

## Domestic Economic Roundup

### Key Money & Banking Indicators:

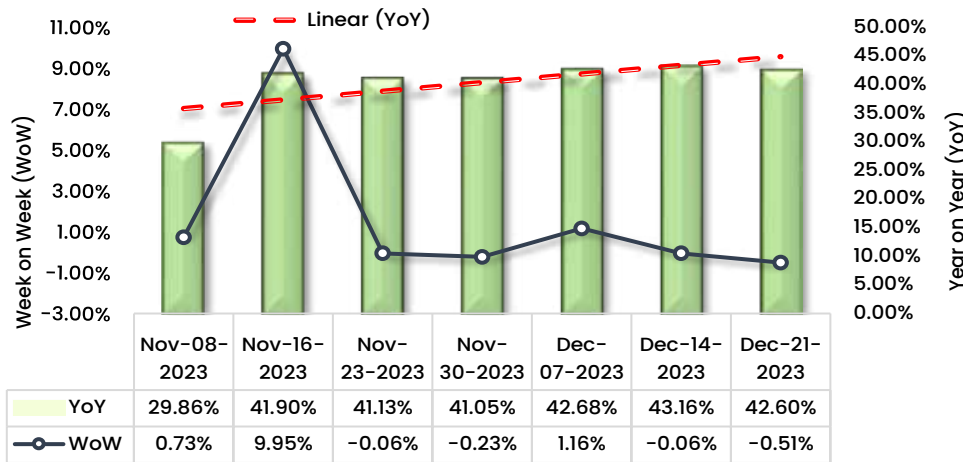
	Stocks at End - June 2023	Flows		Monetary Impact Since 1st July to	
		FY22	FY23	08-Dec-23	09-Dec-22
Total Deposits with Banks	22,262.4	2,615.1	2,327.6	837.5	37.9
Broad Money (M2)	31,523.3	3,304.9	3,920.6	358.5	274.9
Govt. Sector Borrowings (Net)	23,723.1	3,357.7	4,100.2	2,837.4	1,140.6
Credit to Private Sector	9,167.1	1,329.7	208.3	(64.2)	40.3

(Rs in billion)

<https://shorturl.at/hil46>

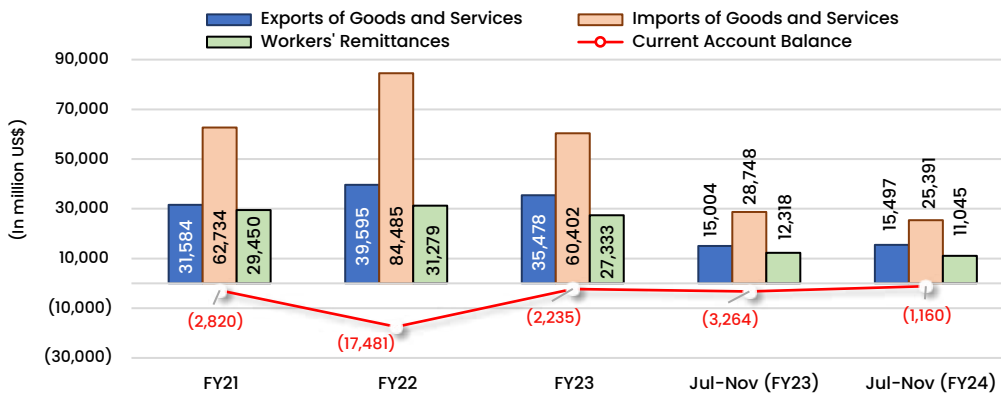
### Weekly Trend in Sensitive Price Indicator (SPI)

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



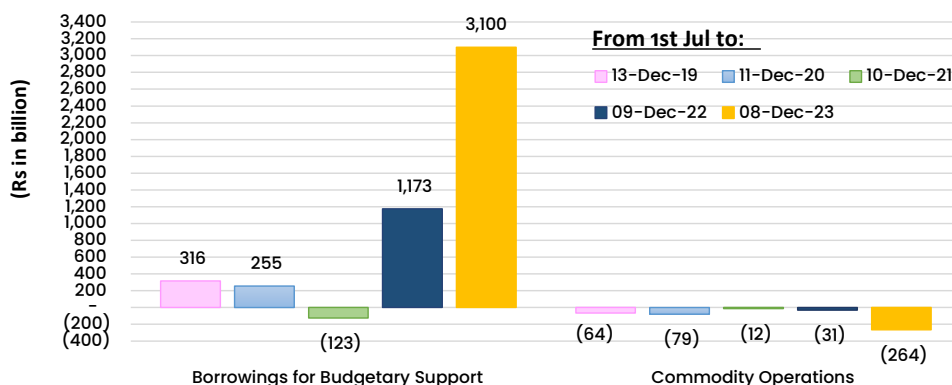
### Major Components of Current Account Balance

