduce inflation.

Trade-offs

That has become a very complex and a very difficult proposition for the central banks. Especially in developing countries. Even if you look at the FED, it has both the inflation fighting as well as economic recovery as their mandate, so it's not just one or the other. Here lies the difficulty and I would like to point out some of the trade-offs which the central banks in future, given these uncertainties, have to face.

1. **Inflation and Unemployment**

   First of all whether the Phillips curve — the relationship between unemployment and inflation—remains valid in developing countries or not, both historically but more important under the future trajectory, because as I pointed out, the historical data which we use in our econometric analysis is not indicative of what is going to happen in the future because you have paradigm shift. Capturing that into the equation where we decide where the balance lies between inflation and unemployment is something which is a big trade-off which we do not know how to tackle at this moment.

2. **Public Sector Capital Expenditures on Human Capital Formation on Infrastructure**

   The second part of the trade-off is, as I said as a development economist, I want public sector Capital expenditures on human capital formation on infrastructure but at the same time we have to keep the fiscal deficit under control, so that it's not monetized and therefore transforms itself into high-powered reserve money, which then fuels inflation. So do we cut down on capital expenditure in the poor countries where the literacy rate is still so low and where the productivity lacks behind because of the poor human capital? Or should we accommodate some of the inflationary tendencies? What is the midpoint between? We don't know that, but this is a trade-off.

3. ***Pakistan: The Economy of an Elitist State***

   Whether we accept it or not, most of the developing countries—including my own—and my book called *Pakistan: The Economy of an Elitist State* shows that the elite classes in most developing countries have captured the decision making. That means that if you do targeted subsidies only aimed at the poor you are able to contain your fiscal deficit but the elites want subsidies for everything. They want for petroleum products, they want for electricity, they want for gas, they want for industrial production. Now the resources are limited, if you do these across the board subsidies, you can't do it for the poor because the poor will suffer but the decision making, unfortunately, is in the hands of the elite class.

4. **Financial Stability Vs Price Stability**

   You have financial institutions, if you put too much burden on the financial institutions then all your financial soundness indicators like your capital adequacy, non-performing loans, and liquidity are all going to be affected if there is a contraction of economic activity because of the price stability.

   Your financial stability is also under threat and how to create a balance between the financial stability and prices stability becomes even more complicated when you bring financial inclusion.

Islamic Financial Inclusion

And I consider Islamic Finance to be a pillar for financial inclusion if you really want to follow the spirit of Islamic Finance. This is a very important instrument for financial inclusion but are we actually doing what we are supposed to do under the Islamic Finance? In Pakistan, where I started the Islamic Finance in 2001, now this is 22 years later, the medium and small industries— they're small farmers the low-cost housing the women entrepreneurs and the employees who are getting consumer goods they used to account, for at my time, they used to account for almost 30 percent of all advances with the private sector. Despite Islamic Finance has now grown to 20 percent, the share of these sectors which I called an underserved or unserved sectors, has gone down to less than 10 percent.

So are we going towards financial inclusion are we actually doing what we are supposed to do in the Islamic Finance? No. We are following what the conventional banks are doing, just putting whistles and bells to make them Shariah compliant, but the actual split of the Islamic finances that is equity and that is not being followed by our own industry.

So financial stability, if you ask me, is lacking because of the financial inclusion, but the price stability then hits it even further because your earnings your non-performing loans all the financial soundness indicators are affected.

The other problem is that our productive capacity of real sectors in the economy because of the central bank's roles on financial development, has now shrunk or has remained static. While as the disposable incomes rise, your aggregate demand for goods and services rises. And because your aggregate demand is rising but your supply is constrained, this demand spills over into imports and when you have higher imports you have current account deficits which are widening and in order to fulfill the current account deficit gaps, finance them, you have to borrow externally and therefore your debts are also going up. So, if in the future you don't increase your supply and that is through the economic growth, and I pointed out that central banks are so much obsessed now even in developing countries with the price stability, that they do not realize the unintended consequences of neglect of economic growth because your supply is not increasing domestically, productive capacity and you are giving rise to the deficit on external account and therefore, putting pressure on your balance of payments as well as borrowing.

5. Renewable Energies or RE-OPEC

And finally I would say that after Ukraine-Russia War as the prices of fuels and fiber fuels and fertilizers increased, the demand for the fossil fuels has actually gone up and you have an institutional arrangement of all the fossil fuel producers, which is OPEC. They have taken steps to reduce the production in order to raise the prices. The prices now have gone up to 85 dollars but there is no concerted effort or institutional arrangement whereby renewable energy producers can come together and say, well, if we want to replace the fossil fuel producers, this is what we should be doing. OPEC is there but there's no Re OPEC which is for renewable energies. This is a huge gap and I think the OPEC will continue to be powerful because the demand for the fossil fuels is not declining and the renewable energy is not moving ahead on the same direction.

So these are the trade-offs which as I said, the central bank has a role to play, but it's not the only actor. It is to be a combined effort of the governments of the private sector of the civil society and the central banks and the banking and the financial sector.

Now finally, what should we be doing, despite us knowing that this is going to happen? These are the uncertainties and somehow or the other we may face them under crisis, from time to time. We can't predict when the next crisis is going to happen but there will be a crisis because of these uncertainties.

SUGGESTIONS

I don't have all the answers but I have some suggestions for all of you to consider and think about.

- The central banks have to develop their own capacity internally in new areas of expertise data analytics, machine learning, and artificial intelligence in order to improve their instruments of surveillance in order to get business intelligence. It's not enough to get the reports from your banks and rely upon them there's now huge information outside the banks which is available if you look at Bloomberg, if you look at MNBC you can pick up very pertinent pieces of information...you have to invest in business intelligence.

- The stress testing which we all do should not be only deviations from the assumptions on the macroeconomic parameters but they have to take into account Black Swan events —global financial crisis no economist was able to predict, but it happened and it completely shattered the global economy. COVID-19 is a black swan effect and it disrupted the economy in a very fundamental ways and the again the central banks came to the rescue. They provided the stimulus packages, they brought interest rates down to almost zero, they provided financing for employment, and they did a lot of things, but no stress test was done before COVID-19 in order to predict that if this happens what are we going to do. Similarly, the disruptions of technology and climate change — I haven't seen any central bank deciding that, 'Look if the climate change goes in this direction, what is its repercussion on the financial and the price stability?' So they have to be very, very alert on this one.

- Our monetary policy transmission mechanism to the financial system as a whole and to the real economy is now imperfect because shadow banking is coming up and shadow banking is a big player through digital banks through peer-to-peer lending through crowdfunding. EdFinancial is a tech company but look at the lending they do based on the machine learning and artificial intelligence on the patterns that their scorecards are being used by the banks in order to provide the lending. So this is a tech company.

  Fintechs for example are going to completely disrupt the whole process of the transmission of the monetary policy because we assume that the monetary policy channels are through what I call as, the regulated entities, which are the banks or the non-bank financial companies but there are a lot of players and the shadow banking which are outside.

- ...the central banks have to remain alert, agile and nimble and they have to be very proactive. Having belonged to this fraternity, I can tell you that we are more conservative, we are more reactive, we are more complacent, we are more laid back—we are not proactive. We are not nimble, we are not agile and we have to change our behaviors and attitudes to anticipate. We may not succeed all the time but at least we should try to anticipate as to what is really going to happen.

"While the challenges are formidable, the governance structure at the global level is completely inadequate to meet these challenges. So to expect that the central banks alone will be able to play a role which will impact or mitigate or address these uncertainties is unrealistic in my view."

> **"...the central banks have to remain alert, agile and nimble and they have to be very proactive. Having belonged to this fraternity, I can tell you that we are more conservative, we are more reactive, we are more complacent, we are more laid back— we are not proactive.**

The other thing which we found is that the monetary policy alone is not sufficient but it's quite powerful if it is coordinated with the Regulatory and supervisory measures, for example on the macro prudential instruments that reinforce the policy impact and credibility. For example you have a statutory reserve requirements, you have cash reserve requirements, you have OMOs, and you have many other macro prudential. You can coordinate them with the monetary policy. The outcomes are going to be much better because as I said the monetary policy is living out some of the main players in the shadow banking.

So the coordination is good that the central banks are now given the authority of the supervisory and Regulatory.... Germany for example still has a Bundesbank and BaFin which are quite separate. They have to come together in order to be a central uh coordinated entity where the monetary policy supervisor and regulatory decisions are taken together.

- The central bankers by their temperament by their nature have been very evasive of communicating with the stakeholders and especially the General Public they have been talking in language which very few people understand. .... Because once you say words you're held accountable for results and if the results are at variance with what you had committed or you had spoken then you are in trouble...Today's world is all governed by communication by social media, by electronic media. Print media, of course, is not very important so if you don't tell them what you're doing you are not able to get your message across and the behavior of the players of the stakeholders who are affected by your policy interventions do not know as to what they should be doing. So to bring about the behavioral change it is necessary that there should be effective communication.

  ...even when I was a governor, the world was not dominated by WhatsApp and Facebook and Twitter and Instagram. Today, I mean what happened to the Silicon Valley Bank, thanks to Trump, they took away the supervisory Authority of the SEC from looking at the middle bank but what triggered the run on the bank was just on mobile banking because mobile banking now is the most prominent role as far as the banking transaction circles. The people don't go to the brick and mortar branches anymore... you go to Kenya you have M-PESA everywhere. Everybody just has M-PESA accounts and all the transactions are taking place. In India for example, the vendors who are selling their fruits they have QR codes and you can pay through the QR codes. So that I think is where the effective communication by the central banks would help.

CONCLUSION

The valuable insights of the lecture offered by Dr Ishrat Husain may be summarized as follows:

Dr Husain highlighted the need for collective action among governments, the private sector, civil society, academia, and financial markets to address the complex global economic challenges. He specifically emphasized the importance of bridging wealth gaps, investing in the younger generation, combating misinformation, and balancing climate and development financing.

Dr Husain also shed light on the trade-offs faced by central banks, such as the need to balance curtailing inflation with preventing unemployment and managing fiscal deficits with financing development.

He emphasized the potential of Islamic finance for financial inclusion but expressed concerns about some current practices that do not fully adhere to the true ideals and principles of Islam. Dr Husain called for stakeholder collaboration to address the issues so as to strengthen the role of Islamic finance in promoting sustainable economic growth.

On charting the way forward, Dr Husain suggested that central banks develop expertise in data analytics and artificial intelligence to enhance surveillance and the ability to gather information from diverse sources. He emphasized the importance of incorporating black swan events in stress tests and addressing challenges posed by shadow banking and digital platforms. Additionally, he advocated for a proactive approach, coordinating monetary policy with regulatory measures, and improving communication with stakeholders.

Dr Husain emphasized the need for central bankers to improve their communication with stakeholders and the public, as effective communication plays a vital role in maintaining stability and trust in the financial system.

A lively question-and-answer session explored the issues and challenges further with practical examples of solutions and ways forward for shaping the evolving role of the central banks.

Overall, Dr Ishrat Husain's lecture served as a call to action for stakeholders to come together, find viable solutions, and navigate the global economy's complex challenges to foster inclusive and sustainable growth.

Earlier in his introductory remarks, Dr Sami Al-Suwailem, the Acting Director General of IsDB Institute and Chief Economist of the IsDB Group, highlighted the importance for central banks to explore new approaches in light of the continuous cycle of worldwide crises.

Dr Mansur Muhtar, IsDB Vice President for Operations, highlighted the importance of the central bank's supervisory role and sovereign decisions, providing them more power and holding them accountable with openness and transparency.

