

Domestic Economic Roundup

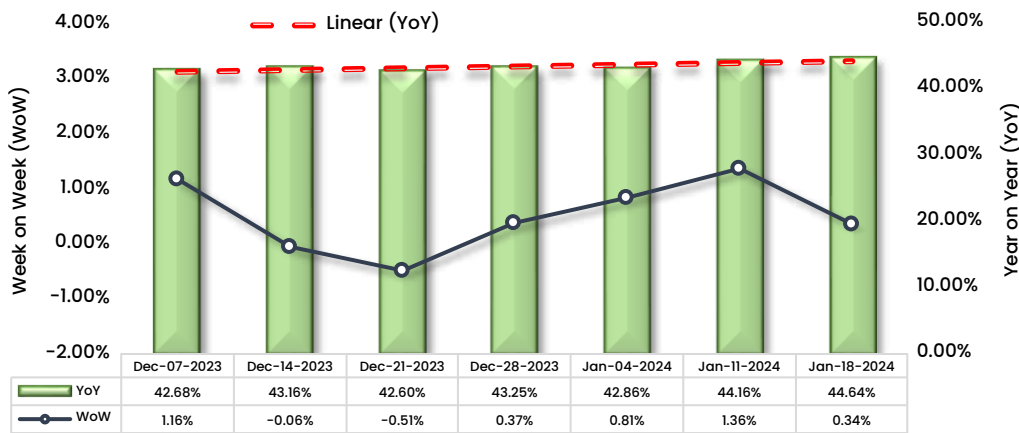
Key Money & Banking Indicators:

	Stocks at End - June 2023	Flows		Monetary Impact Since 1st July to	
		FY22	FY23	05-Jan-24	06-Jan-23
Total Deposits with Banks	22,262.4	2,615.1	2,327.6	1,426.1	(160.6)
Broad Money (M2)	31,523.3	3,304.9	3,920.6	880.1	91.6
Govt. Sector Borrowings (Net)	23,723.1	3,357.7	4,100.2	2,488.3	1,007.2
Credit to Private Sector	9,167.1	1,329.7	208.3	57.4	419.0

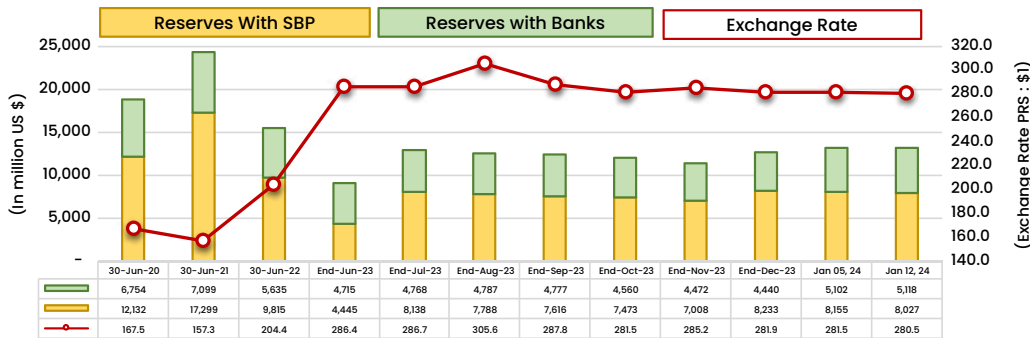
(As in billion)

<https://shorturl.at/hil46>

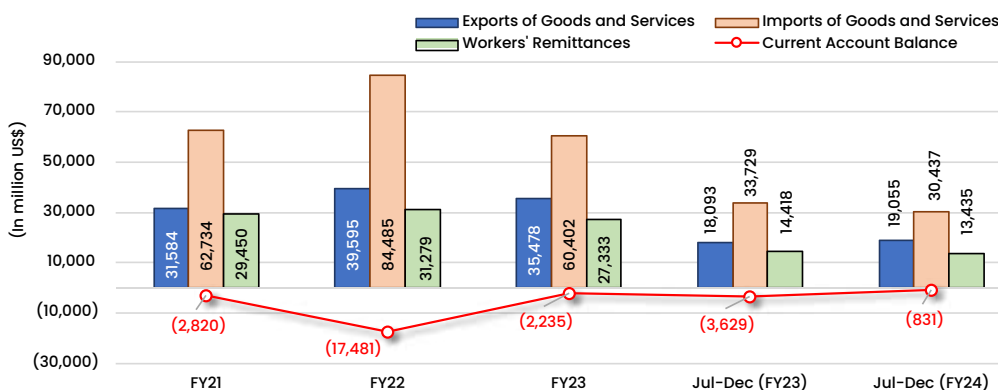
Weekly Trend in Sensitive Price Indicator (SPI)

