NIBAF Pakistan
EMPOWERING FOR EXCELLENCE
NATIONAL INSTITUTE OF BANKING AND FINANCE

Economic Letter

VOLUME 19/ ISSUE 39 / SEPTEMBER 27, 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:

(Rs in billion)

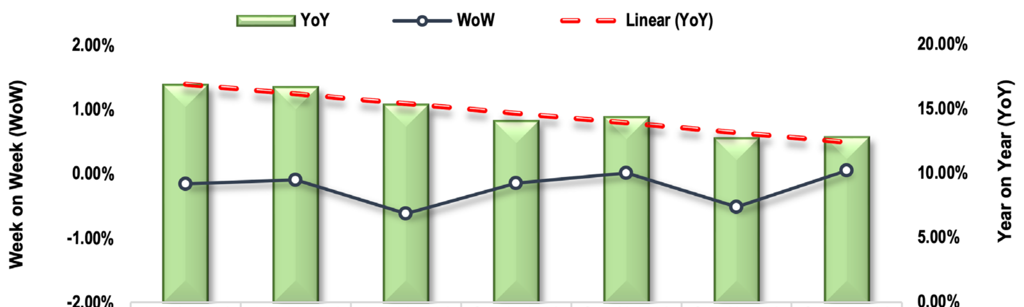
	Stocks at End - June 2024 P	Flows FY23	Flows FY24 P	Monetary Impact Since 1st July to 06-Sep-24	Monetary Impact Since 1st July to 08-Sep-23
Total Deposits with Banks	27,264.5	2,327.6	5,002.1	-829.6	389.9
Broad Money (M2)	36,584.9	3,920.6	5,061.7	-940.3	-241.8
Govt. Sector Borrowings (Net)	31,087.3	4,100.2	7,364.2	600.7	1,425.5
Credit to Private Sector	9,531.3	208.3	364.2	-376.4	-282.3

P = Provisional
* (Latest data is available up to September 06, 2024)

https://tinyurl.com/bdfssvdx

Weekly Trend in Sensitive Price Indicator (SPI)

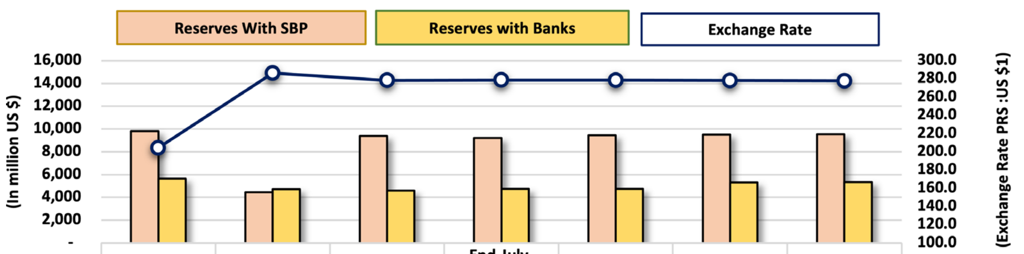
https://www.pbs.gov.pk/spi



	Aug-15-2024	Aug-22-2024	Aug-29-2024	Sep-05-2024	Sep-12-2024	Sep-19-2024	Sep-26-2024
YoY	16.86%	16.69%	15.34%	14.07%	14.36%	12.72%	12.80%
WoW	-0.16%	-0.10%	-0.62%	-0.15%	0.01%	-0.52%	0.05%

Forex Reserves and Exchange Rates as on

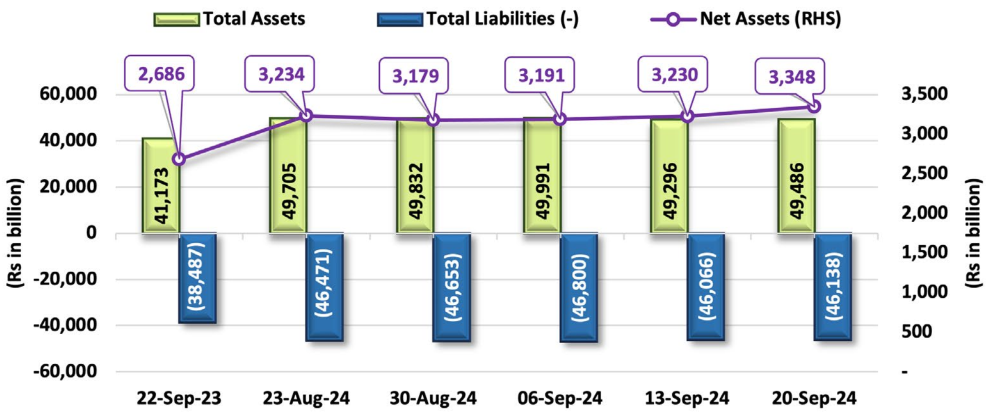
https://shorturl.at/dxNU7 | https://shorturl.at/aJMZ2