Dr Zamir Iqbal, Vice President of Finance (Chief Financial Officer), in his closing remarks, acknowledged the significant contribution of Dr Ishrat Husain to the IsDB and in promoting the Islamic finance industry in Pakistan. He thanked Dr Husain for his contribution and collaboration with IsDB in various capacities.

The readers may like to listen the proceedings of the lecture through browsing the link: https://tinyurl.com/9sn45hhd

Source: https://shorturl.at/lrBC4

DISCLAIMER

The views shared in this lecture are not necessarily those of the IsDB's Boards of Executive Directors or the countries it represents.

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*Shahla Naqvi and Muhammad Abdul Basit Adil are engaged as Senior Manager and Assistant Manager, respectively at the Publications and Communication Department of IBP.

Dr Ishrat Husain

As the thirteenth governor of State Bank of Pakistan (SBP), Dr Ishrat Husain served two terms in the office. Prior to his appointment in SBP, he served as Director Central Asian Republics; Director, Poverty and Social Policy Department; Chairperson, Public Sector Group; Chief Economist, East Asia and Pacific Region; Chief of the Debt and Finance Division and Resident representative, Nigeria, for World Bank.. He is involved in various projects with Islamic Development Bank (IsDB).

He served as the Additional Deputy Commissioner (development) in Chittagong, Bangladesh. He was also a member of the Pakistan's panel of economists for five-year Development plans.

Dr Husain has maintained an active scholarly interest in development issues. He has authored two dozen books and monographs and contributed more than 40 articles in refereed journals and 34 chapters in books. His book *Pakistan: The Economy of the Elitist State* published by Oxford University Press is widely read in Pakistan and outside. His latest research and writings are focused on CPEC and his book *CPEC and Pakistani Economy* has been published by the Centre for Excellence on CPEC in May 2018. He is regularly invited as a speaker to international conferences and seminars and has attended more than 150 such events all over the world since 2006. He has chaired or served on the Boards of several research institutes, philanthropic and cultural organizations.

Dr Husain obtained Master’s degree in Development Economics from Williams College and Doctorate in Economics from Boston University in 1978. He is a graduate of Executive Development program jointly sponsored by Harvard, Stanford and INSEAD.

INTEROPERABILITY AND THE FUTURE OF GLOBAL BANKING

The rise of FinTechs has been well documented. These smaller, more nimble FS players can respond to changing consumer needs with greater agility than the more cumbersome traditional financial institutions. But as the banks adapt to a changing landscape, what will the future look like for the sector, and how will interoperability be achieved?

FinTechs, the rhetoric goes, have the agility to innovate technological solutions in a way that many traditional banks rarely can, often due to the banks' size and the essential role they play in economic stability. However, both FinTechs and banks are increasingly appreciating the need to work together to ensure interoperability – the capacity for divergent computer systems to exchange information effectively – does not get lost in a burgeoning tech landscape.

"The opportunity for the traditional financial institutions has become clearer in the past few years," says Nicola Anderson, CEO, FinTech Scotland, a cluster management organization bringing together large and small financial companies to drive innovation.

"The pandemic has accelerated the need for us to progress digital financial services, and to better serve customers and businesses. We're seeing FinTechs partner with banks and large financial institutions to develop the services that consumers will come to demand."

Open Banking Points the Way

Anderson believes the benefits of collaboration are clear for both FinTechs and larger financial institutions.

"We have so many lessons that we can lift from the Open Banking experience across the UK. That created an opportunity to drive better interoperability. The principles of standardization, consistency and collaboration have enabled Open Banking to become a potential gamechanger for us all," she adds.

"The FCA [Financial Conduct Authority] has recently started to do more to progress Open Banking, and that's an exciting opportunity to explore other vital products and services that could be opened up for better innovation. The UK government is carrying out lots of work with the pensions dashboard, that would allow customers to become more financially resilient. There are also discussions around digital ID. That kind of capability could help uncover opportunities for true interoperability."

The government is currently developing plans to make all state and private pension information accessible all in one place via digital dashboards. This will oblige pension companies to link up to a centralized database, which would represent a significant step towards greater interoperability.

In many cases, the driver for that interoperability is demand from businesses looking to exploit the benefits, adds a spokesperson from LendingCrowd, the Edinburgh-based FinTech lending platform for SMEs.

"Access to real-time financial data can deliver tangible benefits to businesses. Most users see the ability to connect a bank account as an important feature of cloud accounting, which helps them gain more immediate and accurate insights into their financial position," explains the LendingCrowd spokesperson. "API platform Salt Edge says SME lending offerings have also been improved by embracing Open Banking. Lenders can gain instant insight into a borrower's financial wellbeing and rapidly make a well-informed credit decision."

Overcoming the Barriers

As the frontiers of digital banking open up, the need for interoperability has never been greater. Much work has already been done to ensure Open Banking and Open Finance standards are put in place. The European Commission established the European Interoperability Framework (EIF) in 2017 to create shared standards, establishing 12 principles of interoperability, including openness, security and user-centricity. The FCA established its Open Finance Advisory Group in 2019 to facilitate innovation and overcome developmental barriers. LendingCrowd sees standardization as an important puzzle piece.

Its spokesperson continues: "The European Commission believes standardization can lower barriers, underpin consumer trust, and boost innovation and compliance in a cost-effective way, while also recognizing that finding shared standards is a challenge.

"But the financial services sector has a strong track record of co-operating to deliver the best outcomes for all stakeholders. By working together to provide access to standardized data, the industry is well placed to take the lead and help shape the regulatory environment."

There are certainly positive signs larger banks are embracing this innovative agenda. HSBC has developed a FinTech 101 education program to prepare its personnel to better understand – and leverage – emerging technologies; Barclays is supporting the next generation of FinTechs through an accelerator program.

A Culture Shift

Despite a general eagerness for close collaboration, FinTechs can still struggle to interface effectively with the legacy systems of traditional banks, notes FinTech Scotland's Anderson.

"The procurement process within some large organizations is a barrier. While a bank may see real value in a FinTech's proposition, the due diligence process can be time-consuming. Sometimes the questions aren't relevant to that business. It can be a templated approach as opposed to a bespoke approach. That's a market hurdle.

"But we are seeing a shift in the culture. In FinTech, innovation is agile, it is iterative. And our larger financial institutions have established ways of working. Finding ways to build common ground is important; where smaller enterprises also acknowledge that some of those processes are necessary."

Despite the challenges, there have been promising examples of traditional financial institutions partnering with FinTechs to create better experiences, as exemplified by innovations like near-real-time payments and seamless banking. Many of the barriers to interoperability are technical in nature but, for Anderson, fostering an attitude of shared problem solving is key to making progress.

"Creating the environment that enables the big and the small to come together, to share problems, to be innovative together is crucial. And large organizations are open to building partnerships and opportunities with those smaller enterprises, which are also keen to see that happen.

"Interoperability is top of mind for large organizations with legacy systems. They want to build that capability and derive the right outcomes for consumers. When you have that cultural intent to find a way forward, we're seeing progress." ■

WHAT IS THE FUTURE FOR GLOBAL PAYMENTS AND DIGITAL FINANCE?

The FS industry is in the middle of a digital revolution, transforming how consumers as well as B2B clients pay for goods and services. FinTechs are transforming the way we save, borrow and spend, and the global exchange of financial data between companies and institutions is becoming more complex.

"I think that we will find a future that sees the large organizations of today have different operating models, different business models. We will see many more partnership opportunities between the big and the small. As the large organizations move forward with technology, they will become FinTechs," says Nicola Anderson, CEO, FinTech Scotland.

As banks begin to look much more like FinTechs in terms of their offerings, the gap will narrow between old and new institutions. While tech giants such as Apple and Google will continue to develop their FS offerings, they will likely deepen their partnerships with traditional financial institutions, which will scale up their digital offerings as legislation evolves.

Embedded finance solutions such as Klarna will continue to evolve, in both B2C and B2B contexts, fostering the frictionless user experiences of tomorrow. The companies leading the charge will still need to rely on the role traditional banks can play in terms of stewarding customer data, leveraging their unbeatable scale, and safeguarding financial security.

This article originally appeared in the Winter 2023 issue of Chartered Banker magazine and is reproduced by kind permission of the Chartered Banker Institute.

REWINDING THE REEL

First appeared in IBP's quarterly Journal October-December 2020, this feature on 'Rewinding the Reel' allows the readers to see the changes which have been taken place in the composition, magnitude, and significance of key economic variables over time. How far the analysis could be done, depends upon the availability of consistent time series in terms of its definition, components, and the source of data. In the presentation below, more emphasis has been given to the graphical interpretation of data with minimal commentary as to give readers freedom to draw inferences on their own about the policies adopted in the past, sustainability of the existing policies and looking into the emerging trends.

The Emerging Trends in

CROPPING PATTERN: MAJOR CROPS

Like many other businesses, the production decisions in agriculture are also influenced to a larger extent by the market conditions i.e., the supply of and demand for that commodity and its elasticity. If the demand is less elastic, the growers usually take more interest to grow in larger quantity. The difference, however becomes visible when it comes to compare the outcomes of the efforts undertaken to meet the increased demand, which are fairly unpredictable in agriculture where the externalities like weather conditions, availability of water and sometimes the pest attacks, etc., deter the supply side. In meeting higher demand for goods other than agriculture sector, the efforts undertaken in terms of putting extra inputs usually brings proportionate increase in output while sometimes triggering the economy of scale, as well.

Notwithstanding the above factors, the farmers most of the times succeeded in getting higher production, when needed, by increasing the area under the crop and stringently adopting the SOPs recommended for achieving the higher productivity. Moreover, the support/ procurement prices when announced at the harvesting time and are above the farmers' expectations, incentivize them to produce record output.

What has been the pattern of growing important crops in larger quantities could be seen in the charts below where the trends have been captured using the time series data starting from 1960-61. This analysis also helps the readers to encompass the future growth potential, available in sub-sector of major crops, particularly by looking into the statistics on the availability and utilization of agricultural land in the country and how far the benefits of extensive and intensive cultivations could be materialized. But before doing that, it is necessary to go through some basic definitions given below.

Forest Area is the area of any land classed or administered as forest under any legal enactment dealing with forests. Any cultivated area which may exist within such forest is shown under heading "cultivated area".

Area Not Available for Cultivation is that uncultivated area of the farm which is under farm home-steads, farm roads and other connected purposes and not available for cultivation.

Culturable Waste is that uncultivated farm area which is fit for cultivation but was not cropped during the year under reference nor in the year before that.

Current Fallow (Ploughed but not cropped) is that area which is vacant during the year under reference but was sown at least once during the previous year.

Cultivated Area is that area which was sown at least during the year under reference or during the previous year.

Cultivated Area = Net Area sown + Current Fallow.

Agriculture Land is the Culturable Waste plus Cultivated Area and plus Forest i.e., (3 + 5 + 1).

Net Area Sown is that area which is sown at least once during (Kharif & Rabi) the year under reference.