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


Forex Reserves and Exchange Rate

<https://shorturl.at/dxNU7> | <https://shorturl.at/aJM22>


Major Components of Current Account Balance

<https://shorturl.at/yBH19>


Markets at a Glance

Rates taken till Friday, January 19, 2024

SBP POLICY RATE

22.00%

Effective from June 27, 2023

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

KIBOR (3 MONTHS)

	Bid%	Offer%
Starting	20.66	20.91
Ending	20.41	20.66
Change	-0.25	-0.25

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

FOREX RATES

	GBP	EURO	USD
Starting	PKR 358.18	PKR 307.85	PKR 280.36
Ending	PKR 354.94	PKR 304.47	PKR 279.90
Change	-3.24	-3.38	-0.46

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

PAKISTAN STOCK EXCHANGE

	100 Index
Starting	64,638
Ending	63,282
Change	-1,356

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

GOLD RATES

	10 GM, 24K
Starting	PKR 182,456
Ending	PKR 181,272
Change	-1,184

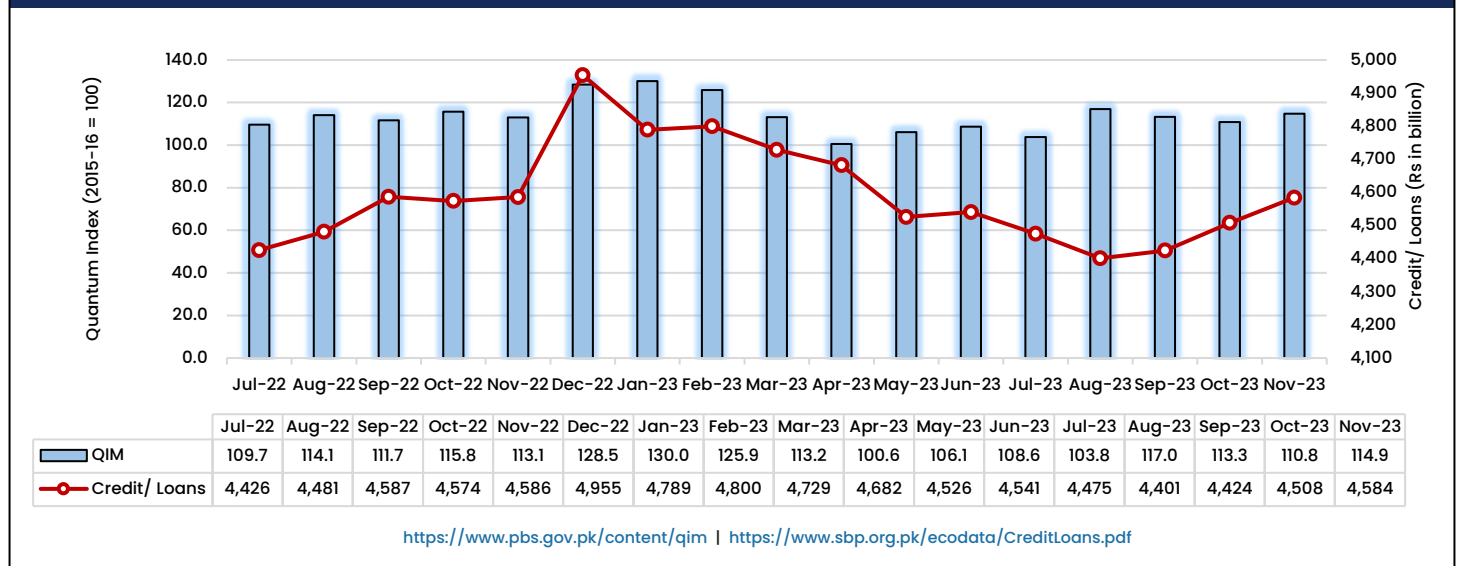
<https://www.forex.pk/bullion-rates.php>

