Economic Letter

VOLUME 19/ ISSUE 31/ AUGUST 02, 2024

a weekly publication of National Institute of Banking and Finance, Pakistan

NIBAF, Pakistan - A Company Set Up Under Section 42 of the Companies Act, 2017

Domestic Economic Roundup

Key Money & Banking Indicators:

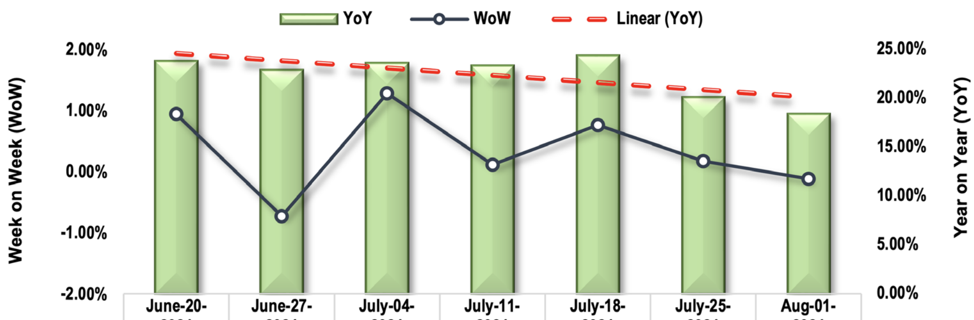
	Stocks at End - June 2024 P	Flows FY23	Flows FY24 P	Monetary Impact Since 1st July to 19-Jul-24	Monetary Impact Since 1st July to 21-Jul-23
Total Deposits with Banks	27,239.6	2,327.6	4,977.1	-1,329.9	-454.5
Broad Money (M2)	36,560.0	3,920.6	5,036.7	-1,273.6	-783.3
Govt. Sector Borrowings (Net)	31,062.5	4,100.2	7,339.4	-120.6	-313.3
Credit to Private Sector	9,531.3	208.3	364.2	-310.6	-176.0

(Rs in billion)

P = Provisional https://tinyurl.com/bdfssvdx

Weekly Trend in Sensitive Price Indicator (SPI)

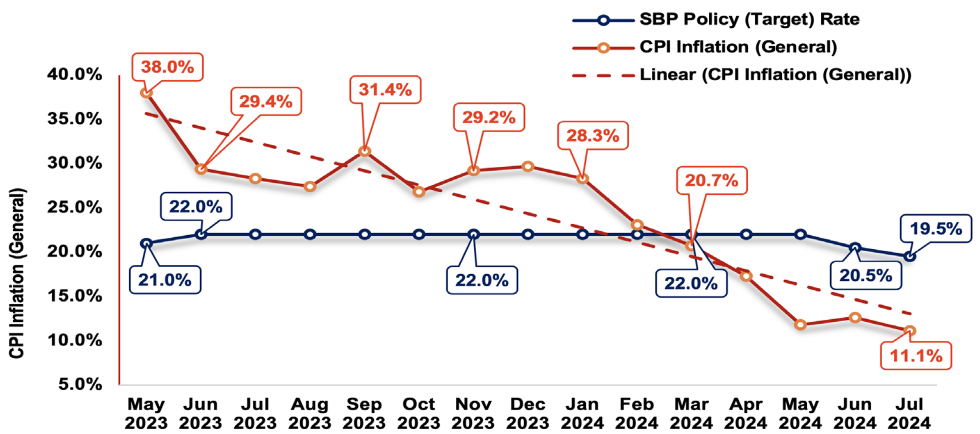
https://www.pbs.gov.pk/spi



	June-20-2024	June-27-2024	July-04-2024	July-11-2024	July-18-2024	July-25-2024	Aug-01-2024
YoY	23.78%	22.88%	23.59%	23.33%	24.36%	20.09%	18.41%
WoW	0.94%	-0.73%	1.28%	0.11%	0.76%	0.17%	-0.12%