<https://shorturl.at/yBH19>



### Government Sector Borrowings (Net)

<https://shorturl.at/AFSx7>



## Markets at a Glance

Rates taken till Friday, December 22, 2023

### SBP POLICY RATE

**22.00%** | Effective from June 27, 2023

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

### KIBOR (3 MONTHS)

	Bid%	Offer%
Change Starting	21.17	21.42
Change Ending	21.12	21.37
Change	-0.05	-0.05

[https://www.sbp.org.pk/ecodata/kibor\\_index.asp](https://www.sbp.org.pk/ecodata/kibor_index.asp)

### FOREX RATES

	GBP	EURO	USD
Change Starting	PKR 361.55	PKR 311.39	PKR 283.26
Change Ending	PKR 358.66	PKR 310.81	PKR 282.53
Change	-2.89	-0.58	-0.73

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

### PAKISTAN STOCK EXCHANGE

	100 Index
Change Starting	66,130
Change Ending	61,705
Change	-4,425

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

### GOLD RATES

	10 GM, 24K
Change Starting	PKR 186,130
Change Ending	PKR 185,828
Change	-302

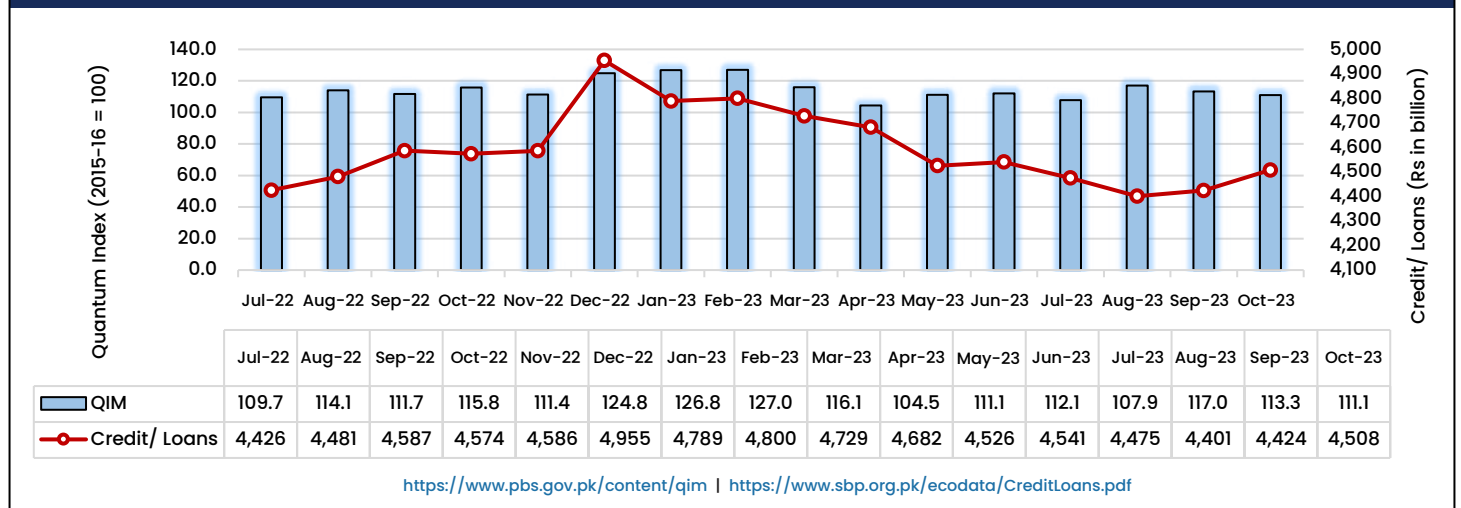
<https://www.forex.pk/bullion-rates.php>

## Quantum Index Numbers of Large Scale Manufacturing Industries-LSMI (2015-16 = 100)

Jul-October		% age Growth in 2023-24 over 2022-23	Monthly Indices and Growth				
Index for			Index for			% age Growth	
2023-24	2022-23		Oct-23	Oct-22	Sept-23	MOM	YOY
112.33	112.82	-0.44	111.06	115.78	113.32	-2.00	-4.08