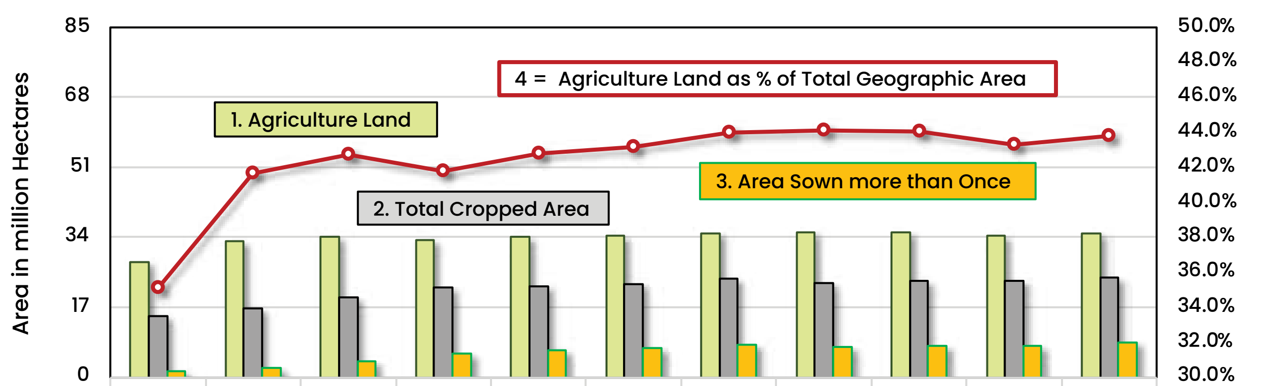
Area Sown more than once is the difference between the total cropped area and the net area sown.

Total Cropped Area means the aggregate area of crops raised in a farm during the year under reference including the area under fruit trees.

Rabi Season is the sowing season that starts from mid-November and the crops are harvested between March and April. Since Rabi crops are sown during winter, those are also known as winter crops. These crops include: Wheat, Tomato, Tobacco, Rapeseed & Mustard, Potato, Onion, Linseed (Alsee), Gram, Garlic, Coriander and Barley.

Kharif Season is the sowing season that starts from mid-May and the crops are harvested between September and October. Since Kharif crops are sown during monsoon, these crops are also known as monsoon crops. These crops include Sugarcane, Rice, Cotton, Pearl Millet (Bajra), Sorghum (Jowar), Maize, Seasamum, Turmeric (Haldi), Chillies, Groundnut, Soyabean, Safflower, Sunflower.

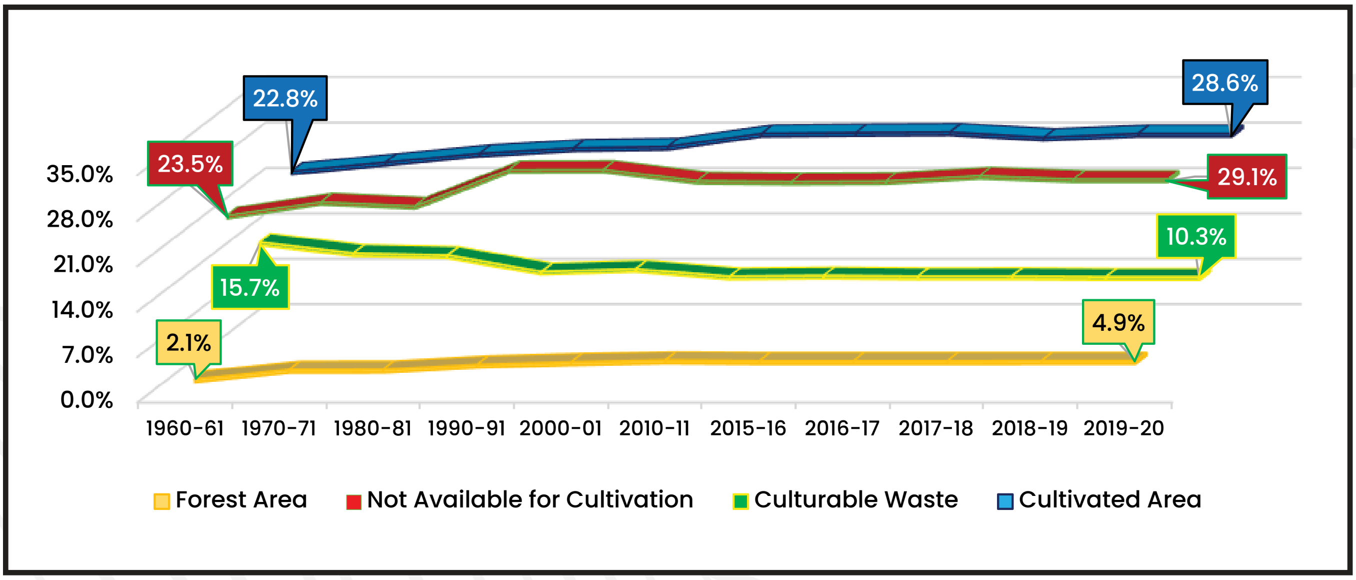
LAND UTILIZATION STATISTICS



	1960-61	1970-71	1980-81	1990-91	2000-01	2010-11	2015-16	2016-17	2017-18	2018-19	2019-20
1	28.0	33.2	34.0	33.3	34.1	34.4	35.0	35.1	35.1	34.4	34.9
2	14.9	16.6	19.3	21.8	22.0	22.7	24.0	23.0	23.5	23.5	24.1
3	1.6	2.2	3.9	5.7	6.6	7.0	7.9	7.5	7.8	7.5	8.4
4	35.1%	41.6%	42.7%	41.8%	42.8%	43.2%	44.0%	44.1%	44.1%	43.3%	43.8%

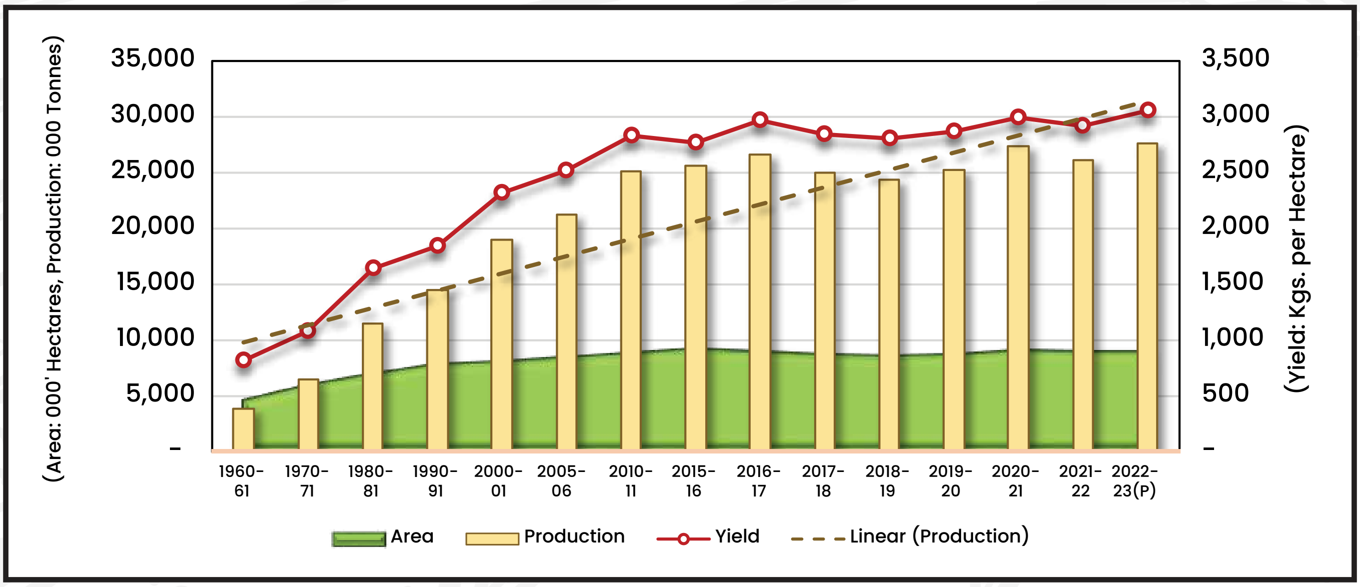
A significant growth was seen in 1970-71 in agriculture land as percent of total geographical area (79.6 million hectares) which rose to 41.6 percent from 35.1 percent in 1960-61. Thereafter, there had been a linear growth in all land utilization statistics, except 'area sown more than once' which increased by 5 times during past 60 years.

AS PERCENT OF TOTAL GEOGRAPHICAL AREA



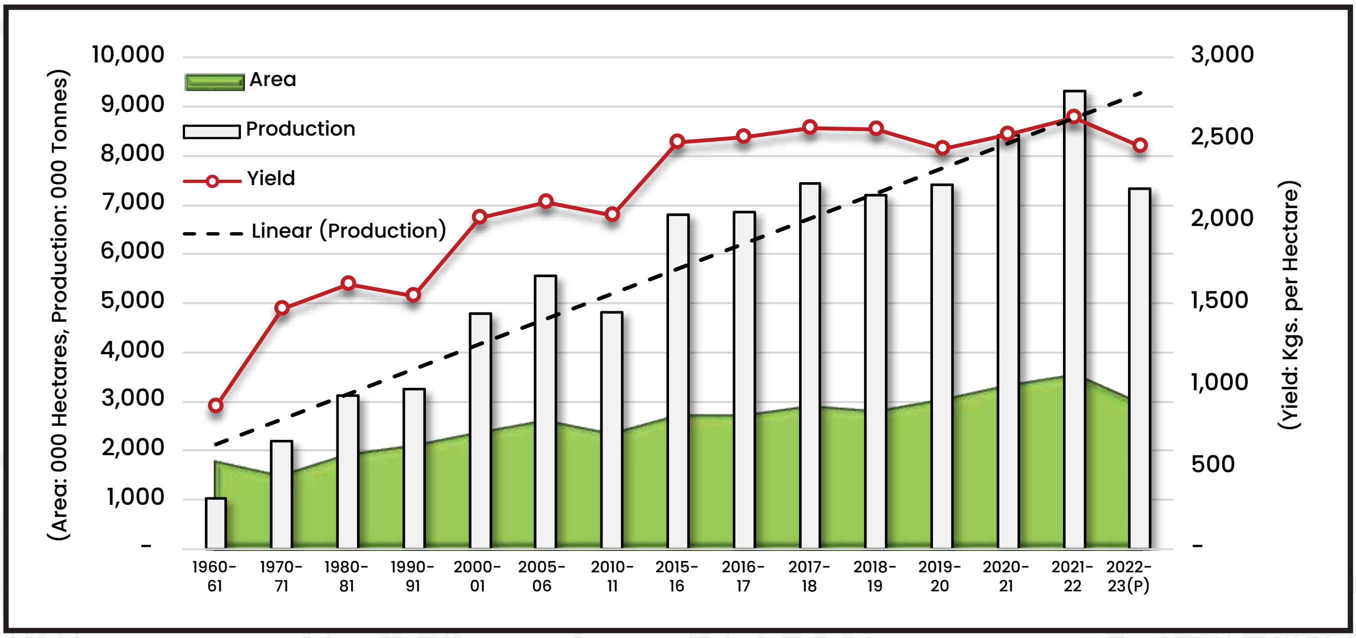
During last sixty years the forest area as percent of total geographical area increased from 2.1 percent in 1960-61 to 4.9 percent in 2019-20. Cultivated area also showed growth and increased from 22.8 percent to 28.6 percent. Further the increase in 'not available for cultivation' was almost offset by the decline in 'culturable waste'.