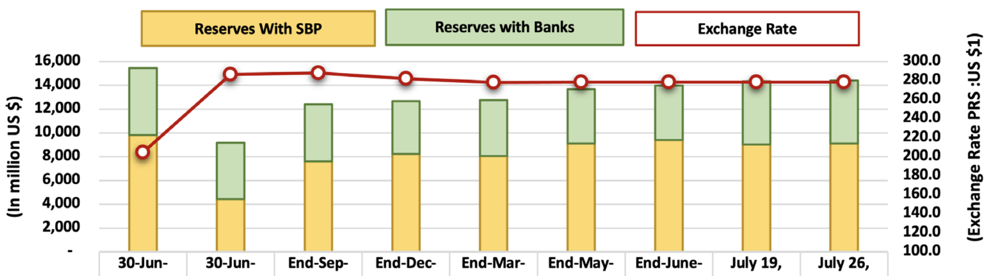
SBP Policy Rate Vs. CPI Inflation (YoY)

https://shorturl.at/kKTBX | https://shorturl.at/cPIFb



Forex Reserves and Exchange Rate

https://shorturl.at/dxNU7 | https://shorturl.at/aJMZ2



	30-Jun-2022	30-Jun-2023	End-Sep-2023	End-Dec-2023	End-Mar-2024	End-May-2024	End-June-2024	July 19, 2024	July 26, 2024
Reserves with Banks	5,635	4,715	4,777	4,440	4,719	4,541	4,607	5,308	5,290
Reserves With SBP	9,815	4,445	7,616	8,233	8,040	9,110	9,390	9,027	9,102
Exchange Rate	204.4	286.4	287.8	281.9	277.9	278.4	278.4	278.2	278.4

Markets at a Glance

Rates taken till Friday, August 02, 2024

SBP POLICY RATE

19.5% | Effective from July 30, 2024

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

KIBOR (3 MONTHS)

	Bid%	Offer%
Starting	19.34	19.59
Ending	19.25	19.50
Change	-0.09	-0.09

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

FOREX RATES

	GBP	EURO	USD
Starting	PKR 358.21	PKR 302.05	PKR 278.34
Ending	PKR 354.13	PKR 300.82	PKR 278.50
Change	-4.08	-1.23	+0.16

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

PAKISTAN STOCK EXCHANGE

	100 Index
Starting	78,030
Ending	78,226
Change	+196

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

GOLD RATES

	10 GM, 24K
Starting	PKR 211,564
Ending	PKR 219,234
Change	+7,670

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

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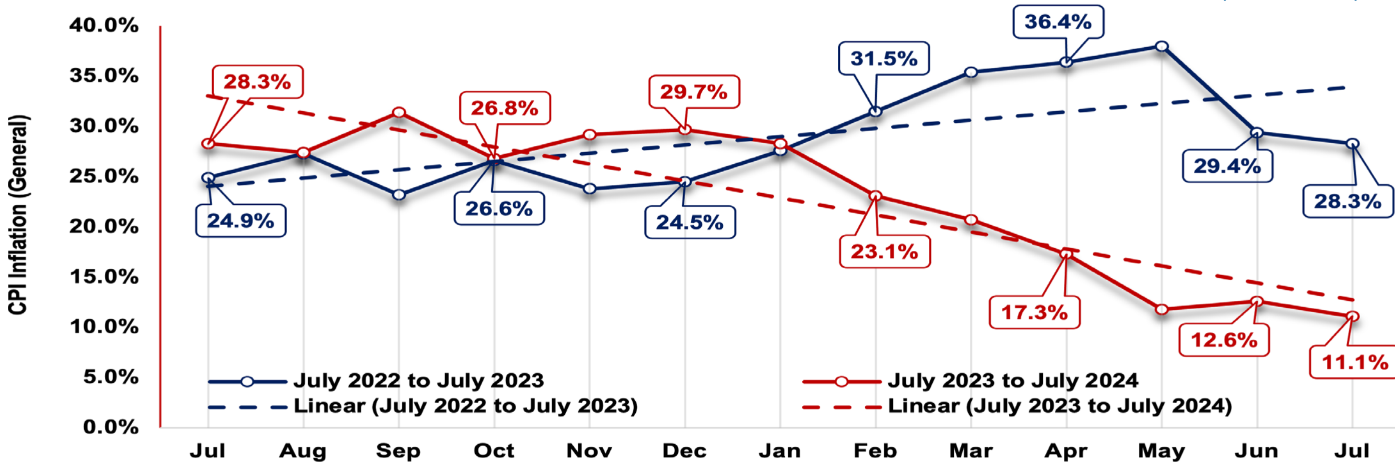
INDEX	Average July - July % Changes		
	2024-2025	2023-2024	2022-2023
CPI (General)	11.09	28.30	24.93
CPI (Urban)	13.18	26.26	23.59
CPI (Rural)	8.14	31.29	26.93
SPI	15.74	29.32	28.18
WPI	10.36	23.07	38.55

https://shorturl.at/IpDF3

CPI Inflation General (YoY - July to July)

https://shorturl.at/prwC5



CPI Inflation	Annual Average			Year-on-Year		
	FY20	FY21	FY22	July 2023	June 2024	July 2024
General	10.7	8.9	12.2	28.3	12.6	11.1
Food (Urban)	13.6	12.4	13.4	40.2	2.6	3.4
Non-Food (Urban)	8.3	5.7	10.8	17.3	24.3	20.7

