

Domestic Economic Roundup

Key Money & Banking Indicators:

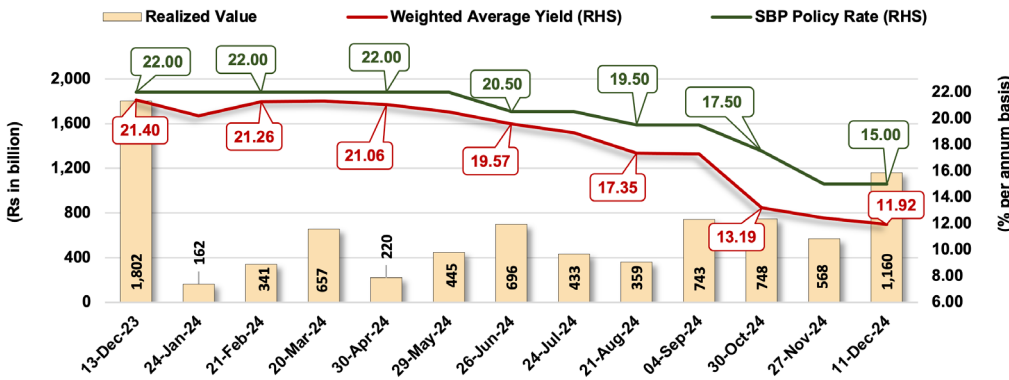
	Stocks at End - June 2024 #	Flows		Monetary Impact Since 1st July to	
		FY23	FY24	29-Nov-24	01-Dec-23
Total Deposits with Banks	27,264.5	2,327.6	5,002.1	-85.6	1,085.8
Broad Money (M2)	36,553.0	3,920.6	5,029.8	-215.7	376.0
Govt. Sector Borrowings (Net)	31,089.5	4,100.2	7,366.4	-2,232.0	2,639.6
Credit to Private Sector	9,531.3	208.3	364.2	1,148.6	-33.2

(Rs in billion)

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

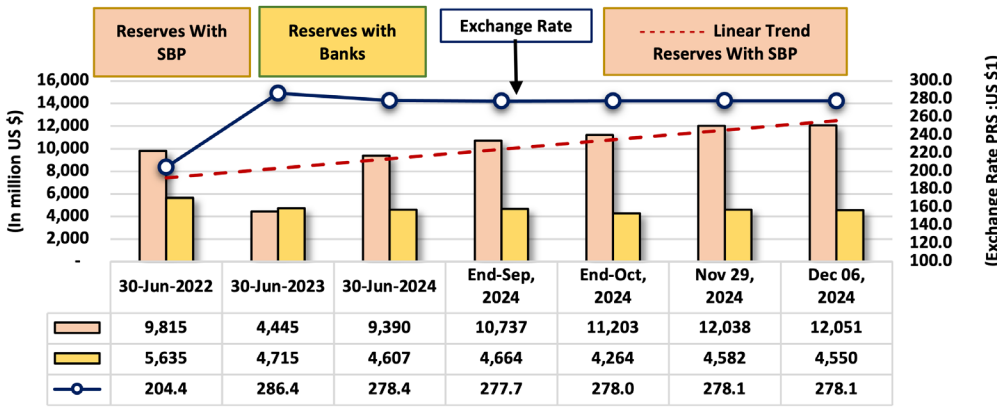
MTBs Acceptance (Auction+ Non-Competitive Bids)

MTB's: <https://shorturl.at/gkxkA3>
SBP Policy: <https://shorturl.at/gkzG>



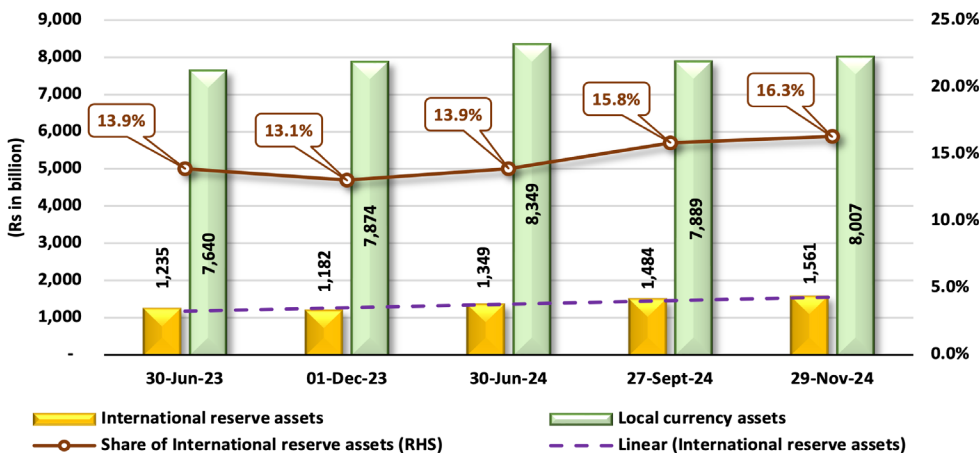
Forex Reserves and Exchange Rates as on

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



Assets Composition of Total Banknotes Issued

<https://tinyurl.com/22n5xnm>



Markets at a Glance

Rates taken till Friday, December 13, 2024

SBP POLICY RATE

15%

Effective from November 05, 2024

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

KIBOR (3 MONTHS)

	Bid%	Offer%
Change Starting	12.36	12.61
Change Ending	11.96	12.21
Change	-0.4	-0.4