	30-Jun-2022	30-Jun-2023	30-Jun-2024	End-July, 2024	Aug 30, 2024	Sep 13, 2024	Sep 20, 2024
Reserves With SBP	9,815	4,445	9,390	9,221	9,437	9,510	9,534
Reserves with Banks	5,635	4,715	4,607	4,746	4,737	5,317	5,340
Exchange Rate	204.4	286.4	278.4	278.8	278.6	278.2	277.9

Total Assets and Liabilities of Scheduled Banks

https://tinyurl.com/yfex7vn9



Markets at a Glance

Rates taken till Friday, September 27, 2024

SBP POLICY RATE

17.5% | Effective from September 13, 2024

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

KIBOR (3 MONTHS)

	Bid%	Offer%
Starting	16.84	17.09
Ending	16.07	16.32
Change	-0.77	-0.77

*Latest data available till September 19, 2024

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

FOREX RATES

	GBP	EURO	USD
Starting	PKR 369.82	PKR 310.19	PKR 277.84
Ending	PKR 371.25	PKR 309.19	PKR 277.64
Change	+1.43	-1	-0.2

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

PAKISTAN STOCK EXCHANGE

	100 Index
Starting	82,074
Ending	81,292
Change	-782

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

GOLD RATES

	10 GM, 24K
Starting	PKR 231,405
Ending	PKR 238,536
Change	+7,131

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

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Yearly Trend (YoY) & Monthly Trend (MoM)

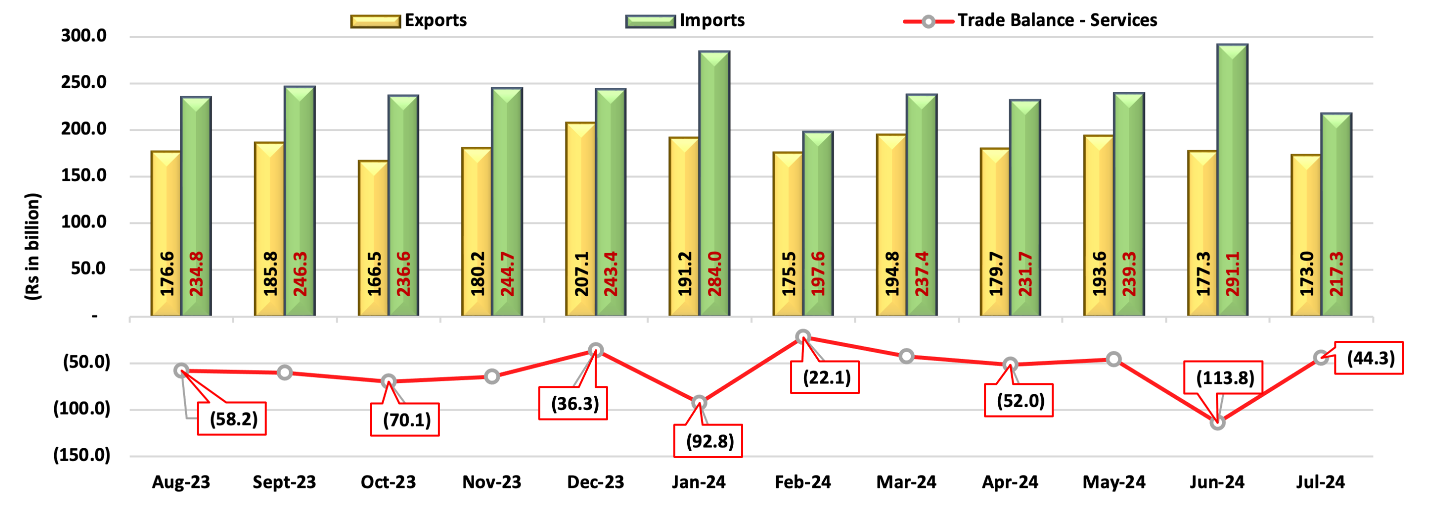
Balance of Trade in Services Summary

(Rs in billion)

	July, 2024 (P)	June, 2024 (R)	July, 2023	% Change (July, 2024 over June, 2023)	% Change (July, 2024 over July, 2023)
Exports	173.0	177.3	165.2	(2.4)	4.7
Imports	217.3	291.1	238.6	(25.4)	(8.9)
Balance of Trade - Services	(44.3)	(113.8)	(73.3)	(61.1)	(39.7)