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, 2021	June 30, 2022	June 30, 2023	July 21, 2023	June 30, 2024 (P)	July 19, 2024
6,909.9	7,572.5	9,148.7	8,832.4	9,153.1	9,228.2

P=Provisional

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

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Central Banks' Gallery

State Bank of Pakistan

MPC Decides to Reduce Policy Rate to 19.5 percent

At its meeting on July 29, 2024, the Monetary Policy Committee (MPC) decided to cut the policy rate by 100 basis points to 19.5 percent, effective from July 30, 2024. The Committee observed that the June 2024 inflation was slightly better than anticipated. The Committee also assessed that the inflationary impact of the FY25 budgetary measures was broadly in line with earlier expectations. The external account has continued to improve, as reflected by the build-up in SBP's FX reserves despite substantial repayments of debt and other obligations. Considering these developments – along with significantly positive real interest rate – the Committee viewed that there was a room to further reduce the policy rate in a calibrated manner to support economic activity, while keeping inflationary pressures in check.

The Committee noted the following key developments since its last meeting. First, the current account deficit narrowed sharply in FY24 and SBP's FX reserves improved significantly from $4.4 billion at end-June 2023 to above $9.0 billion. Second, the country reached a staff level agreement with the IMF for a 37-month EFF program of about $7.0 billion. Third, sentiment surveys conducted in July showed a worsening in inflation expectations and confidence of both consumers and businesses. Fourth, international oil prices have remained volatile in recent weeks, whereas prices of metals and food items have eased. Lastly, with the ease in inflationary pressures and labor market conditions, central banks in advanced economies have also started to cut their policy rates.

Taking stock of these developments, the Committee assessed that, despite July 29, 2024's decision, the monetary policy stance remains adequately tight to guide inflation towards the medium-term target of 5 – 7 percent. This assessment is also contingent on achieving the targeted fiscal consolidation, timely realization of planned external inflows and addressing underlying weaknesses in the economy through structural reforms.

Latest high-frequency indicators continue to reflect moderate economic activity. Auto and POL (excluding FO) sales and fertilizer offtake increased on m/m basis in June. Large-scale manufacturing also recorded a sharp improvement in May 2024, mainly driven by the apparel sector. The growth in agriculture sector, after showing a strong performance in FY24, is expected to slow down in this fiscal year. Latest satellite images and input conditions for Kharif crops also support this assessment. However, activity in the industry and services sectors is expected to recover, supported by relatively lower interest rates and higher budgeted development spending. Based on this, the MPC assessed FY25 real GDP growth in the range of 2.5 to 3.5 percent as compared to 2.4 percent recorded last year.
https://shorturl.at/c15SR

CPI Inflation:

YoY (July 2024)	11.1%	MoM (July 2024)	2.1%

https://shorturl.at/eixA4

Bank of England:

BOE Reduces Bank Rate to 5.00 percent

The Monetary Policy Committee (MPC) sets monetary policy to meet the 2 percent inflation target, and in a way that helps to sustain growth and employment. The MPC adopts a medium-term and forward-looking approach to determine the monetary stance required to achieve the inflation target sustainably.

At its meeting ending on July 31, 2024, the MPC voted by a majority of 5–4 to reduce Bank Rate by 0.25 percentage points, to 5 percent. Four members preferred to maintain Bank Rate at 5.25 percent.

The Committee has published an updated set of projections for activity and inflation in the accompanying August Monetary Policy Report.

Twelve-month CPI inflation was at the MPC's 2 percent target in both May and June. CPI inflation is expected to increase to around 2.75 percent in the second half of this year, as declines in energy prices last year fall out of the annual comparison, revealing more clearly the prevailing persistence of domestic inflationary pressures. Private sector regular average weekly earnings growth has fallen to 5.6 percent in the three months to May, and services consumer price inflation has declined to 5.7 percent in June. GDP has picked up quite sharply so far this year, but underlying momentum appears weaker.