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

FOREX RATES*

	GBP	EURO	USD
Change Starting	PKR 354.03	PKR 292.98	PKR 277.94
Change Ending	PKR 351.25	PKR 291.07	PKR 278.12
Change	-2.78	-1.91	+0.18

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

PAKISTAN STOCK EXCHANGE

	100 Index
Change Starting	109,054
Change Ending	114,302
Change	+5,248

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

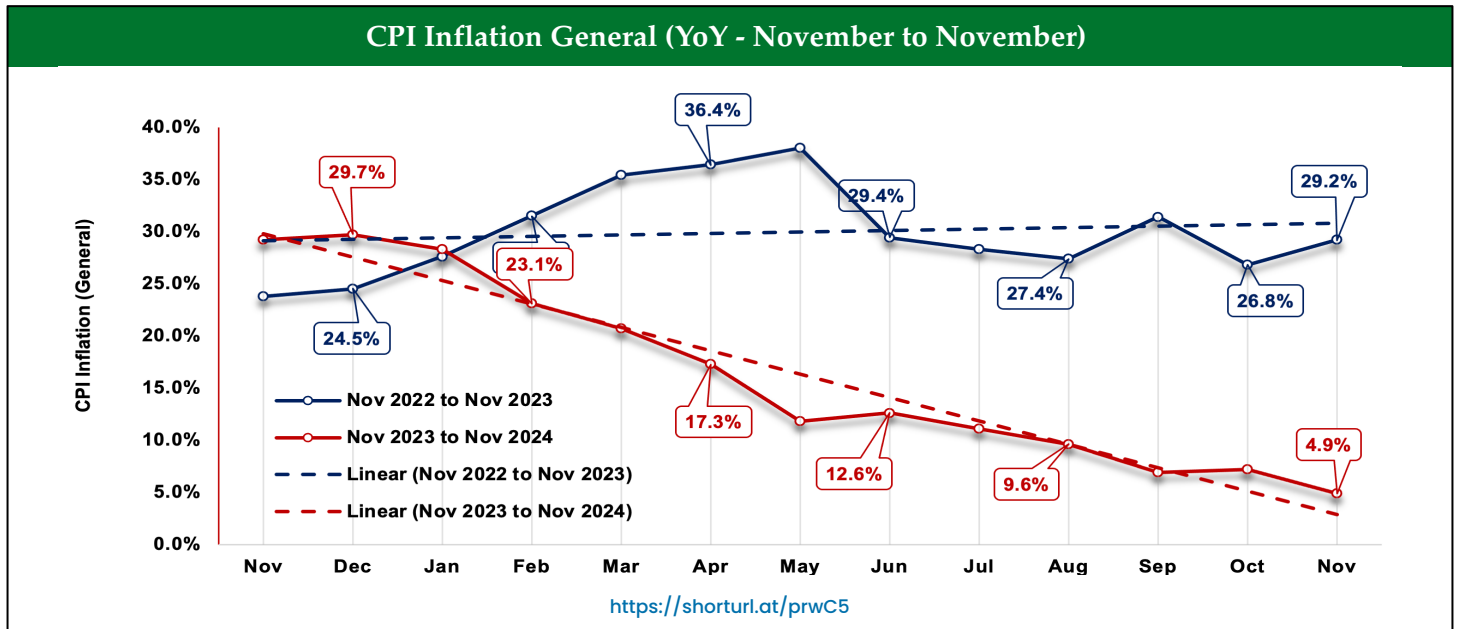
GOLD RATES

	10 GM, 24K
Change Starting	PKR 235,287
Change Ending	PKR 240,026
Change	+4,739

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

INDEX	Average July - November % Changes			November over November % Changes		
	2024-2025	2023-2024	2022-2023	2024-2025	2023-2024	2022-2023
CPI (National)	7.88	28.62	25.14	4.86	29.23	23.84
CPI (Urban)	9.66	27.38	23.41	5.24	30.44	21.56
CPI (Rural)	5.38	30.39	27.72	4.31	27.53	27.21
SPI	10.48	30.80	28.30	7.30	30.62	27.05
WP	4.87	24.98	35.59	2.26	26.44	27.73

<https://shorturl.at/lpDF3>



CPI Inflation	Annual Average			Year-on-Year		
	FY22	FY23	FY24	Nov 2023	Oct 2024	Nov 2024
National CPI	12.1	29.2	23.4	29.2	7.2	4.9
Food (Urban)	13.4	37.6	22.1	29.8	2.7	1.7
NFNE (Urban)	8.1	16.2	16.1	30.9	14.2	7.8

<https://www.sbp.org.pk/reports/annual/Gov-AR/pdf/2024/Gov-AR.pdf>

* NFNE = Non Food and Non Energy

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

Currency in Circulation as on (Stock data) (Rs in billion)

June 30, 2021	June 30, 2022	June 30, 2023	Dec 1, 2023	June 30, 2024	Nov 29, 2024
6,909.9	7,572.5	9,148.7	8,442.5	9,153.1	9,035.0

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

Central Banks' Gallery

State Bank of Pakistan



USD 2.9 billion inflow of Workers' Remittances Recorded in November 2024

Workers' remittances recorded an inflow of US\$ 2.9 billion during November, 2024. In terms of growth, remittances increased by 29.1 percent in November, 2024 on y/y basis. Cumulatively, with an inflow of US\$ 14.8 billion, workers' remittances increased by 33.6 percent during Jul-Nov, FY25 compared to US\$ 11.1 billion received during Jul-Nov, FY24. Remittances inflows during November, 2024 were mainly sourced from Saudi Arabia (\$729.2 million), United Arab Emirates (\$619.4 million), United Kingdom (\$409.9 million) and United States of America (\$288.2 million).