Trends in Foreign Trade - Services

https://tinyurl.com/2cxbxssj



CPI Inflation	Annual Average			Year-on-Year		
	FY20	FY21	FY22	August 2023	July 2024	August 2024
General	10.7	8.9	12.2	27.4	11.1	9.6
Food (Urban)	13.6	12.4	13.4	38.8	3.4	4.1
Non-Food (Urban)	8.3	5.7	10.8	16.3	20.7	17.4

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, 2021	June 30, 2022	June 30, 2023	Sep 08, 2023	June 30, 2024 (P)	Sep 06, 2024 (P)
6,909.9	7,572.5	9,148.7	8,527.7	9,153.1	9,092.0

P=Provisional * (Latest data is available up to September 06, 2024)

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

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Central Banks' Gallery

Central Bank of the UAE

The CBUAE Releases Financial Stability Report 2023

The Central Bank of the United Arab Emirates (CBUAE) issues its Financial Stability Report for 2023. The report provides a comprehensive assessment of the stability of the UAE financial system and its developments. The report showcases the resilience of the UAE banking sector in 2023, which was evidenced by robust capital buffers, favorable liquidity conditions, improved asset quality ratios and increased profitability.

The report highlights global and local macroeconomic trends, money market developments, domestic asset markets, and provides a detailed assessment and evaluation of the UAE banking system, as well as non-bank financial institutions and the broader financial infrastructure. The report underscores the continued resilience of the UAE financial system, demonstrating the effectiveness of the CBUAE's policy interventions. It highlights the variety of measures deployed by the CBUAE under its macroprudential mandate and covers significant developments in digitalization and sustainability, reflecting the banking sector's vital role in bolstering the UAE's economic resilience and competitiveness.

The report indicates that the UAE benefitted from favorable domestic conditions in 2023, which shielded the financial system from adverse global economic trends. The UAE's real GDP grew by 3.6 percent in 2023, driven by a robust 6.2 percent expansion in the nonoil sector, particularly in tourism, real estate, and finance.

The report highlighted the stress test conducted by the CBUAE in 2023, which confirmed the banking system's ability to withstand challenges including inflation and market uncertainty. Additionally, the CBUAE reaffirmed its commitment to sustainability and piloted a climate risk scenario analysis, which highlighted the required proactive mitigation measures.

The UAE insurance sector remained resilient, with an adequate solvency position, continued growth in gross written premiums, and improved profitability. Finance companies remained adequately capitalized, with further improvements in liquidity levels and overall profitability. The UAE exchange business continued to demonstrate resilience growth with a steady rise in business activities.

Significant progress was made in enhancing financial stability within the UAE's payments infrastructure in 2023 through key initiatives under the National Payment Systems Strategy. Al Etihad Payments, a new CBUAE subsidiary, was established to manage the everyday operations of the UAE's critical payment systems with appropriate ongoing oversight. Additionally, the Instant Payment Platform "Aani" was launched with the participation of notable financial institutions to simplify payment functionality. Progress was also made on the Central Bank Digital Currency programme, with an initial launch of the Digital Dirham scheduled for 2024.

Additionally, the UAE's completion of the Financial Action Task Force (FATF) Action Plan requirements and exit from the enhanced monitoring process in March 2024 recognized the CBUAE's efforts in combating money laundering and terrorist financing, thereby strengthening the integrity of the UAE's financial system and preventing financial crime.

To strengthen continued coordination, the UAE established the Financial Stability Council in 2023. This council aims to promote and protect financial stability, ensuring the financial system contributes effectively to sustainable economic development. The council's collaborative approach will be critical in navigating future challenges and maintaining the UAE's financial strength.

To view and download the full Financial Stability Report, please click here. https://shorturl.at/5TaYr

Reserve Bank of Australia

Statement by the Reserve Bank of Australia Board: Monetary Policy Decision

At its meeting on September 24, 2024, the Board decided to leave the cash rate target unchanged at 4.35 percent and the interest rate paid on Exchange Settlement balances unchanged at 4.25 percent.

Inflation remains above target and is proving persistent
Inflation has fallen substantially since the peak in 2022, as higher interest rates have been working to bring aggregate demand and supply closer towards balance. But inflation is still some way above the midpoint of the 2–3 percent target range. In underlying terms, as represented by the trimmed mean, inflation was 3.9 percent over the year to the June quarter, broadly as forecast in the May Statement on Monetary Policy (SMP). Headline inflation declined in July, as measured by the monthly CPI indicator. Headline inflation is expected to fall further temporarily, as a result of federal and state cost of living relief. However, our current forecasts do not see inflation returning sustainably to target until 2026. In year-ended terms, underlying inflation has been above the midpoint of the target for 11 consecutive quarters and has fallen very little over the past year.