The Committee's framework for assessing the medium-term outlook for inflation distinguishes between first and second-round effects. The MPC has been focused on second-round effects that capture more persistent inflationary pressures. The Committee continues to monitor the accumulation of evidence from a broad range of indicators.

The Committee expects the fall in headline inflation, and normalization in many indicators of inflation expectations, to continue to feed through to weaker pay and price-setting dynamics. A margin of slack should emerge in the economy as GDP falls below potential and the labor market eases further. Domestic inflationary persistence is expected to fade away over the next few years, owing to the restrictive stance of monetary policy.

However, there is a risk that inflationary pressures from second-round effects will prove more enduring in the medium term. A stronger-than-expected path for demand, and structural factors such as a higher equilibrium rate of unemployment, could affect domestic wage and price-setting more persistently. Furthermore, the degree of restrictiveness of monetary policy could be less than embodied in the Committee's current assessment.

In balancing these considerations, at this meeting, the Committee voted to reduce Bank Rate to 5 percent. It is now appropriate to reduce slightly the degree of policy restrictiveness. The impact from past external shocks has abated and there has been some progress in moderating risks of persistence in inflation. Although GDP has been stronger than expected, the restrictive stance of monetary policy continues to weigh on activity in the real economy, leading to a looser labor market and bearing down on inflationary pressures.

Monetary policy will need to continue to remain restrictive for sufficiently long until the risks to inflation returning sustainably to the 2 percent target in the medium term have dissipated further. The Committee continues to monitor closely the risks of inflation persistence and will decide the appropriate degree of monetary policy restrictiveness at each meeting.
https://shorturl.at/dZUMp

CPI Inflation:

YoY (June 2024)	2.00%

https://shorturl.at/0t7u8

Federal Reserve Board (Fed)

Fed Maintains Target Range for the Federal Funds Rate at 5.25 to 5.50 percent

Recent indicators suggest that economic activity has continued to expand at a solid pace. Job gains have moderated, and the unemployment rate has moved up but remains low. Inflation has eased over the past year but remains somewhat elevated. In recent months, there has been some further progress toward the Committee's 2 percent inflation objective.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. The Committee judges that the risks to achieving its employment and inflation goals continue to move into better balance. The economic outlook is uncertain, and the Committee is attentive to the risks to both sides of its dual mandate.

In support of its goals, the Committee decided to maintain the target range for the federal funds rate at 5.25 to 5.50 percent. In considering any adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward 2 percent. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage backed securities. The Committee is strongly committed to returning inflation to its 2 percent objective.

In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.
https://shorturl.at/2sXOX

CPI Inflation:

YoY (June 2024)	3.00%	MoM (June 2024)	-0.1%

https://shorturl.at/a9Vtr

Central Bank of the UAE

CBUAE Maintains Base Rate at 5.40 percent

The Central Bank of the UAE (CBUAE) has decided to maintain the Base Rate applicable to the Overnight Deposit Facility (ODF) at 5.40 percent.

This decision was taken following the US Federal Reserve's announcement on July 31, 2024 to keep the Interest Rate on Reserve Balances (IORB) unchanged.

The CBUAE has also decided to maintain the interest rate applicable to borrowing short-term liquidity from the CBUAE at 50 basis points above the Base Rate for all standing credit facilities.

The Base Rate, which is anchored to the US Federal Reserve's IORB, signals the general stance of monetary policy and provides an effective floor for overnight money market interest rates in the UAE.
https://shorturl.at/25MNl

CPI Inflation:

YoY (May 2024)	3.81%

https://shorturl.at/PlyYl

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Financial Institutions' Gallery

UBL & TPL Sign Agreement to Offer Complimentary Life and Health Benefits to UBL Home Remittance Customers

United Bank Limited (UBL) and TPL Life recently entered into a strategic alliance on Home Remittance front. This partnership is a significant milestone, contributing to the national cause of promoting legal remittances by providing complimentary Life Takaful coverage to Remitters who send remittances directly to UBL accounts.

Under this program, in the unfortunate event of Remitter's demise, beneficiary (ies) will continue to get the last remittance amount for next 6 months not exceeding PKR 80,000/- per month. This is in addition to many other benefits including parental and dental health coverage.