<https://www.pbs.gov.pk/content/qjm>

## Quantum Index of Manufacturing (QIM) Vs. Outstanding Credit/ Loans to Manufacturing



CPI Inflation	Annual Average			Year-on-Year		
	FY20	FY21	FY22	Nov 2022	Oct 2023	Nov 2023
General	10.7	8.9	12.2	23.8	26.8	29.2
Food (Urban)	13.6	12.4	13.4	29.7	28.9	29.8
Non-Food (Urban)	8.3	5.7	10.8	16.4	23.1	30.9

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

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

## Currency in Circulation as on (Stock data)

(Rs in billion)

June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	Dec 09, 2022	Dec 08, 2023
4,950.0	6,142.0	6,909.9	7,572.5	7,807.4	8,673.7

P = Provisional | R = Revised | F = Final

[https://www.sbp.org.pk/ecodata/BroadMoney\\_M2.pdf](https://www.sbp.org.pk/ecodata/BroadMoney_M2.pdf)

## Central Banks' Gallery

### State Bank of Pakistan



#### SBP Introduces 'Shared e-KYC' for Banks

State Bank of Pakistan (SBP), over the years, has strengthened the AML/CFT regime including processes for 'Know Your Customer (KYC)' and 'Customer Due Diligence (CDD)'. To further streamline the KYC/CDD processes, SBP has allowed banks to rely on third party financial institutions for performing effective and efficient KYC/CDD.

With the objective to bring further efficiency in KYC and onboarding process, Pakistan Banks Association (PBA), under the guidance of SBP, has undertaken the development of a 'shared e-KYC platform'. This new platform will provide a number of benefits to banks including; timely exchange and updating of customers KYC/ CDD information across the banking industry through a secure digital channel, standardization of KYC/ CDD data, enhancing customer onboarding experience and cost savings for the banks.

The 'shared e-KYC platform' has been built on Distributed Ledger Technology (DLT) whereby customer's KYC/ CDD related information shall reside with the banks only, without the need for a central entity to house this critical customers' data. Further, to protect the rights of the banks' customers, the data will be accessed only with their explicit consent. Given the importance and utility of this platform, both for banks and their customers, banks are advised to join the 'shared e-KYC platform', and dedicate required financial, technological and human resources for its timely and effective implementation. <http://tinyurl.com/38xrj7n8>

### Central Bank of the Republic of Türkiye



#### MPC Decides to Raise Policy Rate to 42.5 percent

The Monetary Policy Committee (MPC) of Central bank of Republic of Türkiye on December 21, 2023 announced to raise the policy rate 42.5 percent. The Report states that headline inflation edged up in November and remains in line with the outlook presented in the most recent Inflation Report. The existing level of domestic demand, stickiness in services inflation, and geopolitical risks keep inflation pressures alive.

Assessing that monetary tightness is significantly close to the level required to establish the disinflation course, the Committee reduced the pace of monetary tightening. The Committee anticipates to complete the tightening cycle as

soon as possible. The monetary tightness will be maintained as long as needed to ensure sustained price stability.

Taking into account the cumulative and lagged effects of monetary tightening, the Committee will continue to determine its policy decisions in a way that will create monetary and financial conditions necessary to ensure a decline in the underlying trend of inflation and to reach the 5 percent inflation target in the medium term.

Indicators of inflation and underlying trend of inflation will be closely monitored and the Committee will continue to decisively use all the tools at its disposal in line with its main objective of price stability.

The Committee will continue to make its decisions in a predictable, data-driven and transparent framework.

<http://tinyurl.com/4rhefj5m>

#### CPI Inflation:

YoY (November 2023)	61.98%	MoM (November 2023)	3.28%
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<http://tinyurl.com/bddj27dc>

### Reserve Bank of Australia



#### BOE Maintains Bank Rate at 5.25 percent

The Bank has released a final set of expectations for the Tokenization of Payment Cards and Storage of Primary Account Numbers (PANs), aimed at improving security, efficiency and competition for online card payments. The key expectations the Bank has set are:

- All relevant industry participants should support token portability and token synchronization by the end of June 2025.
- Merchants and payment service providers that do not meet minimum security requirements relating to the storage of sensitive debit, credit and charge card information must not store customers' PANs after the end of June 2025.
- The rollout of the eftpos core eCommerce tokenization service is to be completed by the end of March 2024.