The outlook remains highly uncertain
The central forecasts published in August were for underlying inflation to return to the target range of 2–3

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percent late in 2025 and approach the midpoint in 2026. This reflected a judgement that the economy's capacity to meet demand was somewhat weaker than previously thought, evidenced by the persistence of inflation and ongoing strength in the labor market.

Since then, GDP data for the June quarter have confirmed that growth has been weak. Earlier declines in real disposable incomes and the ongoing effect of restrictive financial conditions continue to weigh on consumption, particularly discretionary consumption. However, growth in aggregate consumer demand, which includes spending by temporary residents such as students and tourists, remained more resilient.

Wage pressures have eased somewhat but labor productivity is still only at 2016 levels, despite the pickup over the past year.

Broader indicators suggest that labor market conditions remain tight, despite some signs of gradual easing. Over the three months to August, employment grew on average by 0.3 percent per month. The unemployment rate remained at 4.2 percent in August, up from the trough of 3.5 percent in mid-2023. But the participation rate remains at record highs, vacancies remain elevated and average hours worked have stabilized.

Taken together, the latest data do not change the Board's assessment at the August meeting that policy is currently restrictive and working broadly as anticipated. But there are uncertainties. The central projection is for household consumption growth to pick up in the second half of the year as the headwinds to income growth recede – but there is a risk that this pickup is slower than expected, resulting in continued subdued output growth and a sharper deterioration in the labor market. More broadly, there are uncertainties regarding the lags in the effects of monetary policy and how firms' pricing decisions and wages will respond to the slower growth in the economy at a time of excess demand, and while conditions in the labor market remain tight.

There also remains a high level of uncertainty about the outlook abroad. Some central banks have eased policy, although they note that they are removing only some restrictiveness and remain alert to risks on both sides, namely weaker labor markets and stronger inflation. The outlook for the Chinese economy has softened and this has been reflected in commodity prices. Geopolitical uncertainties remain pronounced.

Returning inflation to target is the priority

Sustainably returning inflation to target within a reasonable timeframe remains the Board's highest priority. This is consistent with the RBA's mandate for price stability and full employment. To date, longer term inflation expectations have been consistent with the inflation target and it is important that this remain the case.

While headline inflation will decline for a time, underlying inflation is more indicative of inflation momentum, and it remains too high. The most recent projections in the August SMP show that it will be some time yet before inflation is sustainably in the target range. Data since then have reinforced the need to remain vigilant to upside risks to inflation and the Board is not ruling anything in or out. Policy will need to be sufficiently restrictive until the Board is confident that inflation is moving sustainably towards the target range.

The Board will continue to rely upon the data and the evolving assessment of risks to guide its decisions. In doing so, it will pay close attention to developments in the global economy and financial markets, trends in domestic demand, and the outlook for inflation and the labor market. The Board remains resolute in its determination to return inflation to target and will do what is necessary to achieve that outcome. https://shorturl.at/sqBez

CPI Inflation:

CPI (August 2024)	2.7%

https://shorturl.at/6OA7v

Bank of Canada

Bank of Canada Announces Reconciliation Action Plan

The Bank of Canada on September 23, 2024, unveiled its first Reconciliation Action Plan.

The plan affirms the Bank's commitment to reshaping its relationship with Indigenous Nations and Peoples, fostering an inclusive and equitable organizational culture, and championing thriving Indigenous economies.

This initiative is the product of two years of dialogue with the Bank's partners, as well as advocates and organizations focused on Indigenous economic issues. The Bank also engaged with its own Indigenous and non-Indigenous employees.

The purpose of these conversations was to deepen understanding of the challenges faced by Indigenous Peoples in Canada and to learn how they and the Bank can move forward together towards Reconciliation.

The plan has two interconnected priorities: to deepen the Bank's understanding of Indigenous economies in Canada and to build an inclusive organizational culture.

"The Bank's role is to promote the economic and financial welfare of everyone in Canada. Our approach to Reconciliation is grounded in that mandate and guided by our core values of forward thinking, inclusion, and inspiring confidence," said Senior Deputy Governor Carolyn Rogers. The Bank will report annually on its progress towards Reconciliation. It is also committed to reviewing and refreshing its goals and actions every three years, through continued engagement with Indigenous partners.
https://shorturl.at/dIQQY

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Central Bank of Iraq

IFC and Central Bank of Iraq Join Forces to Improve Sustainable Financing in Iraq

IFC, a member of the World Bank Group, in collaboration with the Central Bank of Iraq (CBI), on September 23, 2024 signed an agreement to develop environmental and social risk management guidelines for the banking sector, and launched a seven-year Sustainable Finance Roadmap and an Environmental, Social, and Governance (ESG) Code to improve sustainable financing for the sector and strengthen the country's financial infrastructure.