The signing ceremony took place at UBL Head Office, Karachi where Mr Rizwan Haider, UBL's Global Head – Home Remittance & NRP and Mr Saad Nissar, TPL's CEO exchanged their views on Pakistan's Home Remittance landscape while signing the agreement. https://shorturl.at/dUdMN

Jazz in Collaboration with BoP, Secure Syndicated Term Finance Facility of Rs 75 billion

Jazz in collaboration with The Bank of Punjab (BoP), has successfully secured the largest-ever syndicated term finance facility in Pakistan's private sector. This monumental PKR 75 billion funding, inclusive of a PKR 15 billion green shoe option, signifies a major milestone in the financial landscape.

The collaboration with leading banks, and Mandated Lead Advisors & Arrangers including Meezan Bank Limited, MCB Bank Limited, Allied Bank Limited, HBL, Bank Alfalah Limited, Askari Bank, HABIBMETRO, Soneri Bank Limited, BankIslami Pakistan Limited, and SMCB showcases the power of collective effort. As the facility and investment agent, the Bank of Punjab is proud to drive this initiative.

Besides strengthening Jazz's ambitious growth plans, this landmark deal also demonstrates Pakistan's banking sector's confidence and commitment to economic development. https://shorturl.at/pKXSa

Meezan Bank and Haball Sign Referral Arrangement Agreement

Meezan Bank, Pakistan's leading Islamic bank, has recently announced that it has entered into a referral arrangement with Haball Pvt Ltd, a premier digital payments platform. Mr Muhammad Abdullah Ahmed, Group Head – Transaction and International Banking Group at Meezan Bank, and Mr Omer Bin Ahsan, CEO of Haball (Pvt) Limited, signed the agreement.

Meezan offers a wide range of services to its customers. The Transaction and Employee Banking (TEB) unit primarily provides traditional and contemporary cash management services with system integration capabilities. Additionally, Meezan offers digital payment solutions to corporate, commercial, SME, and retail business segments through its eBiz+ platform, which empowers businesses to process vendor payments, utility bills, taxes, dividends, and payroll transfers seamlessly. Meezan Payroll Partner (MPP) is another comprehensive payroll solution delivered directly to businesses. These combined offerings from Meezan's TEB team add convenience to the finance, sales, and HR departments, with ongoing innovation and new features continuously enhancing their value.

Through this referral arrangement, Meezan's clients can now leverage Haball's multi-bank cash management services to fully digitize their order management lifecycle. Additionally, with the convenience of receiving dealer collections directly into their Meezan accounts, regardless of the initiating bank, buyers will benefit from seamless and hassle-free funds disbursement. This initiative will not only enhance Meezan Bank's existing cash management system but also expand the reach of its products, Meezan eBiz+ and Meezan Payroll Partner, to a broader customer base.

This agreement marks a significant step forward in the strategic partnership between Meezan and Haball, aimed at leveraging digital innovation to offer their customers seamless and efficient financial services. The collaboration is expected to drive growth, enhance service delivery, and expand the reach of both organizations in the digital payments landscape. https://shorturl.at/8rFL0

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General Economic Horizon

A. Domestic News

SECP Recommends Formation of Pools to Meet Insured Pakistan Vision

To meet the objectives of the Insured Pakistan 5-year Strategic Plan, the Securities and Exchange Commission of Pakistan (SECP) has released a comprehensive report titled 'Insured Pakistan: Pools Dynamics.'

This report underscores the necessity for establishing insurance pools in Pakistan by evaluating the current insurance landscape and existing official insurance schemes. It discusses international case studies and examples, evaluates domestic legal and regulatory frameworks, and proposes an action plan for creating insurance pools in Pakistan, emphasizing the collective responsibilities of involved stakeholders.

Pakistan is exposed to multiple risks such as disaster risks, energy and power sector risks, agriculture risks, etc., and yet the country remains largely uninsured. In the event of an undesired event, major reliance is placed on budgetary allocations for loss and recovery financing.

The insurance pools serve as risk pooling mechanisms for managing large and specialized risks, the coverage of which is not feasible for an individual insurance company, both in terms of expertise and financial strength. They shall not only help in managing these varied risks optimally and efficiently, but also assist the insurance sector in expanding the coverage and protection to the country and the population. The report includes an action matrix outlining the responsibilities of diverse stakeholders.

Commissioner Insurance, Aamir Khan, in his message, emphasized the need for establishing specialized risk pools in Pakistan, as the pooling of risk and resources in a systematic manner shall enable the government, insurance industry and policyholders to collectively mitigate large risks. The report's draft version was unveiled in December 2023 at the International InsureImpact Conference 2023 held in Karachi. It has been meticulously revised following stakeholder input.