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

Jul-November		% age Growth in 2023-24 over 2022-23	Monthly Indices and Growth				
Index for			Index for			% age Growth	
2023-24	2022-23		Nov-23	Nov-22	Oct-23	MOM	YOY
111.96	112.87	-0.80	114.85	113.05	110.83	3.63	1.59

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

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



CPI Inflation	Annual Average			Year-on-Year		
	FY20	FY21	FY22	Dec 2022	Nov 2023	Dec 2023
General	10.7	8.9	12.2	24.5	29.2	29.7
Food (Urban)	13.6	12.4	13.4	32.7	29.8	28.8
Non-Food (Urban)	8.3	5.7	10.8	14.8	30.9	32.4

<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, 2020	June 30, 2021	June 30, 2022	June 30, 2023	Jan 06, 2023	Jan 05, 2024
6,142.0	6,909.9	7,572.5	9,148.7	7,829.6	8,596.9

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

Central Banks' Gallery

Bank Negara Malaysia



Exposure Draft on Currency Processing Business

Bank Negara Malaysia (BNM) announced Exposure Draft on Currency Processing Business on January 17, 2024. This Exposure Draft sets out the proposed standards and guidelines to be observed by Registered Currency Processors (RCPs) in order to ensure prudent practice, professionalism, integrity, accountability and transparency of currency processing businesses. The exposure draft covers related key areas as follows:

- ♦ Governance;
- ♦ Operational requirements;
- ♦ Internal control; and
- ♦ Information technology (IT) requirements.

BNM would like to invite written feedback on the proposals in this exposure draft, including suggestions for specific issues, areas to be clarified or elaborated further, and any alternative proposals that BNM should consider. The written feedback should be supported with clear rationale, accompanying evidence or appropriate illustrations to facilitate an effective review of this exposure draft.

Feedback for the exposure draft must be submitted electronically to BNM by March 15, 2024 to

currency@bnm.gov.my | <http://tinyurl.com/yc5yefnn>

Commercial Banks' Gallery

Raqami Islamic Digital Bank Partners with Euronet Pakistan to Launch First Islamic Digital Bank in Pakistan

Under this exclusive arrangement, Raqami will leverage Euronet's system for Card Issuance, Enterprise Fraud Management & Payment processing services, alongside, integration with the core banking system, non-core applications, and digital channels. The move aims to build operational efficiency, reduced costs, improved service availability, and ensure a seamless digital banking experience for Raqami's customers.

In January 2023, Raqami Islamic Digital Bank (RIDB) obtained a no objection certificate (NOC) from the State

Bank of Pakistan (SBP) to establish an Islamic digital retail bank in the country. In September 2023 SBP awarded in-Principal Approval (IPA) to Raqami and four other aspirants for the digital bank license. Under the IPA, RIDB is in the process of developing its operational readiness for pilot, followed by commercial launch as a digital retail bank. <http://tinyurl.com/4hrn4nh4>

Meezan Bank & IBA Join Hands to Launch 'Meezan Justuju'

Meezan Bank, Pakistan's leading Islamic bank has recently launched Meezan Justuju – a fully funded Islamic Finance talent development program for fresh graduates in collaboration with IBA-CEIF (Institute of Business Administration – Centre for Excellence in Islamic Finance). The Program's initial screening, conducted through a written test at Meezan House, received an overwhelming response, attracting participants from various disciplines.

Meezan Justuju is a two-month certificate course designed to equip fresh graduates with comprehensive knowledge and expertise in Islamic banking and finance, dedicated to meeting the growing demand for skilled professionals in the industry.