WHEAT: AREA UNDER THE CROP AND PRODUCTION



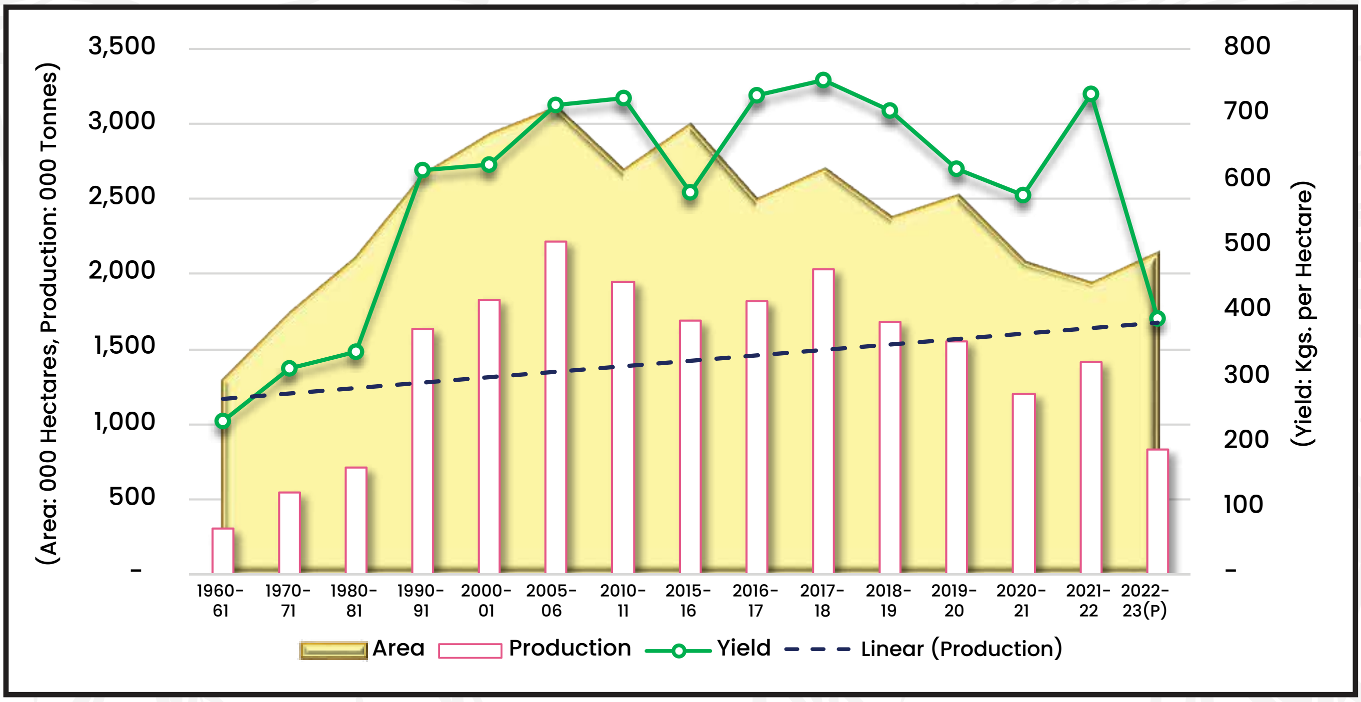
Area under the wheat crop during 1961 to 2023 increased from 4,679 to 9,043 thousand hectares. The production, however, during those 62 years increased at fairly higher rate and reached from 3,814 to 27,634 thousand tonnes entirely because of the increase in the per hectare yield.

RICE: AREA UNDER THE CROP AND PRODUCTION

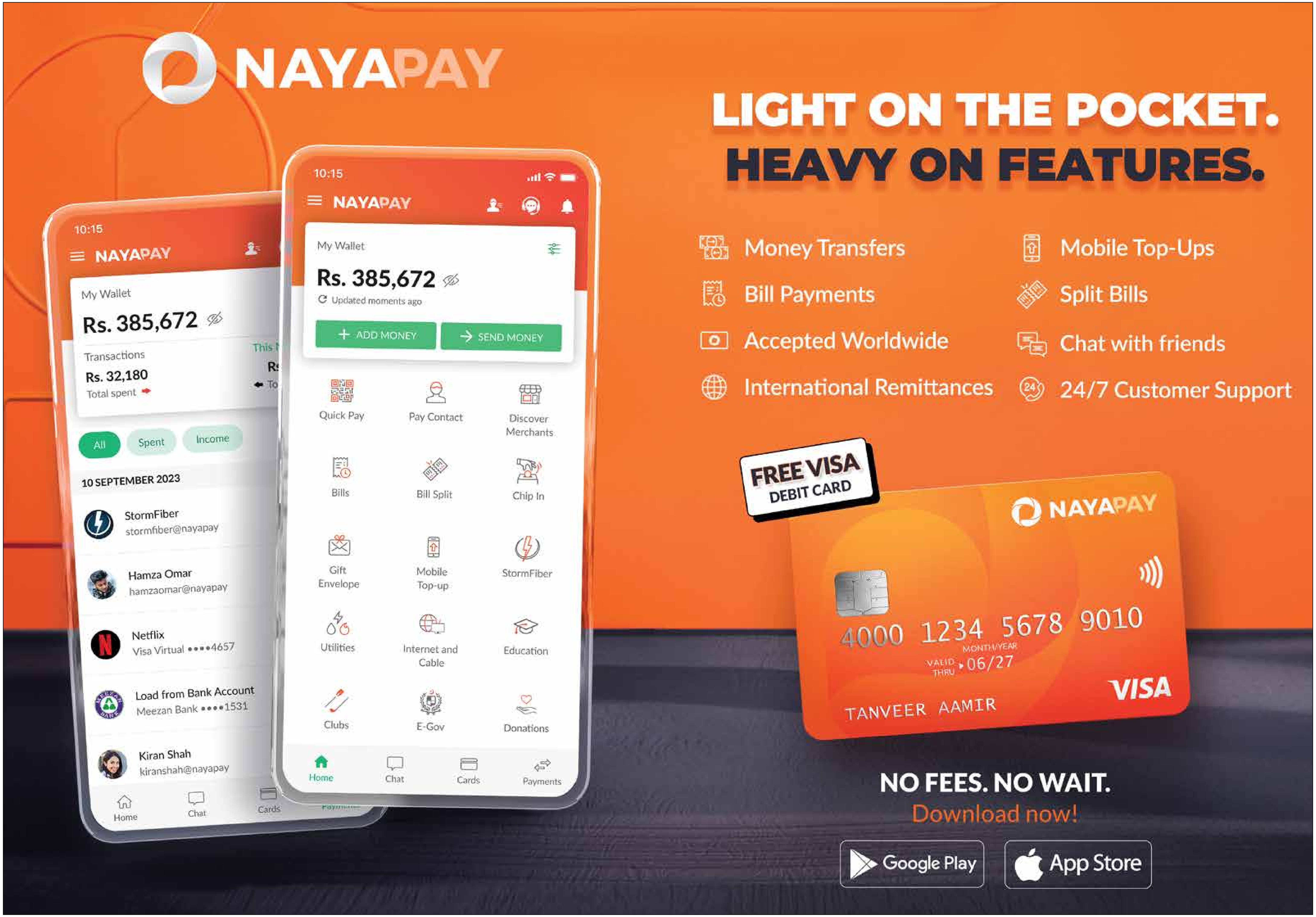


The per hectare yield of rice crop amidst some hiccups registered significant growth during the last 62 years. It rose from 872 kilograms per hectare (kg/ha) in 1960-61 to 2,635 kg/ha in 2021-22. However, during 2022-23 the area, production and yield were lower than the peaks registered in 2021-22.

COTTON: AREA UNDER THE CROP AND PRODUCTION



The yield of cotton crop which since 1960-61 hovered around 225 to 350 kg/ha, started to grow sharply from 1985-86 onwards. It reached the record high of 769 in 1991-92. However, in 2022-23 it declined to only 390 kg/ha in 1990-91 as compared to 731 kgs registered during 2021-22.


NAYAPAY
LIGHT ON THE POCKET.
HEAVY ON FEATURES.
Money Transfers
Mobile Top-Ups
Bill Payments
Split Bills
Accepted Worldwide
Chat with friends
International Remittances
24/7 Customer Support
FREE VISA DEBIT CARD
NAYAPAY
4000 1234 5678 9010
VALID THRU MONTH/YEAR 06/27
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Quick Pay
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Discover Merchants
Bills
Bill Split
Chip In
Gift Envelope
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Education
Clubs
E-Gov
Donations
Home
Chat
Cards
Payments
Transactions
Rs. 32,180
Total spent
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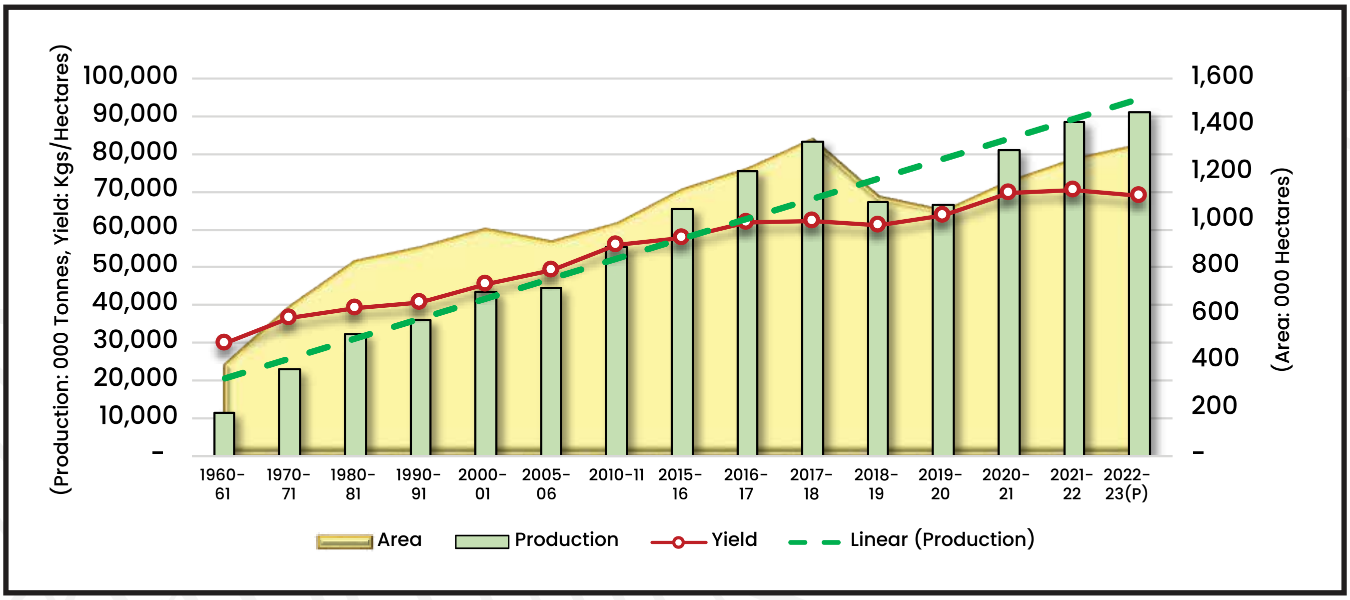
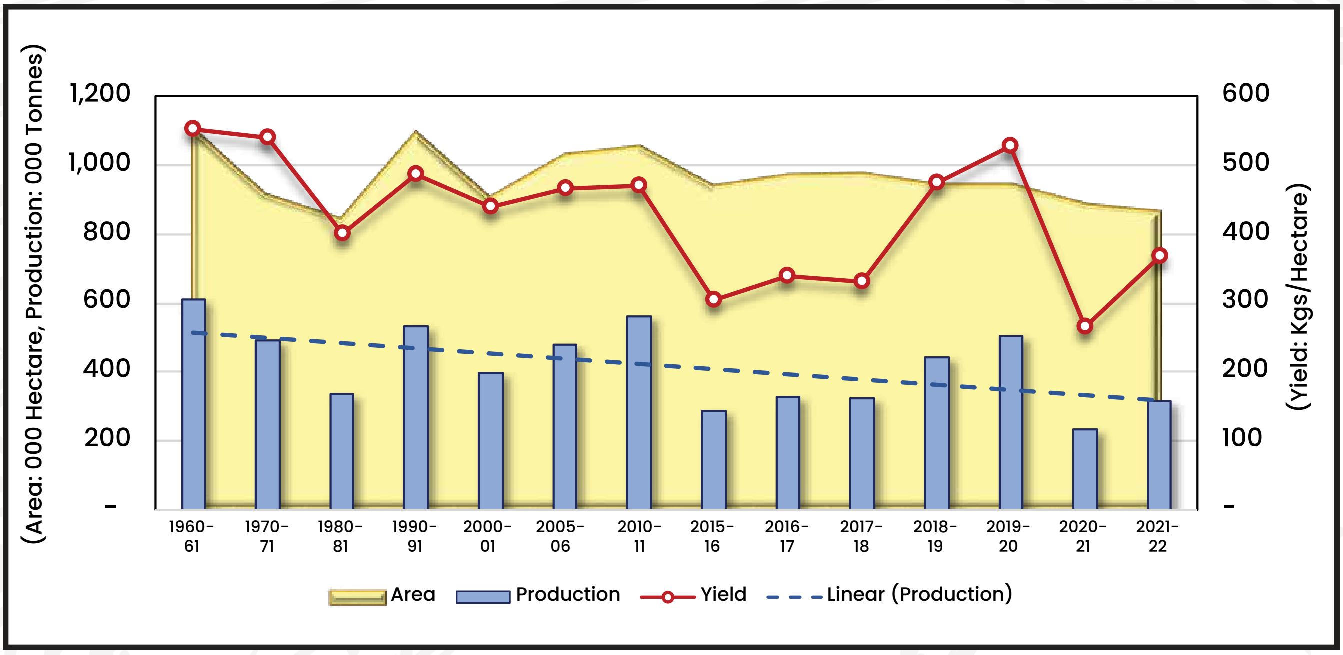
SUGARCANE: AREA UNDER THE CROP AND PRODUCTION