AusPayNet has agreed to coordinate the industry's work to meet the Bank's expectations and draft more specific tokenization standards if required.

<http://tinyurl.com/yc8fh74t>



## Central Bank of the UAE



### CBUAE issues UAE Islamic Finance Report 2023

The Central Bank of the UAE (CBUAE) on December 20, 2023, has issued the UAE Islamic Finance Report 2023 which highlights the sustainable Islamic finance efforts of Islamic financial institutions (IFIs) across the UAE. The report comes in line with the UAE's Year of Sustainability and its recent hosting of COP28.

His Excellency also noted that the Islamic banking sector has become an integral part of the UAE's financial industry, accounting for 23 percent of total banking assets within the UAE in 2022, equivalent to AED 845 billion. Meanwhile, Islamic windows, in addition to the takaful market and sukuk issuances, account for 25 percent of total Islamic banking assets in the UAE, equivalent to AED 214 billion. His Excellency said: "Islamic banks play a crucial role in the development and provision of sustainable finance and in meeting the sustainability objectives of the wider financial sector, in accordance with the UAE's regulatory, supervisory and risk management directives. This is further strengthened by the issuance of the Guiding Principles Regarding Sustainability in Islamic Financial Institutions by the Higher Shari'ah Authority."

The report also presents key statistics and indicators regarding the UAE's Islamic finance landscape. Chief amongst these is the presence of eight standalone Islamic banks, 16 Islamic banking windows of conventional banks, and nine Islamic finance companies operating in the UAE. The report also highlights the presence of 10 takaful insurance companies with total gross written contributions amounting to AED 4 billion in 2022, whereas the value of sukuk outstanding stood at AED 217 billion in H1 2023.

<http://tinyurl.com/j6xk6chy>

## Commercial Banks' Gallery

### ECB Publishes Study on Environmental Impact of Euro Banknotes

Caretaker Minister for Finance, Revenue, and Economic Affairs, Dr Shamsad Akhtar on December 21, 2023, formally launched the Pakistan's Export-Import Bank (EXIM), marking a significant stride towards fortifying external trade, attracting investments and propelling broader economic growth in the country.

"EXIM's operationalization is a proud moment and a major milestone for us today. It will augment the banking and trade finance landscape as we know," the finance minister remarked while speaking at the inaugural ceremony of the bank.

The minister highlighted the global impact of EXIMs, citing that these institutions disbursed a staggering \$2.5 trillion in trade finance last year, substantially fostering exports across over 60 countries and boosting export investments. Detailing the diverse portfolio of products offered by EXIMs, Dr Akhtar emphasized the significance of export credit loans, which provided competitive-rate financing to exporters.

Notably, EXIM would introduce export insurance products in Pakistan to safeguard exporters against credit default risks, empowering them to explore international infrastructure projects.

Acknowledging the collaborative effort between EXIM and the State Bank of Pakistan (SBP), Dr Akhtar emphasized the imperative for their partnership until the SBP could phase out of export finance operations smoothly, reinforcing EXIM's capacity-building initiatives. <http://tinyurl.com/23skx4ph>

### Bank Makramah Limited Appoints Hussain Lootah as Board's Chair

The Board of Directors (BoD) of Bank Makramah Limited (BML), formerly known as Summit Bank Limited, has appointed Abdulla Nasser Abdulla Hussain Lootah as the chairperson of the board.

The bank shared the development in a notice to the Pakistan Stock Exchange (PSX) on December 21, 2023. Earlier in July, the bank had said that its BoD had acceded to change the name of SMBL to Bank Makramah Limited, which was followed by the approval of the State Bank of Pakistan (SBP).

The name change came after prominent UAE investor Nasser Abdulla Hussain Lootah acquired a controlling stake in Summit Bank.

In April, Lootah subscribed to 3.98 billion new shares of the bank at Rs2.51 per share, which translates into a subscription amount of Rs10 billion, giving him a majority equity stake. <http://tinyurl.com/4jace883>



## Economic Horizons

### Pakistan Startup Sehat Kahani Announces \$2.7 million Series A Round

Sehat Kahani, a Pakistani health-tech startup, announced on December 21, 2023, that it has closed a \$2.7-million Series A round with Amaanah Circle, a Singapore-based health tech fund led by Dr Razi Yousuf, spearheading the funding.