The Program's curriculum has been strategically developed to prepare a pool of talent well-versed in Islamic finance, enabling them to pursue diverse career paths within Islamic banks, Takaful companies, Mudarabah companies, Islamic asset management companies, and Islamic banking divisions or windows. <http://tinyurl.com/mr39fme9>

Economic Horizons

Pakistan Achieves Record-Breaking Exports Target in 2nd, Quarter of FY, 2024

The Ministry of Commerce on January 18, 2024 said that Pakistan has achieved record-breaking exports target and surpassing expectations at the end of second quarter of Financial Year 2024.

In a remarkable turn of events, Pakistan has transitioned from facing potential default to achieving a record-breaking surplus in its current account, showcasing the nation's resilience and commitment to economic stability, said a press release issued on January 18, 2024.

In December 2023, Pakistan achieved an impressive current account surplus of \$397 million.

This surplus contributed to the overall surplus of \$198 million in the second quarter of Financial Year 2024.

This substantial increase in surplus is a testament to the effective economic strategies implemented by the government.

The December 2023 surplus is particularly noteworthy when compared to the deficit of \$365 million recorded in December 2022.

This significant improvement has led to a remarkable 77 percent reduction in the Current Account Deficit (CAD), which now stands at \$2.8 billion.

The Ministry of Commerce urges all stakeholders to build on this momentum, emphasizing the need for collective efforts to sustain and enhance this positive trajectory.

Minister Dr Gohar Ejaz expressed optimism, stating, "Let's build on this momentum, onward and upward! Together, we can continue to strengthen Pakistan's economic foundation." <http://tinyurl.com/2yskyhx2>

Government Releases Rs 3,097.5 million for Agriculture Sector Uplift Projects

The Government has released an amount of Rs3,097.5 million for various agriculture and livestock uplift projects under the Public Sector Development Program (PSDP) 2023-24 as against the total allocation of Rs 8.9 billion.

The amount was released during the first 06 months of the current financial year (July-December) for the completion of different ongoing development schemes, besides initiating the new projects of vital importance, said an official in the Ministry of National Food Security and Research. <http://tinyurl.com/72bnter9>

Pakistan, Dubai Ink Over \$3 billion Pact in Railways, Infrastructure Development

Pakistan and Dubai have inked more than \$3 billion investment pact in diverse fields including cooperation in railways, economic zones and infrastructure development. The agreement was signed at the World Economic Forum in Davos by Minister of Communication, Railways and Maritime Affairs Shahid Ashraf Tarar and Chairman of Ports, Customs and Free Zone Corporation (PCFC) Sultan Ahmed bin Sulayem.

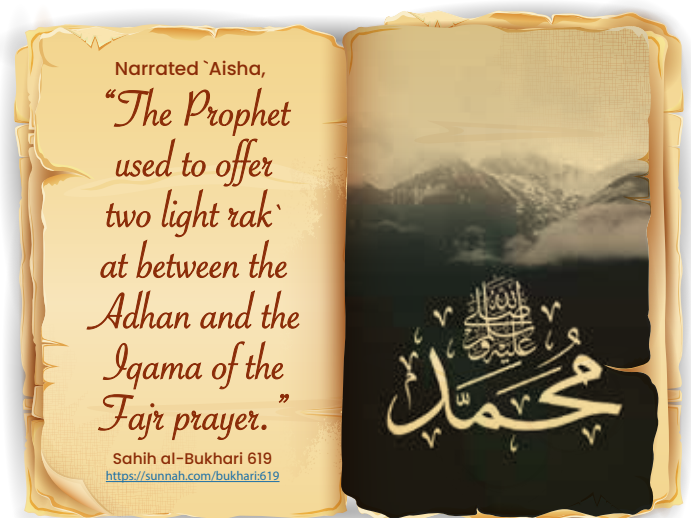
According to the Ministry of Railways, the cooperation covers the development of a dedicated freight corridor, multi-modal logistics park, and freight terminals.

The Dubai Port (DP) World will work on infrastructure development at Qasim International Container Terminal which is Pakistan's leading trade gateway and plans to develop an economic zone near the terminal. Both governments have signed two Inter-Governmental Framework Agreements to strengthen their relations in the marine and logistics sectors, including the potential

establishment of a Dedicated Freight Corridor and Economic Zone near Karachi. The DP World will act on behalf of the Dubai Government, while Pakistan Railways and Port Qasim Authority will act on behalf of the Pakistan Government, for the development of the projects.