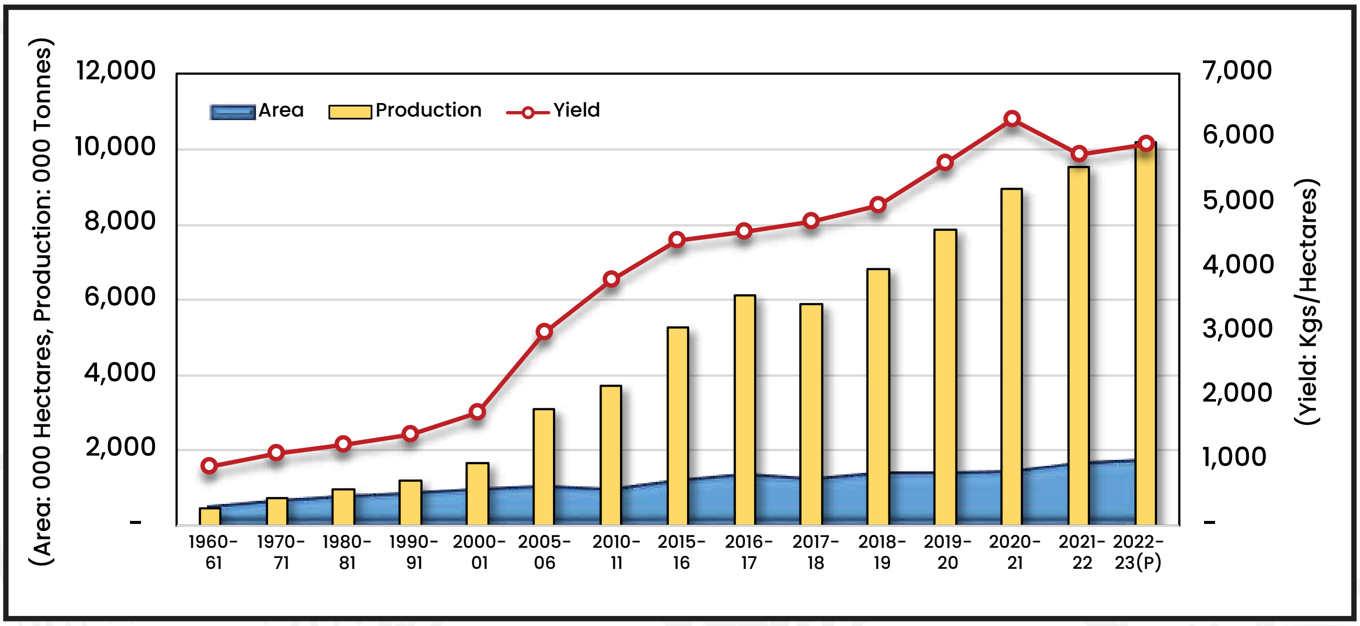
There had been an almost steady growth in per hectare yield of sugarcane crop during past 63 years. It grew from 30,003 in 1960-61 to 70,341 kgs per hectare in 2021-22. Coupled with the similar increases in area, the production rose from 11.6 million tonnes in 1960-61 to 91.1 million tonnes in 2022-23.

GRAM: AREA UNDER THE CROP AND PRODUCTION



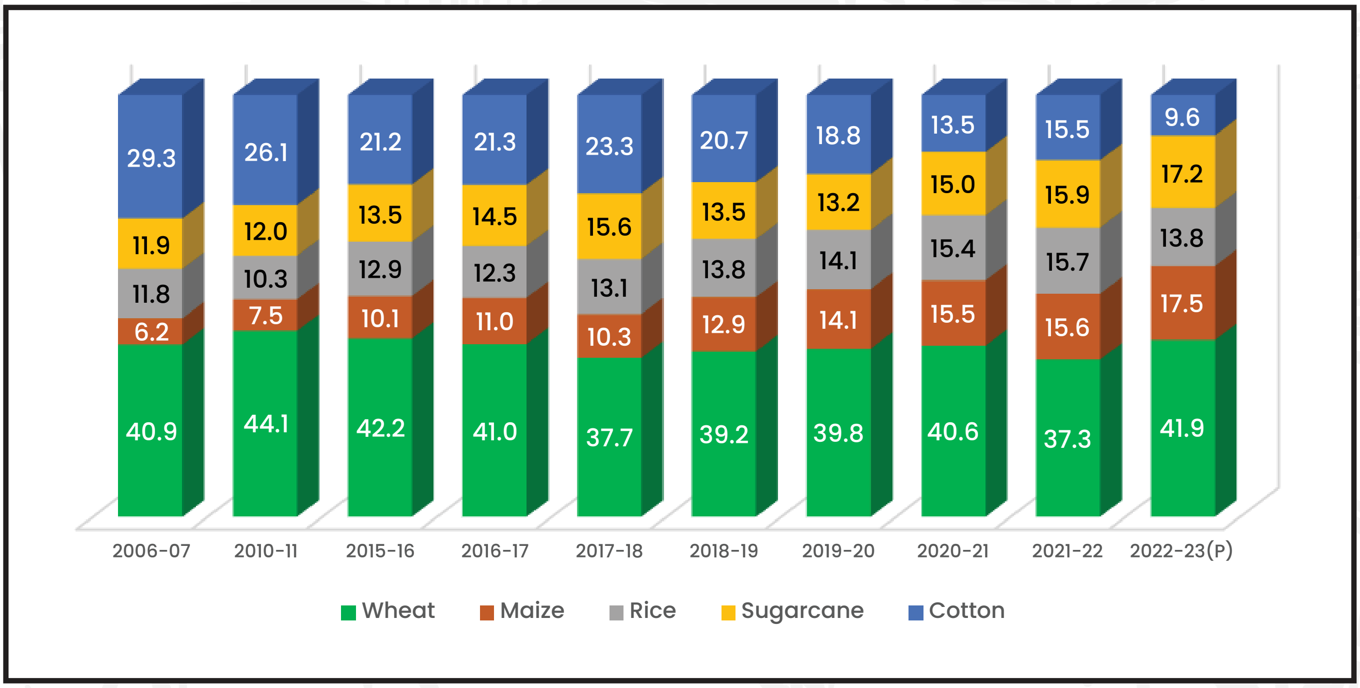
The area under cultivation, production and per hectare yield, all the three elements, showed declining trends during past 62 years. The area under the crop, production and yield went down by 22.0, 48.0 and 33.5 percent, respectively.

MAIZE: AREA UNDER THE CROP AND PRODUCTION



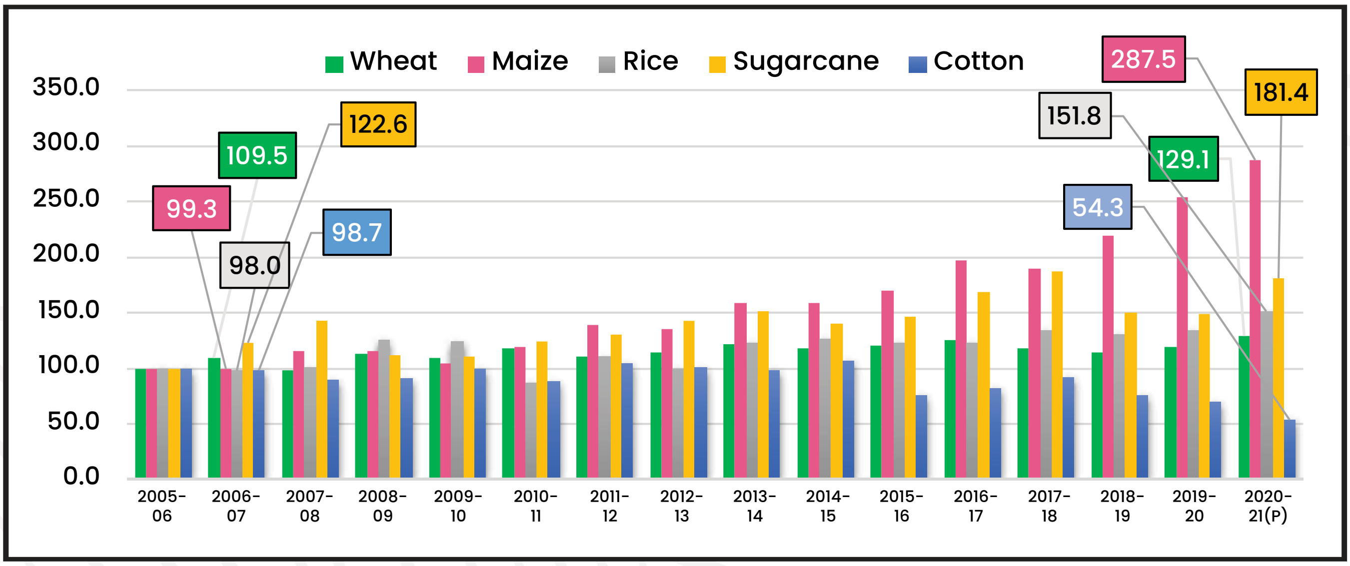
An impressive and consistent growth was witnessed in the area under cultivation, production as well as the yield during last 63 years. The average annual growth of area under the crop, production and yield increased by 4.1, 35.2 and 8,7 percent, respectively.