<https://shorturl.at/WaFGW>

Deposit Protection Corporation Releases its Annual Report FY2023-24

The Deposit Protection Corporation (DPC) announced the release of its fourth Annual Report for the fiscal year ended June 2024, on December 13, 2024. The report has been issued with the objective of providing complete disclosure of the Corporation's financial performance, operating activities, and achievements. DPC was established under the Deposit Protection Corporation Act, 2016 and operates as a subsidiary of the State Bank of Pakistan (SBP) with the mandate to compensate banks' depositors in the unlikely event of any bank failure as and when notified by SBP.

The annual report of DPC for the year 2023-24 provides a graphical illustration of total and eligible deposits and the coverage ratio of banks' depositors. As of June 30, 2024, there exist 79.2 million depositors of scheduled banks, out of which more than 78 million are eligible depositors and their deposits are protected up to the extent of the protected deposit amount as specified by the Corporation.

The report indicates DPC's robust deposit protection fund standing at total PKR 148 billion, which is a testimony to DPC's efforts towards fulfilling its mandate of compensating the losses incurred by the eligible depositors of any member bank in the unlikely event of its failure. Therefore, it emphasizes DPC's role in promoting financial stability in Pakistan. The annual report illustrates key features of deposit protection scheme and its targeted awareness campaigns and informative sessions conducted in various regions of the country. A comprehensive financial review with comparative analyses spanning five years, along with auditor's report and audited financial statements for 2023-24 have also been disclosed. The Annual Report 2023-24 can be accessed on the DPC's website at:

<https://shorturl.at/L5FmG>

Saudi Central Bank (SAMA)



SAMA Announces the Launch of 'Samsung Pay' Service in Saudi Arabia

The Saudi Central Bank (SAMA) announced the launch of 'Samsung Pay' through the national payment system 'mada' in Saudi Arabia as part of its ongoing efforts to enhance the digital payments ecosystem in the Kingdom, aligning with the Saudi Vision 2030. This initiative aims to promote financial inclusion and expand the use of FinTech solutions across the Kingdom.

This initiative reflects SAMA's commitment to developing a robust digital payments infrastructure for transformation into a less cash-dependent society by providing advanced digital payment solutions that align with international standards.

The Samsung Pay service offers an advanced and secure payments experience, enabling users to conveniently provision and manage their mada cards and credit cards within the 'Samsung Wallet' application.

The launch of Samsung Pay service is part of series of innovations that aim at meeting market needs and advancing Saudi Arabia's position as a global pioneer in FinTech. <https://shorturl.at/Kz0I3> | <https://shorturl.at/XcBsD>

Central Bank of the Republic of Türkiye



Central Bank of the Republic of Türkiye Revises Collateral Haircuts

Haircuts on collateral applicable to the Open Market Operations, Interbank Money Market and Foreign Exchange Market operations at the Central Bank of the Republic of Türkiye have been revised. Accordingly, it has been decided to reduce the haircut for the CPI-indexed GDDS and lease certificates from 80 percent to 30 percent.

The revised frameworks for the Turkish lira and Foreign Exchange Markets are available on the CBRT website <https://www.tcmb.gov.tr/wps/wcm/connect/en/tcmb+en>

<https://shorturl.at/0aYpQ>

SNIPS

xAI's New Round of Billions

Elon Musk's xAI has raised \$6 billion in new capital, wrapping up a funding round that is said to value the artificial intelligence startup at more than \$40 billion, according to Bloomberg.

National Bank of Belgium

Belgian Economy Expected to Maintain Stable Growth of 0.3 percent in the Final Quarter of 2024

According to the latest statistics, Belgian economic growth came in at 0.3 percent in the third quarter of 2024. This is marginally higher than the 0.2 percent estimate in the September 2024 Business Cycle Monitor (BCM) and the NAI's earlier flash estimate.

The current statistics show household consumption booming in the third quarter, in line with the modest rebound in consumer sentiment. However, fundamentals remain quite weak for now and consumer sentiment has deteriorated somewhat since the third quarter. Overall, household consumption growth should moderate but remain positive in the fourth quarter of 2024.

Business investment growth was negative in the third quarter. While the drivers for business investment remain weak in the short term, we expect growth to improve in the current quarter.

Net exports contributed negatively to activity growth in the third quarter. High European energy prices and subdued trade growth are likely to weigh down on export growth in the near term. However, Belgium's export market share should benefit from improving cost competitiveness going forward, as wage growth has decelerated. All in all, the underlying contribution of net exports to GDP growth should remain broadly constant in the current quarter.

Government consumption growth is likely to rebound in the fourth quarter, while government investment growth should continue to benefit from the electoral cycle as well as the roll-out of large investment programmes.

A suite of new nowcasting models has been introduced in this issue of the Business Cycle Monitor. Brel Jr. sees fourth-quarter GDP growth at 0.2 percent, Bosphorus predicts economic activity to expand by 0.1 percent and C3PO forecasts 0.2 percent. The median of the one-indicator models is clearly higher, at 0.5 percent.