The rail-based Dedicated Freight Corridor is planned to run from Karachi Port on the Arabian Sea, passing through Karachi, Pakistan's most populous city, to the Pipri Marshalling Yard, approximately 50 km away.

<http://tinyurl.com/n3zarwe9>



SECP, UN Women Pakistan to Host ESG Symposium

The Securities and Exchange of Pakistan (SECP), in partnership with UN Women Pakistan, is all set to host a symposium on 'Driving Progress on Sustainability and Climate Change Considerations.' The Federal Minister for Finance and Revenue, Dr Shamshad Akhtar, will be the chief guest of the symposium, scheduled for January 23, 2024, in Karachi.

Leadership and experts from capital market institutions including Pakistan Stock Exchange (PSX), Pakistan Business Council, Pakistan Institute of Corporate Governance, Mutual Fund Association of Pakistan, Asian Development Bank, International Finance Corporation, InfraZamin, Institute of Chartered Accountants of Pakistan, CFA-Pakistan, ACCA-Pakistan, corporate leaders, and academia will be participating in the event.

The symposium will focus on policy discussions on ESG-based investing and climate change, facilitate consultations on draft ESG disclosure guidelines. In addition, experts will discuss Environmental, social, and corporate governance (ESG) action plans in an open forum and share their feedback on the 'ESG Sustain' website, the premier resource for sustainability knowledge.

<http://tinyurl.com/yysyf3yf>

International Economic Roundup

WEF 2024 in Davos Providing Window to Photovoltaic Industry

The five-day World Economic Forum Annual Meeting 2024 officially kicked off in Davos, Switzerland, with the theme "Rebuilding Trust".

"It is necessary for us to make our voice heard on this global platform, WEF – to let the world know that the innovation of Chinese companies can promote the global energy transformation process and help the decarbonization transformation," Zhong Baoshen, President of global leading renewable energy company LONGi, emphasized in an interview during the forum.

"Affordable and Clean Energy (SDG7) is key to achieve all United Nations Sustainable Development Goals for a more sustainable future. The decrease of solar power costs is the very foundation for energy equity at the global scale, especially to the underdeveloped regions," Dennis She, Vice President of LONGi, pointed out during the Davos Summit. Not long ago, LONGi promised to provide photovoltaic (PV) systems and solutions to Pakistan starting from 2024, providing safe, reliable and clean energy for public facilities of refugees and host communities, so that these places can study, work and operate businesses and other activities, China Economic Net (CEN) reported.

It is reported that over 780 million people, about 10 percent of world's population, live in off-grid regions, most in the Sub-Saharan Desert areas. At the same time, since China surpassed Germany for the first time in 2013 to become the world's largest photovoltaic application market, China's photovoltaic industry has maintained a momentum of continuous growth.

According to the International Energy Agency (IEA), the world's installed renewable energy capacity will grow rapidly in 2023, soaring to more than 440GW, a year-on-year increase of 107GW, becoming the largest increase in history. <http://tinyurl.com/4sx2z3s9>

ADB, BII Launch New Green Trade Finance Partnership for Asia and the Pacific

The Asian Development Bank (ADB) and British International Investment (BII), the United Kingdom government's development finance institution and impact investor, have launched a new trade finance partnership to promote green trade in Asia and the Pacific. Managed by ADB's Trade and Supply Chain Finance Program (TSCFP), the initiative will prioritize renewable energy, energy efficiency, and climate-smart agriculture to help reduce dependency on fossil fuels. ADB and BII will enter into a risk-sharing agreement to help international banks increase their

financing support to local banks. This support will initially focus on Vietnam transactions and will be subsequently extended to other countries supported by ADB and BII. This partnership will provide financing for local importers of solar panels, wind turbines, electric vehicles, and agricultural goods, supporting the region's transition to cleaner sources of energy.

"As Asia's climate bank, ADB is committed to supporting green, climate-smart, and sustainable trade to reduce climate impacts by promoting the transition to renewable energy sources," said ADB Director General for Private Sector Operations Suzanne Gaboury. "Partnerships like this with BII demonstrate ADB's leadership in convening multilateral institutions to deploy trade financing solutions that promote sustainable, trade-based international development."