For more information and to access the full report, please visit https://shorturl.at/8C1uk
https://shorturl.at/ZFV2c

SNIPS

US's Debt Problem

The United States' net government debt has ballooned to 98 percent of GDP, up from 40 percent in 1990, says The Economist.

CCP Approves Majority Stake Acquisition of Engro Powergen Qadirpur

The Competition Commission of Pakistan (CCP) has approved a merger involving a significant reshuffling of power generation assets. This transaction entails a consortium, mainly comprising textile companies, acquiring a 68.9 percent stake in Engro Powergen Qadirpur Limited (EPQL), a subsidiary of Engro Energy Limited.

EPQL operates a 217 MW permeate gas-based plant in Qadirpur, Ghotki. Engro Corporation, a key player in Pakistan's energy sector, holds 68.89 percent stake through Engro Energy Limited.

As per the transaction, Engro Energy has entered a share purchase agreement with a consortium of M/s Liberty Power Holding (Pvt) Ltd, M/s Soorty Enterprises (Pvt) Ltd, and M/s Procon Engineering (Pvt) Ltd. Liberty Power Holding focuses on managing power generation companies within the Liberty Group, Soorty Enterprises specializes in denim manufacturing and sales, and Procon Engineering manufactures automotive parts, non-woven fabrics, and foam products.

The CCP's Phase I competition assessment identified 'Power Generation' as the relevant market. The analysis confirmed that EPQL's market share is minimal. It will remain unchanged post-transaction and will not lead to market dominance.

CCP anticipates this approval will enhance resource allocation efficiency in Pakistan's power generation sector, fostering a long term competitive environment. Chairman CCP, Dr Kabir Ahmed Sidhu, reiterated that the CCP's role is to facilitate both domestic businesses and foreign investors.
https://shorturl.at/Czqn7

SECP Initiates Consultation to Revamp Mutual & Pension Fund Regimes

The Securities and Exchange Commission of Pakistan (SECP) has published a consultation paper, suggesting various alterations to the total expense regime (TER) and distribution paradigm for mutual funds and pension funds. These suggestions aim to reduce the burden on retail investors, optimize their returns, inculcate better saving habits, and increase retail penetration.

The consultation paper is made available on SECP's website in order to solicit public feedback and comments from stakeholders.

The paper reviews the current regime in three parts, i.e., the TER framework for mutual funds, the TER of pension funds, and a review of distribution models. While evaluating the current TER frameworks for mutual and pension funds, the paper suggests alterations to reduce the financial burden on investors, enhance their long-term returns, and guarantee equity and transparency in the expenses of fund managers.

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The problems that have impeded the growth of the distribution network and affected retail penetration are discussed in the third part of the paper. Further, it recommends a transformative framework to revamp the distribution model and improve its usability and accessibility for average investors. The proposed changes are designed to align with international best practices and ensure that pension fund participants receive the maximum value from their savings.

SECP requests public feedback in order to introduce regulatory changes aimed at creating a more efficient, transparent, and equitable system that better meets the needs of investors. Interested stakeholders may send their comments and feedback at fmd.feedback@secp.gov.pk. The consultation paper can be accessed at https://shorturl.at/d5JcM. https://shorturl.at/4HmXz

B. International News

IMF Executive Board Concludes 2024 Article IV Consultation with Singapore

The Executive Board of the International Monetary Fund (IMF) concluded the Article IV consultation with Singapore.

Singapore continues to follow a path of gradual recovery. Growth moderated to 1.1 percent in 2023 mainly due to a contraction in manufacturing in 2023H1, originating from the downturn in the global electronics cycle. Growth started to recover in 2023H2, reflecting improved global demand for semiconductors, and strengthened further to 2.7 percent (year-on-year) in 2024Q1, supported by strong inbound tourism.

Gradual disinflation is expected to continue. Headline inflation declined to 2.7 percent in April 2024, and MAS core inflation (which excludes costs of accommodation and private transport but includes food and energy prices) decreased to 3.1 percent in April 2024, supported by disinflation in food and tradable goods. However, signs of persistence in services inflation remain. Two-year ahead inflation expectations based on consensus forecasts have been well-anchored at around 1.8 percent.