Overall, a growth rate of 0.3 percent in the fourth quarter of 2024 currently appears to be the most plausible estimate. Household consumption should decelerate but remain positive and investments should contribute to growth, albeit moderately in the case of business investment.

<https://shorturl.at/UK5Am>

Monetary Authority of Singapore

MAS and ABS Announce Launch of Electronic Deferred Payment Solutions in Mid-2025 and Extension of Deadline for Cessation of Corporate Cheques

The Monetary Authority of Singapore (MAS) and the Association of Banks in Singapore (ABS) announced on December 5, 2024 that two new payments solutions will be launched in mid-2025 to support the transition to e-payments for both corporate and retail cheque users. These solutions will complement Singapore's existing suite of e-payment modes, including PayNow, FAST, GIRO and MEPS+. To allow corporates sufficient time to adopt these new solutions, MAS and ABS have also announced a one-year extension of the deadline to cease processing of corporate cheques.

New solutions to support cheque users in transitioning to e-payments

To provide greater convenience to corporates and individuals, ABS, in partnership with the Domestic Systemically Important Banks (D-SIBs), will be launching the new EDP and EDP+ solutions in mid-2025 to address the use cases of post-dated payments and transactions requiring greater certainty of payment respectively. Both EDP and EDP+ will be accessible via digital banking platforms, and will leverage PayNow to allow payers to identify payees conveniently when making payments via either solution. MAS encourages all cheque users to adopt these e-payment alternatives once they are made available.

Extended timeline for processing SGD corporate cheques

MAS and banks will extend the deadline to cease processing of corporate cheques by an additional year.

MAS had previously announced that corporate cheques would be eliminated and that all banks in Singapore would stop issuing new corporate cheque books in 2025. MAS and the banks have assessed that more time should be given to corporates to familiarize themselves with new and existing e-payment modes, as well as for corporates to shift from cheques to EDP and EDP+. In view of this, while banks will stop issuing new cheque books to corporates by December 31, 2025, the deadline to cease processing of corporate cheques will be extended to December 31, 2026.

Corporate cheque payees should present their cheques for clearing well before December 31, 2026, to ensure that their cheques can be processed before the deadline.

Public consultation on roadmap to sunset corporate cheques and transition plan for retail cheques

Retail cheques will continue to be available, along with cashier's orders and USD cheques for both corporate and retail customers. Major retail banks in Singapore will continue to waive cheque service fees for seniors.

<https://shorturl.at/izOPj>

Federal Reserve Board (Fed)



Federal Reserve Board Releases Results of Survey of Senior Financial Officers at Banks about their Strategies and Practices for Managing Reserve Balances

The Federal Reserve Board recently released results of a survey of senior financial officers at banks about their strategies and practices for managing reserve balances. The Senior Financial Officer Survey is used by the Board to obtain information about banks' reserve balance management strategies and practices, their deposit pricing strategies, their expectations for potential changes in both the size and composition of their balance sheets, and their views regarding Federal Reserve facilities. The most recent survey was conducted in collaboration with the Federal Reserve Bank of New York between September 20, 2024, and October 4, 2024, and includes responses from banks that held a bit more than 80 percent of total banking system reserve balances at the time of the survey.

The survey results pdf is available at:
<https://shorturl.at/SNgZN> | <https://shorturl.at/PxFfS>

Deutsche Bundesbank



National Cash Forum Launches New Website for Cash-related Topics

The National Cash Forum has launched a new website providing information about cash. "We want to provide a neutral, central port of call that people can visit for information and news about the Cash Forum and cash in general," explained Bundesbank Executive Board member and Chair of the National Cash Forum Burkhard Balz. "This is particularly important in times like these, when misinformation about topics such as the planned abolition of cash keeps making the rounds."

Those interested will be able to look at the Forum's minutes, its mandate and a list of participants on the new website. The section on cash discusses the regulation of cash and relevant legislation, as well as payment behavior in Germany and the history of cash. Another section provides data and facts about topics such as counterfeit money and options for withdrawing cash in Germany.

The National Cash Forum was established on the initiative of the Deutsche Bundesbank with the objective of maintaining cash as a cost-effective and efficient means of payment. Alongside the Bundesbank, the Forum is made up of representatives from the associations of the banking industry, retail trade, consumer protection, the CIT industry and vending machine operators. By participating in the National Cash Forum, stakeholders in the cash cycle are sending out a clear signal in support of cash, the new website states. <https://shorturl.at/3N6yJ>

European Systemic Risk Board



The General Board of the European Systemic Risk Board holds its 56th Regular Meeting

At its meeting on November 28, 2024, the General Board of the European Systemic Risk Board (ESRB) concluded that, overall, risks to financial stability in the European Union (EU) have increased over the past three months amid high political uncertainty and elevated geopolitical tensions.

This is reflected in the emergence of a number of plausible triggers for tail risk scenarios. These triggers include major new trade restrictions, the escalation of Russia's war in Ukraine and the conflict in the Middle East.

In this connection, the EU is being affected by cyberattacks and acts of hybrid warfare. Together these factors may intensify macroeconomic, credit and market risks and make financial markets and commodity prices more volatile, leading to higher balance sheet stresses for firms, sovereigns and, to a lesser extent, households.

The General Board also acknowledged the potential for a disorderly adjustment in global financial markets.