The Sustainable Finance Roadmap, which outlines the Central Bank of Iraq's strategic plan for 2023 – 2029, aims to improve the performance of Iraqi banks in areas like environmental and social risk management, encourage the availability of sustainable banking products, and increase the competitiveness of the banking sector. The Plan, which encompasses developing an ESG code, also aims to support financial stability, reduce environmental and sustainable risks, and promote social development.

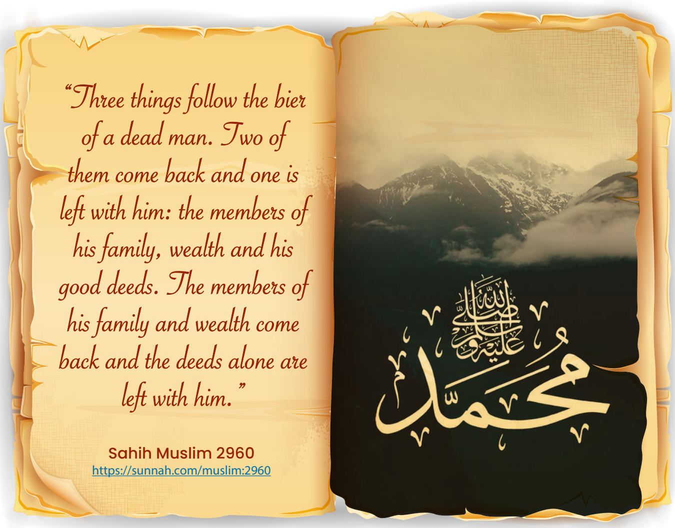
"The global demand for sustainable financial products highlights the need for banks to consider ESG issues in their risk management framework to attract investments," said H.E. Ali Mohsen Ismail, Governor of the Central Bank of Iraq. "As a Central Bank, we play a key role in sustaining the development, growth, and financial stability of Iraqi banks, ensuring their ESG performance matches international standards."

The new ESG Code sets forth specific standards and practices that Iraqi banks can incorporate into their business strategies and investment decisions, paving the way for greater mitigation for ESG risks across the banking sector.

"This partnership marks a significant milestone in Iraq's strategic approach towards sustainable finance and demonstrates IFC's commitment to partnering with the country's Central Bank and the banking sector to strengthen its financial infrastructure and increase the competitiveness of its banks," said Fawaz Bilbeisi, Regional Manager for IFC in the Kingdom of Saudi Arabia, Iraq, and Lebanon. "This ESG Code will help banks improve their performance on accountability, responsibility, management and resilience, which are critically important for clients, shareholders, investors and Iraq's sustainable development."

This ESG Code was developed according to the relevant Iraqi laws and global best practices issued by financial institutions like IFC, the Organization of Economic Cooperation and Development (OECD), the Basel Committee on Banking Supervision (BCBS), the Accounting and Auditing Organization of Islamic Financial Institutions (AAOIFI), the Islamic Financial Services Board (IFSB), and the International Sustainability Standards Board (ISSB) of the International Financial Reporting Standards Foundation.

IFC has been a pivotal driver of private sector development in Iraq, channeling over $1.9 billion since 2005 to fuel the growth of its businesses in the context of diversifying the country's economy. IFC's current committed portfolio stands at around $350 million, invested in dynamic sectors such as energy, telecoms, and banking. IFC has also launched several advisory projects to mobilize private sector investment through public-private partnerships, expand access to finance for local businesses, and support Iraq's entrepreneurial ecosystem. This initiative also reflects how IFC's strategy in Iraq continues to focus on strengthening the Iraqi banking sector via both investment and advisory services, helping pave the way for the country's sustainable development.
https://shorturl.at/EUfpu



Financial Institutions' Gallery

HBL-P@SHA Hosts Prestigious HBL ICT Awards 2024

Pakistan Software Houses Association (P@SHA), the premier representative body of Pakistan's thriving IT industry, proudly hosted the prestigious HBL-P@SHA ICT Awards 2024 at a local hotel in Islamabad on September 23, 2024. This esteemed event promoting Made in Pakistan, recognized and honored companies that have demonstrated exceptional service and innovation in Pakistan's IT sector.