CROP-WISE COMPOSITION OF OUTPUT - BASE PRICE 2005-06



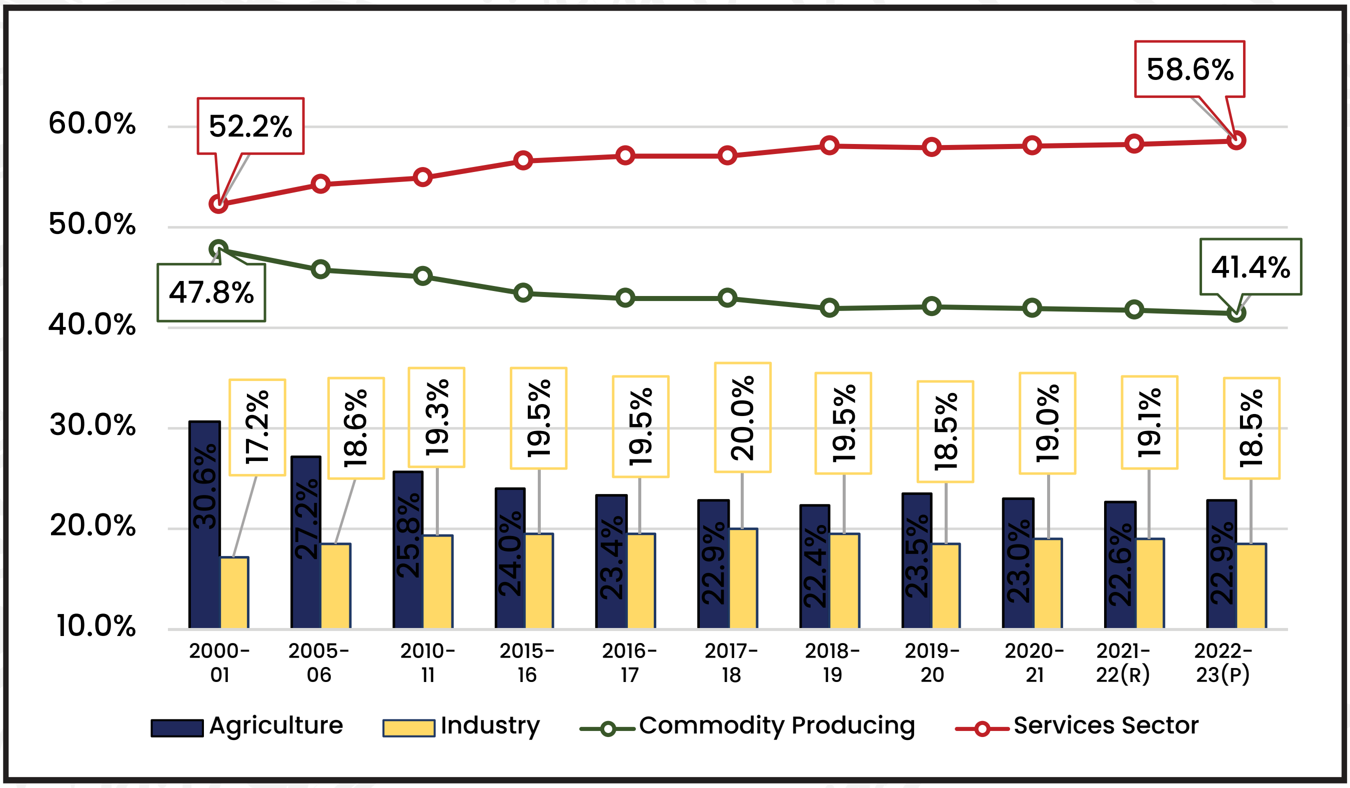
During 2007 to 2023, major shift has been experienced in the production of cotton crop, the share of which among the five major crops fell from 29.3 percent in 2006-07 to 9.6 percent in 2022-23. Contrary to that, the share of maize encouragingly increased from 6.2 percent to 17.5 percent.

INDEX OF MAJOR CROPS PRODUCTION - 2005-06 = 100



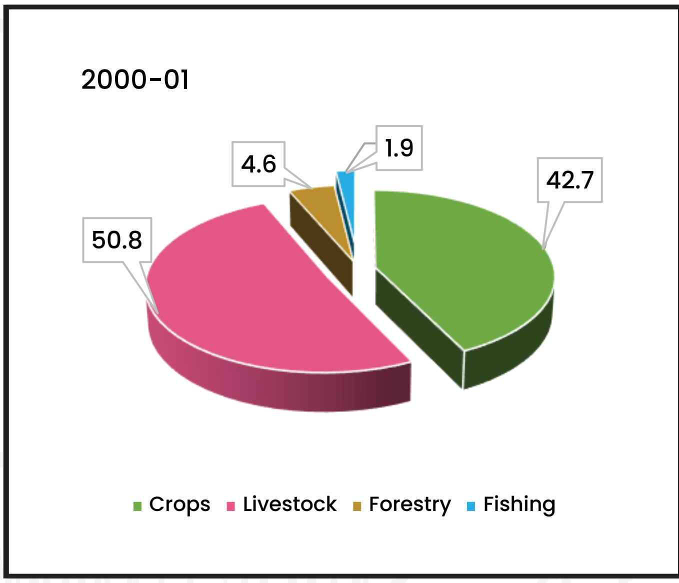
A comparative analysis of the growth in the production of five major crops showed that except for the cotton crop where the index declined to less than 100 (54.3), indices of other crops i.e., wheat, maize, rice and sugarcane increased to 129.1, 287.5, 151.8 and 181.4, respectively in 2020-21 as compared to 100 index in 2005-06.

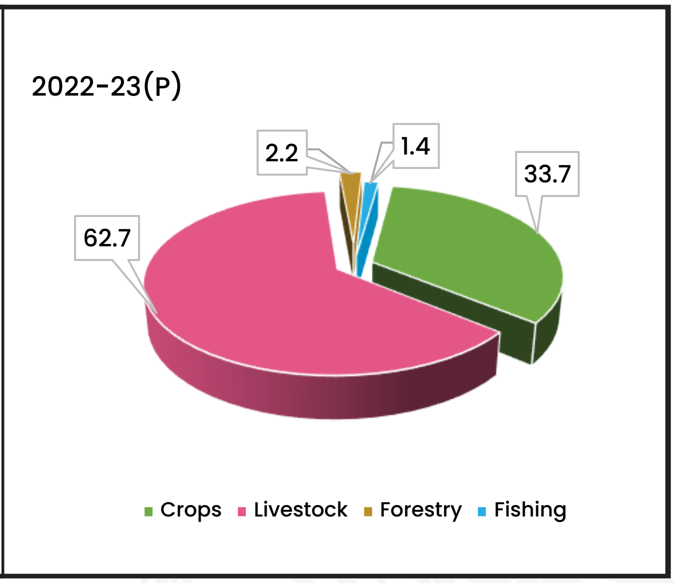
SECTORAL SHARE IN GDP (AT 2015-16 PRICES)



The value addition by agriculture sector in the GDP fell from 30.6 percent in 2000-01 to 22.9 percent in 2022-23. Commodity producing sector as a whole also declined from 47.8 percent to 41.4 percent during the same period. The share of services sector however increased from 52.2 percent in 2000-01 to 58.6 percent in 2022-23.

PERCENT SHARES IN AGRICULTURE SECTOR





During last 22 years a significant change has been witnessed in the value addition (at 2015-16 prices) by the sub-sector of livestock which rose from 50.8 percent in 2000-01 to 62.7 percent of the agriculture sector during 2022-23. Contrarily, the share of crops sub-sector declined in 2022-23 to 33.7 percent as against 42.7 percent in 2000-01.

A GLOSSARY OF BANKING & FINANCE TERMS

Often, Banking & Finance jargons require clarity and explanation, as due to general usage, their meaning is assumed, rather than understood. We are presenting a glossary of some Money and Credit terms for the benefit of our readers.

Money and Credit

Other Depository Corporations (ODCs)

The other Depository Corporations consists of all resident financial corporation's (except the central bank) and quasi-corporations that are mainly engaged in financial intermediation and that issue liabilities included in the national definition of broad money. It includes Scheduled Banks, Development Financial Institutions (DFIs), Microfinance Institutions (MFIs) and all Depository NBFIs.

Depository Corporations (DCs)

Depository Corporations refers collectively to the Other Depository Corporations (ODCs) and Central Bank (CB) where Central Bank (CB) is the national financial institution that exercises control over key aspects of the financial system and carries out such activities as issuing currency, regulation money supply and credit, managing international reserves, transacting with the IMF, and providing credit to other depository corporations.

Reserve Money (Mo)

Reserve Money is an indicator used to measure money supply in the economy and includes currency in circulation (held with Public), other deposits with State Bank of Pakistan; currency in tills of scheduled banks and bank deposits with SBP. M0 is used to measure the most liquid assets which can be spent most easily. M0 is sometimes referred to as the monetary base.

Deferred Tax Assets

The amount of income taxes recoverable in foreseeable future periods in respect of: i) Deductible temporary differences; ii) the carry forward of unused tax losses; and iii) the carry forward of unused tax credits. Deferred tax assets should be recorded on the basis of reasonable realizable value of such assets in foreseeable future.

Deferred Tax Liabilities

The amount of income taxes payable in future periods in respect of taxable temporary differences.

Broad Money (M2)

Broad Money is an indicator used to measure money supply in the economy and includes currency in circulation, other deposits with State Bank of Pakistan (such as unclaimed deposits and NBFIs deposits with SBP), demand and time deposits (including resident foreign currency deposits) with scheduled banks. M2 is the key economic indicator used to forecast inflation.

Non-Banks Financial Companies (NBFCs)

NBFCs are categorized into eight groups, development finance institutions, leasing companies, investment banks, modarba companies, housing finance companies, mutual funds, venture capital companies and discount houses.

Currency in Circulation

Currency in circulation refers to currency held by public i.e; currency outside the banking system.

Commodity Operations

Commodity operation means advances provided either to government, public sector corporations or private sector for the procurement of commodities such as cotton, rice, wheat, sugar, fertilizer etc. Advances to government provided for other purposes are not the part of commodity operation.

Financial Auxiliaries

These include financial corporations such as securities brokers, loan brokers, floatation corporations, insurance brokers etc. They also include corporations whose principal function is to guarantee, by endorsement, bills or similar instruments intended for discounting or refinancing by financial corporations, and also corporations which arrange hedging instruments such as swaps, options, and futures or other instruments which are continually being developed as a result of wide-ranging financial innovation.

Financial Derivatives

These are financial instruments that have no intrinsic value, and are linked to another specific financial instrument or indicator (foreign currencies, government bonds, share price indices, interest rates, etc.), or to a commodity (gold, coffee, sugar, etc.) through which specific financial risks can be traded in financial markets in their own right.

Households

Households include employers, own account workers, employees and recipient of property & transfer income.

Money Multiplier

Money Multiplier is the ratio of stock of broad money (M2) to the stock of reserve money (M0). The money multiplier is measure of the extent to which the creation of money in the banking system causes the growth in the money supply to exceed growth in monetary base.

Narrow Money (M1)

Narrow Money is an indicator used to measure money supply in the economy and includes currency in circulation, other deposits with State Bank of Pakistan and demand deposits (including resident foreign currency deposits) with scheduled banks.

NFPSE

These are the non-financial Public Sector Enterprises which are controlled by government, which may be exercised through ownership of more than half the voting shares, legislation, decree, or regulations that establish specific corporate policy or allow the government to appoint the directors.

Other Financial Intermediaries

The financial corporations engaged in financial intermediation, which raise funds on financial markets, but not in the form of deposits, and use them to acquire other kind of financial assets. These include discount houses, venture capital companies, mutual funds, housing finance companies and cooperative banks, except Punjab Provincial Cooperative Bank.

PRGF (Poverty Reduction and Growth Facility)

The Poverty Reduction and Growth Facility (PRGF) is the IMF's low-interest lending facility for low-income countries. PRGF-supported programs are underpinned by comprehensive country-owned poverty reduction strategies.

Quasi Money

These are deposits having a fixed maturity date and their rate of returns are either fixed or determined on the basis of a bank performance during the year.

Reserve Deposits (Banker Deposits)

Banker deposits refers to the balances maintained by the scheduled banks with the State Bank of Pakistan to fulfill the statutory obligations of maintaining certain minimum reserves at SBP.