Stretched valuations in certain assets, such as US stocks, crypto-assets and high-yield debt instruments, should be monitored closely. In this respect, the General Board noted a disconnect between these developments and its own assessment of systemic risks. Moreover, potentially looser regulatory standards in some non-EU jurisdictions are likely to increase risk-taking by banks and non-banks, also in new areas of finance such as crypto-assets.

The General Board emphasized that the changing environment requires the EU to redefine its own needs. This includes fostering the EU's preparedness and cooperation and continuing to build up the resilience of the EU financial system. Maintaining or even strengthening its high regulatory and supervisory standards and reinforcing crypto-asset regulation are some of the ways the EU could achieve this.

The General Board also discussed cyber risks, noting high concentration risk from the use of third-party providers and hybrid threats to critical infrastructure with their implications for systemic risk. The General Board called for greater focus on data collection and coordination among regulators on cyber-related risks. The General Board looks forward to the Digital Operational Resilience Act becoming applicable as of 17 January 2025. Importantly, this EU Regulation will also benefit from the creation of a pan-European systemic cyber incident coordination framework in implementation of Recommendation ESRB/2021/17.

The ESRB released the 50th issue of its risk dashboard. The risk dashboard is a set of quantitative and qualitative indicators measuring systemic risk in the EU financial system. <https://shorturl.at/YKpOA>



FinTech News/ Views

SBP partners with Systems Limited and Temenos to Modernize their Core Banking System

Systems Limited, a global system integrator and services provider, proudly announces a landmark agreement with the State Bank of Pakistan (SBP) to upgrade and modernize its Core banking platform to the latest Temenos core banking software and implementation of best-in-class Temenos Payment Hub to modernize the Payment Infrastructure of the Central Bank.

Systems Limited will be utilizing its domain specialists and accelerators for Central banks, as well as deep expertise in carrying out upgrades, for this critical modernization program.

The modernization also includes the implementation of Temenos Payment Hub, which will allow SBP to streamline real-time domestic and global payments and settlements based on the new SWIFT ISO 20022 MX message standards, enabling faster and more secure transaction processing as well as allow integration with RAAST and RTGS real-time payment systems within the ecosystem. Systems Limited will provide comprehensive localized helpdesk support for all Temenos modules and interfaces, ensuring that SBP can continue to innovate and evolve alongside the changing needs of the financial industry.

This transformation is pivotal for both SBP and Systems Limited. For SBP, it enhances its capacity to manage critical banking functions and support digital processes while providing a more robust infrastructure to oversee the financial landscape of Pakistan. For Systems Limited, partnering with the country's central bank marks a milestone in its journey as a premier technology enabler in the region's banking sector.

Mr Asif Peer, Group CEO and MD, Systems Limited, said, "This collaboration with the State Bank of Pakistan is a monumental step in our country's financial transformation. By leveraging our Central Bank and Payment accelerators alongside Temenos' advanced technology, we are accelerating and leapfrogging the modernization journey for the country's central Bank. Systems Limited is committed to providing SBP with the tools it needs to support a thriving and secure financial ecosystem."

Governor, State Bank of Pakistan Mr Jameel Ahmad said on the occasion, "This initiative represents a significant milestone in SBP's ongoing efforts to modernize Pakistan's banking infrastructure. With the implementation of advanced core banking technology and an integrated payments system, we are reinforcing our ability to oversee and support the country's rapidly evolving financial landscape. This will further enable SBP to provide a secure, efficient, and scalable platform that will benefit all participants in Pakistan's financial ecosystem."

<https://shorturl.at/TNU2Y>

Paysys Labs Joins Forces with NymCard to Revolutionize Credit Card Growth and Payment Solutions

Paysys Labs, a trailblazer in payment technology, has announced a strategic partnership with NymCard, a leading card payment solutions provider. This collaboration is set to drive the growth of credit card services and simplify payment processes for fintechs and financial institutions. Through this partnership, Paysys Labs and NymCard aim to leverage their combined expertise in advanced credit card solutions and Raast gateway integration to deliver innovative, scalable, and seamless payment experiences. By uniting their strengths, the two organizations intend to empower financial institutions and fintechs to expand their offerings, enhance customer satisfaction, and foster financial inclusion.

The partnership underscores a shared commitment to innovation in financial services, offering state-of-the-art technology to address evolving market needs. Together, Paysys Labs and NymCard aspire to create a robust ecosystem where modern payment solutions drive efficiency and growth for businesses across the financial landscape. <https://shorturl.at/WKv67>

SNIPS

Lifting All Tech Ships

Tech's top six firms have grown by more than \$8 trillion since the launch of ChatGPT two years ago, according to Bloomberg.

General Economic Horizon

A. Domestic News

Federal Government Revises Profit Rates on National Savings Schemes

The federal government has revised the profit rates on National Savings Schemes (NSS), with significant cuts of up to 250 basis points, effective December 10, 2024.

According to data released by Arif Habib Limited (AHL), the profit rate for the Regular Income Certificate (RIC) has been reduced by 10 basis points, bringing it to 12.00 percent.

Meanwhile, the profit rate on Savings Accounts has seen the steepest decline, slashed by 250 basis points to 13.50 percent. Similarly, the profit rates for Islamic savings instruments have also been revised downward. The Sarwa Islamic Savings Account (SISA) and the Sarwa Islamic Term Account (SITA) now offer a profit rate of 10.44 percent, reflecting a cut of 72 basis points.