Minister of State for Information Technology & Telecommunication, Ms Shaza Fatima Khwaja, graced the

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event as Chief Guest. Other notable attendees included SIFC and government officials, diplomats, top IT industry representatives, startups, and prominent personalities. The prestigious HBL-P@SHA ICT Awards 2024 recognized and honored the most innovative solutions in Pakistan's IT industry, presenting 33 Gold Awards and 47 Merit Awards across various top-tier categories, including Consumer, Business Services, Inclusion & Community, and Student Innovation. This year, P@SHA received an overwhelming response, with more than 1,198 applications for these esteemed awards. Over the course of 15 rigorous judging cycles, industry veterans served as judges to identify the best talent in the country.

Highlighting the role of P@SHA and the importance of the awards, Minister of State said that P@SHA plays an instrumental role in shaping Pakistan's digital future, driving innovation and progress in the IT and telecom sectors. Recognizing and supporting our software and service companies is critical for sustaining growth and positioning Pakistan on the global technology map. The HBL-P@SHA ICT Awards are vital in this mission, celebrating innovation and promoting #MakeInPakistan.

Ms Shaza Fatima congratulated all the nominees and winners and said that their dedication and innovation are setting new standards in technology and inspiring future generations of leaders. "Together, we are building a brighter, more innovative future for Pakistan's IT sector." On this occasion, the Minister of State, Ms Shaza Fatima, specially informed the participants about the government's initiatives for the IT sector.

Chairman P@SHA, extended heartfelt congratulations to the winners, recognizing their outstanding contributions. "Today, we celebrate the best of Pakistan's IT industry, honoring, recognizing, and empowering growth, and proudly promoting the 'Made in Pakistan' brand."

Nadeem Aslam, the Secretary General of P@SHA, expressed his gratitude to all participants for attending and reaffirmed P@SHA's commitment to driving growth in Pakistan's IT sector and digital economy.

It is worth mentioning here that these award-winning companies have showcased exceptional talent and will now represent Pakistan on the global stage at the Asia Pacific ICT Alliance (APICTA) Awards in Brunei Darussalam later this year, making the nation proud with their achievements. https://shorturl.at/KY3Mt

UBL & TriFit Sign an Agreement

UBL strives to provide maximum lifestyle benefits to its customers through multiple alliances focused on healthy lifestyles, sports and recreational activities. As part of this endeavor, UBL has recently partnered with TriFit in it's pursuit of providing the best discounts to it's Debit and Credit Cardholders. The signing ceremony for this partnership was held at the TriFit premises. Present at the event were Mr Imran Sarwar, CRO UBL and Mr Ahmar Azam, CEO & Founder TriFit. Also present were senior executives from both institutions. Under this partnership, UBL Platinum, Signature and Infinite Cardholders can avail a 40 percent discount on select services of TriFit.
https://shorturl.at/BwB2C

FinTech News/ Views

Bank Alfalah Partners with QistBazaar for Equity and Embedded Finance Deal

Pakistan's FinTech space has reached a new milestone as Bank Alfalah, one of the country's largest commercial banks, take a 7.2 percent equity stake in QistBazaar, a fast-growing buy now, pay later (BNPL) FinTech.
https://shorturl.at/OBgwY

Parabank Unveils Credit Solutions Tailored for People with Disabilities in Brazil

Parabank, a digital bank focused on people with disabilities, has introduced new credit and prepaid cards specifically designed for this community.

The bank, renowned for its commitment to inclusivity, aims to address the financial barriers faced by nearly 10 percent of the Brazilian population who have disabilities.

The rationale behind this innovative product is rooted in the significant challenges people with disabilities encounter in securing financial products suited to their unique needs. Traditional financial solutions often overlook the specific circumstances of this community, such as the high costs associated with medical equipment like prostheses, which are crucial yet financially inaccessible for many.

Parabank operates as a pioneering digital banking platform offering a spectrum of financial services tailored to individuals with disabilities. Leveraging advanced Dock technology, which is also used by major banks and FinTech firms, Parabank serves as a hub for accessible financial solutions.

The newly launched products include features such as partnerships with rehabilitation clinics, a specialized marketplace for products and services, and access to investment services. These offerings are designed to facilitate easier and more affordable access to essential services like prosthetic financing, physiotherapy, and educational support.