Restricted/Compulsory Deposits

Deposits for which withdrawals are restricted on the basis of legal, regulatory or commercial requirements are restricted deposits. These include compulsory saving deposits like employees' provident fund accounts, staff pension funds, employees' security deposits, staff guarantee funds, import deposits and similar type of deposits related to international trade, security deposits, margin deposits and sundry deposits etc.

Retained Earnings

Retained earnings show undistributed after-tax profit from the overall operations less any amount allocated to general and special reserves, which is established as a capital cushion to cover operational and financial risks.

Shares Quoted

The shares that are traded on stock exchanges are called quoted shares.

Shares Unquoted

Unquoted or non-quoted shares are those which are not traded on stock exchange.

Source: https://shorturl.at/fhpN1


BEST BANK AWARDS 2023 ASIAMONEY
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Add-ons to
SBP POLICY REGIME
July-September 2023

The primary objective of this feature is to highlight changes, or 'add-ons' to the SBP policies, on a quarterly basis to provide the readers better comprehension and analysis of the central bank's policy regime, as well as being an easily accessible time-lined reference guide.

All circulars are easily accessible in the PDF of the Journal, available on the following link on the IBP website: https://ibp.org.pk/quarterly-journal/

01

Public Holidays
BPRD Circular Letter No. 14 of 2023/ July 24, 2023
https://www.sbp.org.pk/bprd/2023/CL14.htm

02

Assuming Charge as Director, Banking Policy & Regulations Department
BPRD Circular Letter No. 15 of 2023/ July 27, 2023
https://www.sbp.org.pk/bprd/2023/CL15.htm

03

Public Holiday
BPRD Circular Letter No. 16 of 2023/ August 07, 2023
https://www.sbp.org.pk/bprd/2023/CL16.htm

04

Branchless Banking Regulations for Promotion of Home Remittances— M-Wallet Scheme | BPRD Circular Letter No. 17 of 2023/ September 21, 2023
https://www.sbp.org.pk/bprd/2023/CL17.htm

05

Public Holiday
BPRD Circular Letter No. 18 of 2023/ September 22, 2023
https://www.sbp.org.pk/bprd/2023/CL18.htm

06

Bifurcation of Banking Conduct & Consumer Protection Department
BCPD Circular Letter No. 1 of 2023/ August 01, 2023
https://www.sbp.org.pk/BCPD/2023/CL1.htm

07

Statement of Foreign Currency Deposits - Revised Timelines
No. DS. BP/006123/23/ July 31, 2023
https://www.sbp.org.pk/stats/2023/C3.htm

08

Monthly Foreign Exchange Returns (Reporting of ITRS data) - Revised Timelines
No. DS. ITS/006148/23/ August 01, 2023
https://www.sbp.org.pk/stats/2023/C4.htm

09

Revised Reporting Requirements of Monthly A-05 / A-07, and Quarterly RCOA
No.DCS.MFS./007559/ September 19, 2023
https://www.sbp.org.pk/stats/2023/CL1.htm

10

Rate of Remuneration on Special Cash Reserve Account Maintained with SBP Against Deposits Raised Under Fe-Circular 25 of 1998 | DMMD Circular No. 11 of 2023/ July 03, 2023 | https://www.sbp.org.pk/dmmd/2023/C11.htm

11

Appointment of Primary Dealers/Special Purpose Primary Dealers for Financial Year 2023-24 | DMMD Circular No. 12 of 2023/ July 04, 2023
https://www.sbp.org.pk/dmmd/2023/C12.htm

12

Rate of Remuneration on Special Cash Reserve Account Maintained with SBP Against Deposits Raised Under Fe-Circular 25 of 1998
DMMD Circular Letter No. 03 of 2023/ August 09, 2023
https://www.sbp.org.pk/dmmd/2023/CL3.htm

13

Rate of Remuneration on Special Cash Reserve Account Maintained with SBP Against Deposits Raised Under Fe-Circular 25 of 1998
DMMD Circular Letter No. 04 of 2023/ August 09, 2023
https://www.sbp.org.pk/dmmd/2023/CL4.htm

14

Rate of Remuneration on Special Cash Reserve Account Maintained with SBP Against Deposits Raised Under Fe-Circular 25 of 1998
DMMD Circular Letter No. 05 of 2023/ August 31, 2023
https://www.sbp.org.pk/dmmd/2023/CL5.htm

15

Government of Pakistan Ijara Sukuk
DMMD Circular Letter No. 06 of 2023/ September 15, 2023
https://www.sbp.org.pk/dmmd/2023/CL6.htm

16

Rate of Remuneration on Special Cash Reserve Account Maintained with SBP Against Deposits Raised Under Fe-Circular 25 of 1998
DMMD Circular Letter No. 07 of 2023/ September 28, 2023
https://www.sbp.org.pk/dmmd/2023/CL7.htm

17

Reforms in the Exchange Companies Sector
FE Circular No. 03 of 2023/ September 06, 2023
https://www.sbp.org.pk/epd/2023/FEC3.htm

18

Instructions Related to Import of Cash US Dollars
EPD Circular Letter No. 11 of 2023/ July 25, 2023
https://www.sbp.org.pk/epd/2023/FECL11.htm

19

Final Dates for Resubmission of Claims Under Duty Drawback Schemes - DDT 2017-18 (Textile), DDT 2018-21 (Textile), LTLD 2017 (Non-Textile), LTLD 2018 (Non-Textile) | EPD Circular Letter No. 12 of 2023/ August 21, 2023
https://www.sbp.org.pk/epd/2023/FECL12.htm

20

Enhancement of Minimum Capital Requirement of Exchange Companies
EPD Circular Letter No. 13 of 2023/ September 06, 2023
https://www.sbp.org.pk/epd/2023/FECL13.htm

21

Reimbursement of T.T Charges against Home Remittances
EPD Circular Letter No. 14 of 2023/ September 21, 2023
https://www.sbp.org.pk/epd/2023/FECL14.htm

22

Incentive Scheme for Marketing of Home Remittances
EPD Circular Letter No. 15 of 2023/ September 21, 2023
https://www.sbp.org.pk/epd/2023/FECL15.htm

23

Final Dates for Resubmission of Claims Under Duty Drawback and Subsidy Schemes - DDT 2017-18 (Textile), DDT 2018-21 (Textile), LTLD 2017 (Non-Textile), LTLD 2018 (Non-Textile) | EPD Circular Letter No. 16 of 2023/ September 26, 2023 | https://www.sbp.org.pk/epd/2023/FECL16.htm

24

Rs 75 Denomination Commemorative Banknote – 75 Years of SBP's Founding
FD Circular No. 01 of 2023/ July 04, 2023
https://www.sbp.org.pk/acc/2023/C1.htm

25

Implementation of Device Identification Registration & Blocking System (DIRBS) for Azad Jammu & Kashmir (AJK) & Gilgit-Baltistan (GB)
FD Circular Letter No. 04 of 2023/ August 22, 2023
https://www.sbp.org.pk/acc/2023/CL4.htm

26

Standard Operating Procedures (SOPs) for Investment in Conventional Naya Pakistan Certificates (Certificates)
FD Circular Letter No. 05 of 2023/ September 14, 2023
https://www.sbp.org.pk/acc/2023/CL5.htm

27

Adoption of 'Accounting and Auditing Organization for Islamic Financial Institutions' (AAOIFI) Shariah Standards
IFPD Circular No. 01 of 2023/ August 29, 2023
https://www.sbp.org.pk/ifpd/2023/C1.htm

28

Assuming Charge as Director, Payment Systems Policy & Oversight Department | PSP&OD Circular Letter No. 02 of 2023/ August 02, 2023
https://www.sbp.org.pk/psd/2023/CL2.htm

29

Extension in Last Date for Encashment/Conversion/Redemption of Rs 40,000/-, Rs 25,000/-, Rs 15,000/- & Rs 7500/- Denomination National Prize Bonds Withdrawn from Circulation | CMD Circular No. 01 of 2023/ September 06, 2023 | https://www.sbp.org.pk/CMD/2023/C1.pdf

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THE INFORMAL ECONOMY

Measures, Causes, and Consequences

By: Ceyhun Elgin

Synopsis

The Informal Economy: Measures, Causes, and Consequences provides a comprehensive account of the economics of informality through the lenses of various economic perspectives.

Although informal economic activity is widespread all around the world, many issues around its nature and consequences remain largely under-explored or unresolved. Most importantly, the evidence presented in the existing literature on informality has failed to generate a consensus on the measurements, causes, and effects of the informal sector among researchers. Most, if not all, of the empirical results are inconclusive or dependent on the nature of the dataset used in the analysis. This book aims to address that gap by exploring different definitions and measures of the informal economy, including different perspectives, then subjecting these measures to a battery of empirical tests to examine the determinants and effects of informality. Through this analysis and an extensive review of the literature, the book explores many of the economic, political, and social factors of the informal economy including the relationship between informality and the tax burden, tax enforcement, and institutional quality.

This key text makes for compulsive reading to scholars and students interested in the informal or shadow economy.

About the Author

Ceyhun Elgin is a Professor of Economics at Boğaziçi University, Turkey, and a Lecturer in Discipline at Columbia University, USA.

GLOBAL FINTECH

Financial Innovation in the Connected World

By: David L. Shrier & Alex Pentland

Synopsis

Artificial intelligence, big data, blockchain, and other new technologies have upended the global financial services sector, creating opportunities for entrepreneurs and corporate innovators. Venture capitalists have helped to fund this disruption, pouring nearly $500 billion into fintech over the last five years. This book offers global perspectives on technology-fueled transformations in financial services, with contributions from a wide-ranging group of academics, industry professionals, former government officials, and current government advisors. They examine not only the struggles of rich countries to bring the old analog world into the new digital one but also the opportunities for developing countries to "leapfrog" directly into digital.

The book offers accessible explanations of blockchain and distributed ledger technology and explores big data analytics. It considers, among other things, open banking, platform-based strategies for banks, and digital financial services. Case studies imagine possible future fintech-government interaction, emphasizing that legal and regulatory frameworks can help to create trust in financial processes. The contributors offer novel takes and unexpected insights that will be of interest to fintech experts and nonexperts alike.

About The Author

David L. Shrier is a Professor of Practice (AI and Innovation) with Imperial College Business School. He is coeditor of New Solutions for Cybersecurity (MIT Press).

Alex "Sandy" Pentland directs the MIT-wide initiative MIT Connection Science. Called one of the "seven most powerful data scientists in the world" by Forbes, he has cofounded more than a dozen companies and is the author of Social Physics and coauthor of *Building the New Economy* (MIT Press).