These adjustments come as part of broader economic measures by the government to manage fiscal policies amid evolving economic conditions. National Savings Schemes remain a popular investment choice for individuals seeking secure returns, though the revised rates may impact investor sentiment.

<https://shorturl.at/amEkb>

SECP approves Strategic Action Plan 2024-2026 for the Development of Islamic Finance in Non-bank Financial Sector

The Securities and Exchange Commission of Pakistan (SECP) has approved a Strategic Action Plan 2024-2026 to facilitate the growth and development of Islamic finance in non-bank financial sectors. The plan was prepared by the SECP's apex committee chaired by Mr. Mujtaba Ahmed Lodhi, Commissioner-SCD, established in 2023 with representation from the Pakistan Stock Exchange (PSX), Central Depository Company (CDC), National Clearing Company of Pakistan Limited (NCCPL), SECP policy department heads, and industry experts.

This collaborative effort aimed to create a comprehensive roadmap for Islamic finance growth aligning with the recent 26th Constitutional Amendment, which mandates the elimination of Riba by January 1, 2028. This Strategic Action Plan aims to enable Islamic finance across all regulated sectors under the purview of SECP by December 2026. Subsequent to enablement, a conversion plan and strategy will be formulated to facilitate the transition of conventional financial institutions to Islamic financial institutions, ensuring a seamless transition and minimizing disruptions to the financial sector.

The plan focuses on four key verticals: (i) Growth Acceleration, increasing Islamic finance's share in regulated sectors; (ii) Achieving Standardization, promoting consistency and harmony in Islamic financial practices; (iii) Improved Quality, enhancing the overall performance and efficiency of Islamic financial institutions; and (iv) Strengthening Legal Framework, providing a robust foundation for Islamic finance to flourish. These verticals will facilitate the expansion of Islamic financial institutions, assets, and services in the non-bank sector.

The Strategic Action Plan has undergone rigorous review and consultation with Capital Market Infrastructure Institutions (CMIIs) to ensure its effectiveness and applicability. Leveraging the expertise of CMIIs, the SECP aims to create a conducive regulatory environment for Islamic finance, fostering its growth and development. The SECP reaffirms its commitment to providing a supportive regulatory environment for Islamic finance, aligning with the country's constitutional and legal requirements. The Strategic Action Plan is available on SECP's official website. The Strategic Action Plan is available on SECP's official website <https://shorturl.at/COYXh> | <https://shorturl.at/Vj9t9>

5th Edition of Pak-America Business Summit held by RCCI in Collaboration with PABF

The Rawalpindi Chamber of Commerce and Industry (RCCI), in collaboration with the Pak-America Business Forum (PABF), recently organized the 5th Pak-America Business Summit at a local hotel in Islamabad.

Coordinator on Climate Change, Romina Khurshid Alam while delivering her speech as the chief guest of the event, described Pakistan and the U.S. as "best friends and trading partners". She also urged the traders from both the sides for continued cooperation in environmental and business initiatives.

U.S. Chargé d'Affaires, Natalie A. Baker during her address highlighted that the United States is Pakistan's largest export market, accounting for approximately 16 percent of Pakistan's total exports annually.

"Over 80 U.S. firms in Pakistan directly employ 120,000 Pakistanis and indirectly provide livelihoods for over 1 million workers", she said, adding, "Our teams actively connect American and Pakistani businesses, fostering stronger trade and economic ties."

RCCI President Usman Shaukat in his keynote address emphasized the vast potential for increased trade and investment, urging stronger collaboration to achieve mutual economic goals. He said that the major purpose of the summit was to provide an opportunity to exchange the views and identify the hurdles in trade ties between the two business communities.

"Also, enhance cooperation with key organizations and sector specific information sharing in both countries to ensure cohesive and coordinated strategies in promoting U.S. private sector interests in Pakistan", he added. Chairman PABF, Waqar Khan said that the forum's mission was to enhance trade relations and to create new opportunities for Pakistani and American businesses.

President PABF, Anwar Azam on the occasion assured full support for Pakistani businesses aiming to expand into the U.S. market, reiterating the forum's role as a key enabler. Sohail Altaf, former RCCI President, stressed the importance of facilitating business delegation exchanges through the U.S. Embassy to unlock Pakistan's export potential to the United States.

The event was attended by senior RCCI leadership, representatives from diverse business communities, women entrepreneurs, and representatives from TDAP.

<https://shorturl.at/4YSrv>



Business Confidence Increases: OICCI Survey

The Overseas Investors Chamber of Commerce and Industry (OICCI) survey indicates an improvement in overall business confidence across Pakistan.

The OICCI's Business Confidence Index (BCI) Survey – Wave 26, conducted in October and November 2024, reveals positive sentiment among businesses. The improvement in business confidence is attributed to positive economic growth, a stable exchange rate, and a significant decline in reported inflation.

The improvement in business sentiment is driven by positive economic growth, a stable exchange rate, and a notable decline in reported inflation.

Commenting on the BCI Wave 26 survey findings, Yousaf Hussain, President of OICCI, added, "The improvement in the Business Confidence Index reflects an overall improvement in the economic outlook and the resilience of Pakistan's business environment amidst ongoing challenges. The government has taken bold confidence-building measures in compliance with IMF EFF translating into improved country risk rating by international rating agencies, and a boost in FX reserves of the country which helped maintain a stable exchange rate, containing inflationary increase to record lows, all of which collectively led to a positive business environment".