Amaanah Circle was joined by key investors including Epic Angels, a female-only investor collective, Cross Fund, USAID Investment Promotion Activity (IPA), Augmentor, Impact Investment Exchange (IIX) and the Elahi group, the statement added.

Founded by two doctors, Sara Saeed Khurram and Iffat Zafar Aga, Sehat Kahani says its technology ensures a virtual connection between doctors and patients within 60 seconds.

The platform offers on-demand, at-home or on-premises laboratory services and online medicine delivery, catering to a nationwide patient base, including B2B clients, B2C consumers, and the underserved population in rural areas. Sehat Kahani has expanded its corporate application into a comprehensive OPD management solution. Corporate employees and their families benefit from cashless access to specialists, online medicine delivery, and claims management.

Additionally, Sehat Kahani runs a well-being program for corporates, focusing on health promotion and preventative care. The consumer application, operational in over 350 cities across Pakistan, is integrated into banking and lifestyle platforms.

The startup said that it has a global network of over 7,500 healthcare professionals. <http://tinyurl.com/4y3ch2kj>

### Pakistan's Regional Exports Increase 16.3 percent in 5 months

Pakistan's exports to the seven regional countries witnessed an increase of 16.3 percent in the first five months of the financial year (2023-24) as compared to the corresponding months of last year.

The country's exports to the regional countries including Afghanistan, China, Bangladesh, Sri Lanka, India, Nepal, and the Maldives account for a small amount of \$1856.0 million, which is 14.8 percent of Pakistan's overall exports of \$12510.8 million during July-November (2023-24), State Bank of Pakistan (SBP) reported.

China tops the list of countries in terms of Pakistan's exports to its neighboring, leaving behind other countries such as Bangladesh and Afghanistan.

Pakistan carried out its border trade with the farther neighbor Sri Lanka, India, Nepal, and Maldives. Pakistan's exports to China witnessed an increase of 39.4 percent to \$1223.5 million in five months of this year from \$877.4 million last year while exports to Afghanistan also surged to \$232.7 million from \$213.3 million.

On the other hand, the imports from seven regional countries were recorded at \$4884.4 million during the period under review as compared to \$5195.3 million during last year, showing a decline of 6.0 percent.

The imports from China during July-November 2023-24 were recorded at \$4741.1 million against the \$5045.4 million during July-November 2022-23, showing a decrease of 6.0 percent during the period. <http://tinyurl.com/y6bw9ku3>

### Ambassador of Iran to Pakistan Calls on Chairman FBR

Ambassador of Iran to Pakistan H.E. Dr. Reza Amiri Moghaddam called on Chairman Federal Board of Revenue Malik Amjed Zubair Tiwana on December 20, 2023, at FBR HQs. Member Customs (Ops) was also present on the occasion.

During the meeting, the two sides discussed matters pertaining to customs, cross border trade and management for smooth flow of bilateral trade between the two countries. They agreed to remove the irritants in the barter trade for increased economic activities between the two neighbors.

The two sides also agreed on early operationalization of gate at Rimdan-Gabd crossing point for facilitation of traders and enhanced cross border trade.

The Iranian ambassador said that expansion of parking area on Taftan side would facilitate Iranian trucks. He also requested to allow free movement of Iranian trucks at least up till Quetta. Chairman FBR apprised him of the legal hurdles in this regard, however, he assured to look into the matter. It was also agreed that both sides will work on sharing trade related data digitally through Electronic Data Interchange (EDI) system. <http://tinyurl.com/2c536yzw>

# SNIPS

### Importance of Small Businesses

About 85 percent of Americans report small businesses have a somewhat or extremely positive impact on people's lives, as per Gallup.

## International Economic Roundup

### ESG Funds Suffer Weaker Demand despite Help from Tech-Sector Performance

Sustainable funds faced a sharp slowdown in demand globally in 2023 amid political controversy and concerns about "greenwashing," even as many outperformed the broader market when the recovery of technology-related stocks bolstered their returns.

Environmental, social and governance (ESG) investing boomed in 2020 and 2021 during the COVID-19 pandemic as low oil prices spurred more investors to diversify beyond fossil fuels, and as fund managers sought to appear more climate-conscious. The category started to fall out of favor in 2022 as conventional energy prices soared.

Globally, funds classified as "responsible investing" recorded \$68 billion of net new deposits in 2023 through November 30, 2023, LSEG Lipper data showed. That was down sharply from \$158 billion for all of 2022 and from \$558 billion for all of 2021.