While labor market conditions have started to ease in 2023 amid weaker GDP growth and an inflow of foreign workers, the unemployment rate remained low at 2.1 percent in 2024Q1 and the job vacancy to unemployed person’s ratio still exceeded the pre-pandemic level. The current account surplus rose, led by an improvement in the primary income balance. Singapore’s banking sector continues to demonstrate ample capital buffers, sound asset quality, high profitability, and a comfortable liquidity position. Non-bank financial institutions, mainly comprising investment funds and insurers, have weathered stresses from the high interest rates well. High borrowing costs encouraged the nonfinancial corporate sector and households to deleverage, while the housing market cooled down moderately in 2023.

Executive Directors noted that Singapore’s growth is gradually recovering, supported by an improvement in external demand, while downside risks to growth have diminished. Disinflation continues but is expected to be gradual, with significant upside inflation risks from tight labor market and high volatility in global energy and food prices. In this context, Directors underscored the need to maintain a prudent macroeconomic policy mix to promote price stability, while continuing with a steadfast implementation of the authorities’ reform agenda to tackle Singapore’s structural challenges, boost productivity growth, and strengthen climate resilience.

Directors agreed that the current broadly neutral fiscal policy stance will help moderate price pressures, while appropriately providing support to vulnerable households and firms. They concurred that Singapore is well-positioned to increase government spending to address medium- and long-term challenges, given its strong public finance and fiscal institutions. A slower pace of fiscal surplus accumulation within the government’s balanced budget rule in the coming years could help accommodate the spending needs.

Directors supported the authorities’ tight monetary policy stance, noting that it should remain in place until inflationary pressures firmly recede. They emphasized that monetary policy should continue to be data dependent and articulated through clearly communicated policy decisions. Directors concurred that the financial sector remains sound, with solid capital and liquidity buffers, though vigilance against potential vulnerabilities remains important. They stressed that the tight macro prudential policy stance is appropriate and should be maintained to prevent the buildup of systemic risks from the housing market. The authorities should also continue monitoring banks' cross-border and foreign exchange exposures, the small segment of highly leveraged corporates and households, and the linkages between non-bank financial institutions and banks.

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Directors noted that Singapore's external position remained substantially stronger in 2023 than warranted by fundamentals and desired policies, while acknowledging the uncertainties around the external sector assessment (ESA) estimates. Higher public spending and stronger social safety nets would reduce Singapore's large external surpluses. Many Directors were of the view that external current account surpluses will moderate over the medium-term due to population ageing, slowing income growth, and anticipated increases in healthcare and climate related spending.

Directors welcomed the authorities' efforts to promote a more inclusive, resilient, and greener economy. The Forward Singapore initiative appropriately aims to address Singapore's challenges, particularly rapid population ageing and technological advancements, including Artificial Intelligence, through stronger social safety nets and lifelong learning. Directors also welcomed the authorities' robust implementation of climate policies, including the planned increase in carbon taxes and improved climate risk management for the financial sector. https://shorturl.at/ygcOG

ADB Approves $400 million Loan to Reconstruct Flood-Damaged Houses and Facilities in Pakistan

The Asian Development Bank (ADB) on July 26, 2024 has approved a $400 million concessional loan to support the reconstruction of houses and community infrastructure in Pakistan's Sindh province damaged by the devastating floods in 2022.

The Sindh Emergency Housing Reconstruction Project will rehabilitate flood-damaged houses and community infrastructure and support livelihood recovery, with a focus on strengthening communities' resilience against climate change-induced natural hazards.

This project is a key part of ADB's multifaceted response to Pakistan's flood crisis and forms part of the bank's commitment to provide $1.5 billion in total assistance from 2023 to 2025 to accelerate the country's flood recovery.

"This project will help rebuild homes and communities, and restore livelihood and basic services in Sindh, the province most affected by the devastating 2022 floods," said ADB Director General for Central and West Asia Yevgeniy Zhukov. "It is part of ADB's extensive support to help Pakistan recover from the disaster which affected 33 million people and damaged houses and infrastructure across the nation."

Sindh province sustained about 83 percent of the total housing damage inflicted by the 2022 floods, with around 2.1 million houses either fully destroyed or damaged. Two years on, many victims still reside in inadequate, temporary shelters lacking essential services such as water, sanitation, and electricity.

The project will support conditional cash grants for the reconstruction of 250,000 houses with multi-hazard resilient and environment-responsive designs. It will also support community-driven construction of infrastructure such as drinking water facilities, sanitation facilities, covered drainage, and renewable energy solutions for 100,000 households in around 1,000 flood-damaged villages in Sindh. The project will also support conditional cash grants for livestock, agriculture, small enterprises, and e-commerce.