The survey highlighted optimism for the next six months, with 43 percent of respondents expressing positive expectations, up from 34 percent in the previous wave. Key

contributors to this positive outlook include growth in the global market, better government policies, declining inflation, improved law-and-order conditions, and economic growth.

M. Abdul Aleem, Secretary General OICCI, further highlighted that "The BCI Wave 26 feedback reflects cautious optimism among businesses, with significant gains in the services and manufacturing sectors".

The OICCI BCI survey is conducted periodically, incorporating feedback from key business stakeholders representing nearly 80 percent of Pakistan's GDP. It covers the environment at regional, national, sectoral, and business entity.

Secretary General OICCI emphasized that while the improvement in business confidence is positive, actionable measures are needed to sustain the momentum. We are positive that all the key stakeholders will thoroughly undertake an analysis of the BCI 26 feedback, and take timely measures to facilitate all segments of the economy through a consistent, transparent policy framework, focused on ease of doing business so as to accelerate economic growth, investment, boost exports and employment in the country. <https://shorturl.at/7hg64>

Pakistan, ADB Reaffirm Commitment to Mutual Cooperation, Climate Action

Minister for Economic Affairs Ahad Cheema and Asian Development Bank (ADB) Country Director Xiaoqin (Emma) Fan on December 11, 2024 reaffirmed their commitment to mutual cooperation between Pakistan and ADB.

During a meeting, the discussion highlighted ADB's crucial role in supporting Pakistan's climate resilience and development priorities, including the successful USD 500 million Climate and Disaster Resilience Enhancement Program (CDREP), said a news release.

Highlighting climate change as an existential challenge, the minister emphasized ADB's pivotal role as a "climate bank" and stressed the importance of ensuring climate finance remains additional to existing development envelopes. The minister expressed appreciation for ADB's role as a reliable development partner, aligning its priorities with the government. He also commended ADB's contributions to tax reforms and the power sector.

ADB Country Director expressed gratitude for the government of Pakistan's support and reaffirmed ADB's commitment to collaborating on shared priorities. She commended Pakistan's proactive engagement and reiterated ADB's role as a key partner in addressing climate challenges.

The meeting discussed mutual interests, including climate change, pipeline projects, strategic programming for the upcoming portfolio, and public-private partnerships. ADB is considering a new Country Partnership Strategy, extending it from 5 to 10 years, and holding consultations with key stakeholders. ADB will continue to work closely with the Ministry of Economic Affairs and other stakeholders to ensure its support aligns with Pakistan's development priorities. <https://shorturl.at/u9LoJ>

B. International News

IFC and HSBC Partner to Boost Trade Flows in Emerging Markets

IFC and the Hongkong and Shanghai Banking Corporation Limited (HSBC) announced on December 12, 2024 the signing of a \$1 billion risk-sharing facility that will help banks in emerging markets increase their lending to support trade.

IFC and HSBC will equally share the risk on a portfolio of trade-related assets, valued at up to \$1 billion, held by emerging-market banks in 20 countries in Africa, Asia, Latin America, and the Middle East. The facility has been set up under IFC's Global Trade Liquidity Program (GTLP), which was established to address the growing trade finance gap in emerging markets.

"Trade finance is the fuel that powers the global economic engine," said Aditya Gahlaut, Co-Head of Global Trade Solutions, Asia Pacific at HSBC. "Our partnership with IFC will help ensure that trade finance gets to where it is needed, that funding is directed to a segment crucial to job creation and economic growth in many emerging markets. Reducing the trade finance gap and improving access to finance will be central to fostering growth and sustainability across Asia and the region's supply chains."

Global trade has increased over the last three decades, growing by an average of five percent a year. However, demand for trade finance far outpaces supply, especially in emerging markets, with the global trade finance gap last estimated at \$2.5 trillion. In response, IFC has been increasing its trade finance support through programs like the GTLP and with key partners including HSBC.

"Trade finance drives growth and economic development in emerging markets," said Mohamed Gouled, IFC's Vice President of Industries. "This facility is designed to improve the flow of trade and enable businesses to create jobs and improve livelihoods."

"There is a substantial and ongoing trade-finance gap in emerging markets in the Asia-Pacific region and globally that must be addressed by improving access to financing for importers and exporters," said Riccardo Puliti, IFC's Regional Vice President for Asia Pacific. "Our strategic collaboration with HSBC aims to support cross-border trade and bolster exports in critical industries, particularly in countries that need it most."

GTLP has supported more than \$80 billion in global trade volume through nearly 30,000 transactions over the past 20 years. Through global and regional facilities, the program has supported more than 400 financial institutions in 74 emerging markets, including 30 International Development Association and nine fragile and conflict-affected countries since its inception. <https://shorturl.at/k33oc>

Arab Coordination Group (ACG) pledges US\$10 billion by 2030 to Combat Desertification and Land Degradation

The Arab Coordination Group (ACG), a strategic alliance of ten leading development finance institutions, announced today a landmark commitment of up to US\$10 billion by 2030 to address the critical challenges of land degradation, desertification and drought. The announcement was made during the Ministerial Dialogue on Finance: "Unlocking public and private finance for land restoration and drought resilience", at the 16th session of the Conference of the Parties (COP16) to the United Nations Convention to Combat Desertification (UNCCD), hosted in Riyadh, Saudi Arabia.