The funds' performance often beat the broader market, buoyed by their heavy exposure to technology stocks, including some of the "Magnificent 7" like Apple and Alphabet, which rallied in the last few months as the Federal Reserve signaled an end to interest-rate hiking.

The Dow Jones Sustainability World Index had a total return of 21.7 percent from the start of the year to December 19, 2023. It is a sustainability-focused subset of the S&P Global Broad Market Index, which had a total return of 17 percent. In 2022, that sustainability index also did better than the broader market, even as investors lost money. It had a total return of negative 15.6 percent while the broad index had a total return of negative 20 percent.

<http://tinyurl.com/339ahazn>

### BlackBerry Posts Surprise Quarterly Profit on Resilient Cybersecurity Demand

Canada's BlackBerry reported a surprise quarterly profit on December 21, 2023, backed by a resilient demand for cybersecurity services amid rising online threats.

Earlier this month, BlackBerry discarded its initial public offering plans for its Internet of Things (IoT) business, but still expects to split the IoT and Cybersecurity businesses into fully standalone divisions.

"Work has commenced to fully separate and significantly rightsized our businesses, and we expect to further reduce operating cashflow usage in Q4," said CEO John Giamatteo. BlackBerry also plans to simplify the corporate structure of

the company so that each business unit may operate independently and on a profitable and cashflow-positive basis.

BlackBerry expects fourth-quarter revenue in the range of \$150 million to \$159 million.

The Waterloo, Canada-based company reported adjusted net profit of 1 cent per share in the quarter ending November 30, 2023, compared with a loss of 5 cents per share a year earlier.

Revenue in the third quarter rose to \$175 million from \$169 million. Analysts on average had expected revenue of \$173.5 million, according to LSEG data. <http://tinyurl.com/36vc26fr>



## HR TIPS

### 4 Leadership Skills to Develop

Leadership is not a quality you either innately possess or lack; it is the sum of eight skills you can develop over time. Here are four of the characteristics that will help you become recognized as a leader.

**Authenticity.** Work to build self-awareness, and put yourself in positions to highlight your strengths and improve on your weaknesses.

**Curiosity.** Ask questions about what you do not know. Think expansively and ambitiously. Present as someone who constantly wants to learn, explore, and innovate.

**Analytical thinking.** Leadership requires the ability to break down complex problems, identify their root causes, and come up with fresh solutions. Develop your analytical skills by focusing on cause-and-effect relationships and being attentive to patterns and trends.

**Adaptability.** Take on assignments and seek out experiences that demand flexibility. Push yourself to work in new environments with different kinds of people.

(This tip is adapted from *8 Essential Qualities of Successful Leaders*, by Rebecca Knight - HBR.)

## Write an Effective Self-Assessment

Writing a self-assessment can feel like a box-checking exercise, but it sets the tone for your manager's evaluation of your work. Follow these five steps to nail this critical part of your performance review.

**Focus on the entire year.** Do not just default to your most recent accomplishments. If you did not keep notes, take a peek at your calendar to remind yourself of the projects you worked on and significant conversations you were a part of. Consider broader company and functional goals. Identify the work you did that directly contributed to the big picture. Your goal is to tie your day-to-day work to your organization's success.

**Look for alignment with company values.** How you approached your job is just as important as what you accomplished. Identify the behaviors and attitudes you brought to work that upheld your organization's values and culture.

**Seek feedback from colleagues.** Reach out to your coworkers to understand their perception of you and your work. Ask: What do I do well? What have I improved on this year? And what do you hope I improve on in the year to come?


**Draft a concise list of accomplishments.** Pick no more than five of the most impactful achievements to highlight. Each one should have fulfilled an organizational goal, advanced the company's values and culture, and been informed by feedback from colleagues.

(This tip is adapted from *How to Write an Effective Self-Assessment*, by Marlo Lyons - HBR.)

**SNIPS**

### Generative AI benefits

According to MIT Sloan research, contact center agents with access to a conversational assistance saw a 14 percent boost in productivity, with the largest gains impacting new or low-skilled workers.



“we have to build up the character of our future generations which means highest sense of honor, integrity, selfless service to the nation, and sense of responsibility, and we have to see that they are fully qualified or equipped to play their part in the various branches of economic life in a manner which will do honors to Pakistan.”

— Quaid-e-Azam Muhammad Ali Jinnah  
(Message to All Pakistan Educational Conference, Karachi, November 27, 1947)

*Season's Greetings  
to our esteemed readers!*