Looking forward, Parabank is set to introduce physical cards with Braille and tactile features to enhance accessibility for visually impaired customers. Additionally, the bank plans to broaden its services to cater to people with intellectual disabilities, further expanding its commitment to financial inclusion. https://shorturl.at/2PYMr

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General Economic Horizon

A. Domestic News

CCP approves Nishat Chunian Group's Corporate Restructuring Under Scheme of Arrangement

The Competition Commission of Pakistan (CCP) has approved internal restructuring involving M/s Nishat Chunian Limited (NCL), M/s Nishat Chunian Power Limited (NCPL), M/s Nishat Mills Limited (NML), and the CEO of NCL, Mr Shahzad Saleem. This internal restructuring, undertaken as part of the Scheme of Arrangement, aims to streamline the corporate structure of the Nishat Chunian Group.

The CCP's Phase 1 competition assessment has revealed the primary business activities of each undertaking involved in the transaction. Nishat Chunian Limited (NCL), a publicly listed company, engages in textile-related operations, including spinning, weaving, dyeing, fabric processing, and the generation and sale of electricity. Nishat Chunian Power Limited (NCPL), a public listed company, specializes in building, owning, and operating fuel-fired power stations. It functions as an Independent Power Producer (IPP) and has a Power Purchase Agreement with the Central Power Purchasing Agency (Guarantee) Ltd (CPPA-G). Similarly, Nishat Mills Limited (NML), another publicly listed company, focuses on textile manufacturing with activities spanning spinning, weaving, and the production of various fabrics, while also engaging in electricity generation.

In its assessment, the CCP has identified the relevant product markets as 'spinning, weaving, home textile, and thermal power generation- CPPA-G'. The restructuring will lead to a nominal increase in Mr Shahzad's shareholding in NCL, while NML will experience a slight rise in its shareholding in NCPL. Despite these changes, the CCP has confirmed that the transaction will not result in any market dominance by the merger parties.
https://shorturl.at/Lb5lK

EDF Board Approves 20 Proposals of Worth Rs 8.5 billion for Textile, Agri, Global Branding

In a significant move to bolster Pakistan's export sector, the Export Development Fund (EDF) has approved 20 proposals of worth Rs 8.5 billion for initiatives targeting textiles, agriculture, gems and jewelry, defense, and global branding.

This was approved during the 85th meeting of the Export Development Fund (EDF) Board under the chairmanship of Minister for Commerce Jam Kamal Khan, said a news release on September 22, 2024.

The Board approved 20 out of the 29 financial proposals by participating in Expo 2025 in Osaka, Japan.

The minister highlighted the potential available in the reformed EDF for boosting the Pakistan exports by channelizing the money into various activities as per needs of the exporters and creating facilitative mode at the national level for value addition, research & development, increasing compliance as per global requirement, upgradation of the export infrastructure and marketing/branding of the country's potential in the international arena.

The Board was apprised that EDF has made drastic reforms during the recent times which include notification of EDF as autonomous body, amendment in the EDF Act for direct transfer of Export Development Surcharge to EDF Public Account, digitalization of revenue collection system with the help of State Bank of Pakistan (SBP) and Pakistan Single Window (PSW).

The board was informed that a detailed activity has been initiated with the help of FCDO Remit Project for development of Vision, Mission and Future Strategy of EDF while a Chartered Accountancy Firm has also been hired to restructure EDF as an organization for efficient, effective and transparent utilization of the fund and its impact assessment.

Chairman EDF Board directed to form various committees from amongst the EDF Board members to overlook research & development, training, technology enhancement, international outreach for assisting the Board to adopt forward-looking proactive approach.

The EDF Board also directed to share details of proposed EDF-PSW MoU in the next meeting for proper analysis of the Board.

The intent of the MoU is to create two-way direct communication between EDF and exporters using PSW platform for need analysis, impact assessment, market intelligence and sectoral/regional/ geographic tagging of exporters for targeted information sharing.

The projects included various marketing interventions such as holding of international level exhibitions inside Pakistan such as Texpo 2025 by TDAP, IDEAS by DEPO, Gems & Jewelry Show by FPCCI, OIC-Conference and WEXNET targeting Women empowerment by Trade Development Authority of Pakistan (TDAP).

These exhibitions will not only support Pakistani exporters to exhibit their products but will be used as branding activities for Pakistan across the globe.