The financing partnership with BII is part of TSCFP's mission to make global trade and supply chains green, inclusive, resilient, and socially responsible. It also boosts TSCFP's work in reducing the global trade finance gap, estimated at more than \$2.5 trillion annually, by bringing new trade financing capacity to market.

"Green trade finance enables supply chain development of the renewable energy industry and tackles the bottleneck for much needed long-tenor financing in the region," said BII Managing Director and Head of Asia Srinu Nagarajan. "We are delighted to work with ADB on a shared ambition to support the region's energy transition and build climate resilience."

Backed by ADB's AAA credit rating and working with more than 250 partner banks, TSCFP is growing trade and supply chains through loans and guarantees to stimulate economic development in Asia and the Pacific.

<http://tinyurl.com/s5xypvt5>

IMF Staff Reaches Staff-Level Agreement on Tajikistan's Policy Coordination Instrument

The IMF team and the Tajik government reached a staff-level agreement on a set of macroeconomic policies and structural reforms that would support the approval of a new program under the Policy Coordination Instrument (PCI).

The Tajik economy has returned to robust and broad-based growth following the COVID-19 pandemic. A tight monetary stance has helped keep inflation well contained while the fiscal deficit has remained within the authorities' medium-term target.

The requested PCI aims to maintain macroeconomic stability and strengthen the authorities' policy frameworks while advancing governance and transparency reforms to achieve more sustainable and inclusive growth.

<http://tinyurl.com/bdhymb4h>

HR TIPS

Become a Better Cross-Functional Leader

As a manager, leading across a siloed organization is just as important as leading the individuals on your team. But what does cross-functional leadership really entail? It comes down to seeing the big picture and investing in the right relationships. To become a better cross-functional leader, try these strategies.

First, take stock of how well you currently manage cross-functional relationships. Identify your top five to eight stakeholders, then determine their strategic importance to you and how frequently you interact with them. Are you putting enough time and intention into the cross-enterprise relationships that matter most?

Next, assess how much time you spend leading across teams versus leading your own team. If you find that you are spending too much time leading vertically, invest in making connections with the highest-value leaders on other teams.

Finally, build relationships. To foster healthy working relationships and trust with leaders on other teams, proactively clarify their motivations, constraints, and goals. Then find ways to win together, creating solutions and processes that are mutually beneficial.

(This tip is adapted from *How to Lead Across a Siloed Organization*, by Jeff Rosenthal and Molly Rosen - HBR.)

Support Your Employees Going Through Menopause

Organizations that take employee well-being seriously realize early on that getting ahead of conditions like menopause reduces an incredible burden on their workforce and can improve the bottom line. Nearly two out of every five people experiencing menopause reported symptoms that interfered with their work performance or productivity each week. As a manager, how can you better support those employees? Here is where to start.

- **Ask questions—and listen.** You might consider conducting a survey to gauge whether people on your team are experiencing menopause symptoms that interfere with their work—and if so, what kind of support they need. You could also start a women's health ERG, where employees going through menopause can openly share their menopause journeys, provide mutual support, and make recommendations for leadership.



- **Build benefits.** Some helpful benefits could include coverage for preventive screenings, visits to certified menopause specialists, and the costs associated with medication, hormone therapy, and other treatments to address symptoms.
- **Raise internal awareness and reduce the stigma.** When benefits are available and employees know about them, people experiencing menopause are more able to bring their best selves to the workplace. You can raise awareness by introducing training programs for all employees, including a toolkit focused on increasing understanding of menopause, reducing stigma, and providing guidance on supporting those who need it.

(This tip is adapted from *How Companies Can Support Employees Experiencing Menopause*, by Bradley Schurman and Tamsen Fadal - HBR.)

SNIPS

Dangerous Plastics in Drinking Water

A typical one-liter bottle of water contains some 240,000 plastic fragments on average, according to a new study — some 100 times more than previously estimated according to research published in the journal *Proceedings of the National Academy of Sciences*.