This transformative commitment, made as part of a joint communiqué issued by the Heads of ACG Institutions, will drive land restoration efforts, enhance climate resilience and promote nature-positive development across vulnerable regions. ACG members will leverage innovative financing instruments, mobilize resources and strengthen partnerships to support sustainable land management, biodiversity conservation and food security, particularly in the Middle East, North Africa and the Sahel.

"The ACG's US\$10 billion pledge underscores our shared determination to address some of the most pressing challenges of our time. By restoring degraded lands and combating desertification and drought, we are not just preserving ecosystems but also securing livelihoods and fostering resilience in the world's most vulnerable communities," said Islamic Development Bank Group Chairman, H.E. Dr. Muhammad Al Jasser, speaking on behalf of the ACG.

The Group's new pledge builds on (and will be primarily sourced from) its US\$50 billion pledge made in Riyadh in November 2023 to help build resilient infrastructure and inclusive societies in the African continent, its US\$24 billion pledge for climate finance made at COP 27 in November 2022, and its US\$10 billion for Food Security Action Package announced in June 2022.

The ACG acknowledged Saudi Arabia's leadership in advancing key global environmental initiatives, including the Saudi and Middle East Green Initiatives, and the G20 Global Land Initiative. These programs serve as benchmarks for global collaboration and underscore the importance of coordinated efforts to enhance land restoration and climate adaptation.

The Group also reaffirmed its commitment to supporting the global agenda for land protection and restoration as well as the Riyadh Global Drought Resilience Partnership in alignment with the UNCCD objectives. It does so by fostering partnerships, mobilizing resources, and calling for the creation of international platforms for knowledge-sharing and capacity-building to support sustainable land management, climate adaptation and ecosystem restoration globally. <https://shorturl.at/dUKnL>

SELF & BUSINESS MANAGEMENT TIPS



Thinking About Quitting? Talk to Your Boss—Strategically.

Thinking about leaving your job? It may seem counterintuitive, but your boss might be an unexpected ally. If you have a trusting relationship and approach the conversation carefully, it could lead to new opportunities. Here's how to start.

Understand your motivations. What are you hoping to achieve? A promotion? New responsibilities? You don't have to signal your intention to leave to address these goals. Honest reflection will help you approach the discussion constructively and strategically.

Factor in your boss's priorities. What's important to your boss? How do you add unique value? Identifying these areas of overlap can shape your conversation and make your case compelling. If your boss sees you as indispensable, they'll be more inclined to help.

Don't mention the Q-word. Frame the conversation positively. Instead of "I'm thinking of leaving," try "What new opportunities might align with my growth goals?" Discuss your current role's limitations and let your boss suggest solutions you might not have considered.

Be collaborative. Adopt a partnership mindset. Present specific ideas, such as, "I'd like to take on these projects to grow and help the team," positioning your needs as mutually beneficial.

Follow up professionally. After the conversation, send a thoughtful note thanking your boss for their support.

(This tip is adapted from *Considering Quitting? Here's How to Talk to Your Boss About It*, by Rebecca Knight – HBR.)

Use Notes to Calm Your Public-Speaking Nerves

Speaking on a stage can feel daunting—the elevated platform, unfamiliar setting, and all eyes on you can make your mind go blank. If you're a nervous public speaker, don't overlook the power of good notes. They can make a big difference in your delivery, especially if it's your first time on a stage.

Before you start your presentation, set your notes on a lectern or a small table on the stage. If your mind goes blank or you lose your place, start walking toward your notes as you're speaking. This purposeful movement looks natural and ensures you're in position to glance down and find your place without disrupting your flow.

Having a water bottle on stage is also useful. When stuck, take a sip while nodding thoughtfully, glance at your notes, and then continue. This brief pause feels natural and helps you reset without drawing attention to your lapse. If you find yourself stuck and unable to look down at your notes, acknowledge the pause with humble humor. Try saying something like, "I had the most brilliant point, and it just escaped me!" Or you can pause for questions: "Let me stop here and see what questions you have, then I'll summarize what we've covered so far." Confidence and authenticity will keep your audience engaged.

(This tip is adapted from *Nervous About Public Speaking Here's How to Use Notes Like a Pro*, by Allison Shapira – HBR.)

How to Become a Great Interviewer

Stepping into the job interviewer's seat for the first time? Don't stress—conducting great interviews is a skill you can refine quickly with preparation and practice. Here's a six-step roadmap to get you started.

Understand the context. Familiarize yourself with the role's key responsibilities and required skills. Review the candidate's resume to identify areas you'd like to explore more deeply.

Craft thoughtful questions. Mix behavioral and technical questions to uncover both hard and soft skills. To get the most thorough information, ask for specific examples, such as, "Tell me about a time when you had a difficult conversation with a coworker."

Practice with a mock interview. Role-play with a colleague to hone your approach, learn to navigate vague or overly detailed responses, and prepare answers to common candidate questions.

Create a comfortable environment. Start with small talk and explain the structure of the interview. When you dive into the harder questions, show genuine interest, and take notes to stay engaged and capture key details.

Don't rely on memory. Document candidates' examples and results. Use a structured interview guide to stay organized and consistent as you interview multiple candidates.

Evaluate fairly. No candidate will be perfect. Focus on critical skills and consider their potential for growth. And lastly, reflect on your own performance, including how you could improve the next time around.

(This tip is adapted from *How to Conduct Job Interviews When You've Never Done It Before*, by Irina Cozma – HBR.)