NIBAF-IBP TRAINING CALENDAR

OCTOBER 2023

051-9269778
021-35277-511
0300-5485362
0303-0652963
registration@nibaf.gov.pk
marketing@ibp.org.pk

OCTOBER 2023

NIBAF-IBP TRAINING CALENDAR

01 NIBAF-ISB-Q	Currency Management Analytics: Leveraging Forecasting & Trend Analysis	02-03 OCT 9am - 5pm	FACILITATOR: Panel of Trainers	PKR 24,000 *Plus Tax*	F2F, ISB
02 NIBAF-ISB-M	IBBO-25	02-04 OCT 9am - 5pm	FACILITATOR: Panel of Trainers	PKR 15,000 *Plus Tax*	F2F, HYD
03 NIBAF-ISB-W	Banking Experts Development Program for NAB Officials	02-03 OCT NOV 9am - 5pm	FACILITATOR: Panel of Trainers	PKR 10,000 INVITATION ONLY	F2F, ISB
04 NIBAF-ISB-M	IBCC # 60	02-24 OCT 9am - 5pm	FACILITATOR: Panel of Trainers	PKR 135,000 *Plus Tax*	F2F, PEW
05 NIBAF-ISB-M	Joint Seminar with UNDP on "Pakistan's Islamic Financing Landscape: Innovation, Growth and Transformation"	03 OCT 2:00pm - 5:30pm	FACILITATOR: Panel of 22 - 25 Islamic Finance Professionals	INVITATION ONLY	F2F, ISB
06 NIBAF-LHR-A	Sanction Compliance	05 OCT 9:30am - 5:00pm	FACILITATOR: Waqas Hamid Paracha, JD, State Bank of Pakistan	PKR 10,000 INVITATION ONLY	Online
07 NIBAF-DFG	Prudential Regulations and SBP Agri Finance Schemes	05-06 OCT 9am - 5pm	FACILITATOR: Muhammad Azam	PKR 7,200 *Plus Tax*	F2F, HYD
08 NIBAF-ISB-W	Credit Administration, Security Perfection & Monitoring	07 OCT 10am - 2pm	FACILITATOR: Subject Matter Expert	PKR 5,000 INVITATION ONLY	Online
09 NIBAF-DFG	SME Regulatory Framework and SBP schemes	09-10 OCT 9am - 5pm	FACILITATOR: Ms Fatima Javaid & Mazhar Shahzad	PKR 5,000 *Plus Tax*	Online

OCTOBER 2023

NIBAF-IBP TRAINING CALENDAR

10 NIBAF-DFG	Risk Management & Credit Initiation Techniques in MF	09-10 OCT 9am - 5pm	FACILITATOR: Micro-finance Experts	FREE	F2F, LHE
11 NIBAF-ISB-W	Branch Managers Certification Program batch-7	09-20 OCT 9am - 5pm	FACILITATOR: Panel of Trainers	PKR 130,000 INVITATION ONLY	F2F, ISB
12 NIBAF-ISB-Q	Python for Executives: Unleashing the Data Analytics Revolution	09-13 OCT 9am - 5pm	FACILITATOR: Umair Arshad	PKR 60,000 *Plus Tax*	F2F, KHI
13 NIBAF-ISB-M	FIBO-84	09-13 OCT 9am - 5pm	FACILITATOR: Panel of Trainers	PKR 20,000 *Plus Tax*	F2F, Abbottabad
14 IBP	Data Communications and Network Security	11 OCT 9:30am - 1:30pm	FACILITATOR: Ahmed Saeed	PKR 10,000 *Plus Tax*	Online
15 NIBAF-DFG	3-days Training Program on Agri. Lending Techniques	11-13 OCT 9am - 5pm	FACILITATOR: Fayyaz/Yahya	PKR 10,800 *Plus Tax*	F2F, LHE
16 NIBAF-ISB-M	Module - III of IBCC - 59	11-18 OCT 9am - 5pm	FACILITATOR: Panel of Trainers	PKR 55,000 *Plus Tax*	F2F, KHI
17 NIBAF-KHI-AD	Climate Change Risks for Financial Institutions	12 OCT 9am - 5pm	FACILITATOR: Faisal Sarwar	PKR 12,000 *Plus Tax*	F2F, KHI
18 IBP	Certified Sanction Specialist Professional (CSSP)	13-14 OCT 9am - 5pm	FACILITATOR: Salim Thobani	PKR 40,000 *Plus Tax*	F2F, KHI

OCTOBER 2023

NIBAF-IBP TRAINING CALENDAR

No.	Program	Date	Time	Facilitator	Fee	Mode
19 IBP	National Payments System Strategy	14 OCT	10am - 2pm	FACILITATOR: Syed Muhammad Taha	PKR 10,000 *Plus Tax*	Online
20 NIBAF-ISB-Q	Webinar on The Data Science Learning Journey	16 OCT	9am - 5pm	FACILITATOR: Panel of Trainers	FREE	Online
21 NIBAF-DFG	Supply Chain Financing in SME	16-17 OCT	9am - 5pm	FACILITATOR: Yasir Butt	PKR 5,000 *Plus Tax*	online
22 IBP	Situational Leadership	17 OCT	9:30am - 1:30pm	FACILITATOR: Azam Jamil	PKR 10,000 *Plus Tax*	Online
23 NIBAF-KHI-AZ	Instant and Innovative Payment Systems	17 OCT	10am - 5pm	FACILITATOR: Ahmed Sumair	PKR 10,000 *Plus Tax*	Online
24 NIBAF-DFG	BM Development Program for MFBs	17-18 OCT	9am - 5pm	FACILITATOR: Micro-finance Experts	FREE	F2F, Gujranwala
25 NIBAF-LHR-A	Sanction Compliance	18 OCT	9:30am - 5:00pm	FACILITATOR: Waqas Hamid Paracha, JD, State Bank of Pakistan	PKR 10,000 INVITATION ONLY	Online
26 IBP	Account Opening Regulatory Requirement	18 OCT	9am - 5pm	FACILITATOR: Muhammad Salman	PKR 12,000 *Plus Tax*	F2F, HYD
27 NIBAF-ISB-M	IBBO-26	18-20 OCT	9am - 5pm	FACILITATOR: Panel of Trainers	PKR 15,000 *Plus Tax*	F2F, Chakwal

OCTOBER 2023

NIBAF-IBP TRAINING CALENDAR

No.	Course	Date / Time	Facilitator	Fee	Mode
28 IBP	How to Build/Strengthen an Ethical Culture in an Organization?	19 OCT 9:30am - 1:30pm	FACILITATOR: Faisal Anwar	PKR 10,000 *Plus Tax*	Online
29 NIBAF-DFG	Mortgage products Customizing them with needs of the Local Market	19-20 OCT 9am - 5pm	FACILITATOR: Raheel Rizvi/ Wasif	PKR 5,000 *Plus Tax*	Online
30 NIBAF-DFG	Islamic Agri Finance	19-20 OCT 9am - 5pm	FACILITATOR: Saqib Imran	PKR 7,200 *Plus Tax*	F2F, Gujranwala
31 IBP	Fundamentals of Corporate Valuation	19 OCT 9am - 5pm	FACILITATOR: Faisal Sarwar	PKR 12,000 *Plus Tax*	F2F, KHI
32 NIBAF-KHI-AZ	Unleashing The Power of Data Science Using Pivot Table	19-20 OCT 9am - 5pm	FACILITATOR: Sohaib Jamal	PKR 24,000 *Plus Tax*	F2F, KHI
33 IBP	Strategic Human Resource Planning	20 OCT 9am - 5pm	FACILITATOR: Qasim Nawaz	PKR 12,000 *Plus Tax*	F2F, KHI
34 IBP	Account Opening Compliance Under New AML/CFT Regulations	20 OCT 9am - 5pm	FACILITATOR: Zahid Hussain	PKR 12,000 *Plus Tax*	F2F, Gilgit
35 IBP	Governance, Risk and Compliance (GRC)	20 OCT 9am - 5pm	FACILITATOR: Amir Shaukat Hussain	PKR 12,000 *Plus Tax*	F2F, KHI
36 NIBAF-ISB-W	Compliance Staff Development Program	21 OCT 9am - 5pm	FACILITATOR: Panel of Trainers	PKR 10,000 INVITATION ONLY	F2F, KHI

OCTOBER 2023

NIBAF-IBP TRAINING CALENDAR

37 IBP	Certificate Course in AML/ CFT Compliance	21-05 OCT NOV 10am - 2pm (Sat-Sun)	FACILITATOR: Multiple Trainers	PKR 30,000 *Plus Tax*	Online
38 NIBAF-ISB-W	Branch Operations Managers Certification Program (BOMCP) batch-4	23-27 OCT 9am - 5pm	FACILITATOR: Panel of Trainers	PKR 60,000 INVITATION ONLY	F2F, KHI/ Faisalabad
39 NIBAF-DFG	Risk Management & Credit Documentation in SME Banking	23-24 OCT 9am - 5pm	FACILITATOR: Adnan Adil Hussain	PKR 5,000 *Plus Tax*	F2F, KHI
40 NIBAF-ISB-W	Advance Professional Certification in AML/CFT (APCC) Batch - 11	23-27 OCT 9am - 7pm	FACILITATOR: Panel of Trainers	PKR 60,000 *Plus Tax*	F2F, KHI
41 NIBAF-ISB-M	Joint with IBA-CEIF & Meezan Bank on "Islamic Finance Certification Program for Business Faculty"	23-27 OCT 9am - 5pm	FACILITATOR: Panel of Trainers	Free University nomination	F2F, ISB
42 IBP	Positive Culture Development in Organizations	24 OCT 9:30am - 1:30pm	FACILITATOR: M. Abdul Rahim	PKR 10,000 *Plus Tax*	Online
43 IBP	Investment Analysis and Portfolio Management	25 OCT 9:30am - 1:30pm	FACILITATOR: Zahid Khan	PKR 10,000 *Plus Tax*	Online
44 NIBAF-ISB-W	Compliance Staff Development Program	25 OCT 9am - 5pm	FACILITATOR: Panel of Trainers	PKR 10,000 INVITATION ONLY	F2F, KHI
45 IBP	Master Microsoft Office (Excel, Word and Power Point) - Beginner to Advanced	25-26 OCT 9am - 5pm	FACILITATOR: Rahim Zulfiqar Ali	PKR 24,000 *Plus Tax*	F2F, KHI

OCTOBER 2023

NIBAF-IBP TRAINING CALENDAR

46 NIBAF-LHR-A	Digital Financial Frauds: Regulatory Measures & Expectations	26 OCT 9:30am - 5:00pm	FACILITATOR: Rehan Masood-JD, State Bank of Pakistan	PKR 10,000 *Plus Tax*	Online
47 NIBAF-ISB-W	Compliance Staff Development Program	26 OCT 9am - 5pm	FACILITATOR: Panel of Trainers	PKR 10,000 INVITATION ONLY	F2F, KHI
48 NIBAF-QTA-R	The RDA Journey- Recap and Lessons Learnt	26 OCT 10am - 5pm	FACILITATOR: Saima Hameed, JD, Banking Policy & Regulations Department, SBP	PKR 10,000 *Plus Tax*	Online
49 NIBAF-QTA-R	Statistical Techniques for Market Risk Measurement	30-31 OCT 10am - 5pm	FACILITATOR: M. Hasnain Yousaf, JD, Research Department, SBP	PKR 20,000 *Plus Tax*	Online
50 NIBAF-ISB-Q	Consumer Behavior Decoded: Leveraging Data Science	30-31 OCT 9am - 5pm	FACILITATOR: Panel of Trainers	PKR 24,000 *Plus Tax*	F2F, ISB
51 NIBAF-ISB-W	IFRS-9 Financial Instruments	30-31 OCT 9am - 5pm	FACILITATOR: Panel of Trainers	PKR 24,000 *Plus Tax*	F2F, KHI
52 NIBAF-KHI-AZ	Business Analytics with MS Excel & Power Bi	30-31 OCT 9am - 5pm	FACILITATOR: Sumaira Ghouri	PKR 24,000 *Plus Tax*	F2F, KHI
53 IBP	AML/CFT Framework for Regulated Entities - SBP Regulations & Risk Based Framework	30-31 OCT 9am - 5pm	FACILITATOR: M. Kamran Shahzad	PKR 24,000 *Plus Tax*	F2F, KHI
54 IBP	Regulating Digital Payments Services and Related Issues (for Legal Fraternity)	TBA 9am - 5pm	FACILITATOR: Shoukat Bizinjo	TBA	F2F, KHI

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Mohammad Ali Jinnah
Founder of Pakistan
(Ziarat, 1948)

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