"ADB's support will not only help Pakistan build back better, but it will also promote community-led climate resilience and disaster risk management strategies to better prepare for future hazards," said ADB Director for Water and Urban Development Srinivas Sampath. "We are coordinating closely with other development partners to support the government's recovery and reconstruction priorities."

The project supports the government's resilient rehabilitation, reconstruction, and recovery strategy (4RF) and will follow an integrated and sequential approach so that investments across sectors complement each other. A $500,000 technical assistance grant will further support the government's operational capabilities in procurement, safeguard compliance, and technical and financial management. https://shorturl.at/hA8AI

SNIPS

Money Buys Happiness

The difference in happiness and life satisfaction between the richest and middle-income groups is almost three times larger than the difference between middle- and low-income groups, according to a study from the Wharton School.

HR TIPS

Avoid These 3 Mistakes When Giving a Sales Presentation

When you work in sales, no skill is more essential than effective communication, especially when you are giving a presentation. Whether in person, over the phone, or via video, connecting quickly and delivering a strong pitch can make or break a deal. Here are three common sales-presentation mistakes—and how to avoid them.

Mistake #1: Being overly informative. Data dumping overloads your audience with too much information, leading them to disengage. Instead, distill the most important information and compelling arguments. Focus on why your listener needs your product or service—and how it can meet those particular needs.

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Mistake #2: Failing to close. Always conclude a pitch with a clear call to action. To close effectively, ask your prospect to do something specific, such as scheduling the next meeting or signing an agreement. This direct approach keeps the momentum going and makes your intentions clear.

Mistake #3: Winging it. Improvising often results in disorganized and unconvincing presentations. Preparation and practice are key. Develop a clear outline, rehearse thoroughly, and get into the right frame of mind before your presentation. This ensures you appear confident and well prepared, boosting your odds of success.

(This tip is adapted from *Avoid These 3 Pitfalls When Giving a Sales Presentation,* by Terri L. Sjodin – HBR.)

How to Be Curious—Without Undermining Your Expertise

Adopting a learning mindset is a key leadership skill. But asking too many questions or appearing overly curious can backfire, undermining people's perception of your effectiveness, efficiency, and expertise. Here is how to strike the right balance between leading and learning.

Communicate purpose and context. Always provide the rationale behind the questions you ask in meetings and discussions. This will help prevent people from misinterpreting your inquisitiveness as a sign that you lack expertise. For example, "I'm asking this to align my actions with yours and consider your perspective."

Integrate learning with execution. Tie new knowledge you accrue directly to your team's work. Share insights that are immediately relevant to current projects, showing how your learning enhances both your own decision-making and the team's results.

Demonstrate expertise with confidence. Frame your questions to reflect what you do understand. Instead of asking basic questions, demonstrate depth by getting more specific. For example, "Considering trends A and B, how do you see our product C evolving?"

Be decisive. Continuously seeking more opinions can delay decision-making and cause the team to question your decisiveness. After gathering input on something, set a deadline for making a decision. Clearly communicate your thought process and chosen strategy, ensuring your team sees how your learning leads to action.

(This tip is adapted from *When Asking Too Many Questions Undermines Your Leadership,* by Luis Velasquez – HBR.)

Resist the Impulse to Fulfill Every Networking Request

When a former coworker or classmate reaches out on LinkedIn with a request for a referral, it is normal to feel hesitant, especially if you are not close with them or do not yet feel established in your own role. How can you gracefully turn down their networking request?

Start by listening to your instincts—and trusting them. It is okay to feel unsure about endorsing someone for a job or investing your energy into their career. Your time and social capital are limited; that's nothing to feel guilty about.

If you do not have the time to meet with someone now but might be interested in the future, let them know respectfully but honestly that you are not in a position to commit the time to a meeting or to make a referral. You could still send them some helpful resources, such as related articles or information about a professional organization they might want to join.

Finally, resist the impulse to fulfill every request that hits your inbox. Focus instead on building genuine, mutually beneficial relationships, and do not be shy about setting boundaries to maintain your professional integrity if you spot a red flag. Prioritize your growth, keeping in mind that it is okay to simply say "no thank you" when necessary.

(This tip is adapted from *How to Gracefully Decline a Networking Request* by Deborah Grayson Riegel and Loren Margolis – HBR.)

SNIPS

Economic Burden of Cancer

About 55 percent of cancer drugs introduced between 2019 and 2023 cost at least $200,000 a year in the US, according to Iqvia's Institute for Human Data Science.

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