The project funding includes facilitation to international buyers through provision of best hospitality and arrangement of B2B meetings for best match-making.
The new Board provides diverse regional and sectoral representation to the private sector and includes Presidents of Chambers of Federation of Pakistan, Karachi, Lahore,

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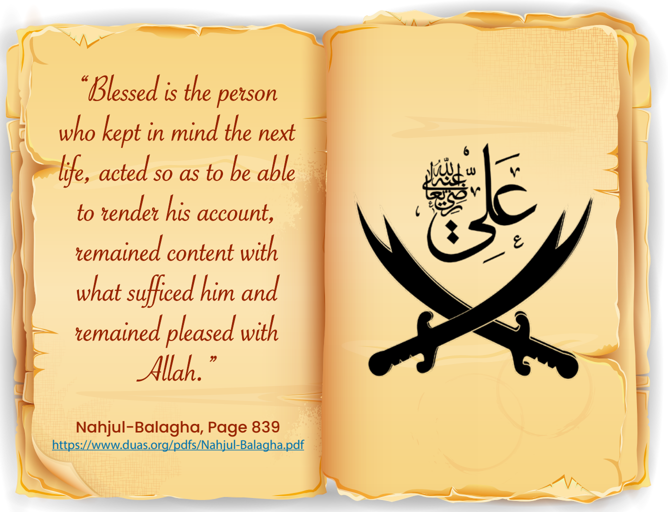
Sarhad, Quetta, Sialkot and Chairman of Associations from value-added textiles, agriculture, livestock, chemical and engineering sector.

The Board also includes sector leaders such as Bilal Tata from Tata Best Foods, Aamir AllahWala from Tecno Group, and Ms Mehreen Obaid from Towellers Limited representing women led export enterprises.

Chairman EDF Board informed the members of the EDF Board that next meeting of the EDF Board will be re-convened as soon as possible to consider the remaining proposals.

He also committed to hold EDF Board meetings more frequently for channelizing the Fund resources into awaited productive interventions leading to export development from across Pakistan. https://shorturl.at/rwddL



B. International News

IMF Board Approves $7 billion Extended Fund Facility for Pakistan

The International Monetary Fund's board (IMF) on September 25, 2024, approved a $7 billion Extended Fund Facility (EFF) for Pakistan, providing a critical boost to the country's struggling economy.

The development was announced by the Prime Minister's Office (PMO) while a statement is expected from the IMF. The PMO said the premier expressed his satisfaction with the programme's approval.

"The implementation of economic reforms is going on rapidly," he said, adding that the government would continue to work hard to achieve goals related to economic development after achieving economic stability.

The prime minister said the increase in business activities and investment in the country was "welcome and a testament to the hard work of the economic team". "Along with the successes on the diplomatic front, the increase in remittances from Pakistanis living abroad is a reflection of their confidence in the government's policies," he said, adding that the government was grateful to the Pakistani community.

"If the same hard work continues, God willing, this will be Pakistan's last IMF programme," PM said.

The premier thanked Saudi Arabia, China, and the UAE for their support regarding the package, as well as IMF Managing Director Ms Kristalina Georgieva and her team. Speaking to reporters in New York, PM expressed optimism, reiterating his hope that this would be Pakistan's final IMF-backed programme. "We are committed to ensuring this is the last time we seek such financial support from the IMF," he said.

PM acknowledged the economic difficulties faced by his government when it took office but expressed confidence that the country was moving toward recovery. "With the grace of God and the combined efforts of the government and all institutions, we have overcome significant challenges," he said.

Citing recent assessments by global rating agencies, the prime minister pointed to gradual improvements in key economic indicators, suggesting that Pakistan's financial outlook was beginning to improve.

The primary goals of the new bailout package include stabilizing Pakistan's economy by consolidating public finances, rebuilding foreign exchange reserves, and reducing fiscal risks from state-owned enterprises. The programme also aims to create a more conducive environment for private-sector-led growth.

The loan deal, finalized in July, was contingent on Pakistan securing $12 billion in financial commitments from key allies such as Saudi Arabia, China, and the UAE.

This is Pakistan's 25th IMF programme since 1958 and its 6th under the EFF framework. Despite the influx of funds, the programme leaves unaddressed a crucial issue: restructuring Pakistan's external and domestic debt, which consumed 81 percent of the nation's tax revenues in the last fiscal year.

To meet the Fund's criteria, the government announced new tax measures in several areas to generate additional revenue in the coming fiscal year in the finance bill, which included a 48 percent increase in direct taxes, 35 percent hike in indirect taxes, and a whopping 64 percent increase in non-tax revenue such as petroleum levies.

The latest bailout, coming to Pakistan in the form of loans, follows a commitment by the government to implement reforms, including a major effort to broaden the country's tax base.

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

In a nation of over 240 million people and where most jobs are in the informal sector, only 5.2 million filed income tax returns in 2022.

The government has amped up its efforts to raise nearly $46 billion in taxes for the year, which includes drastic measures by the Federal Board of Revenue (FBR) such as ordering the telecommunications authority to block the connections of 210,000 SIM cards.

In the edict passed in April, the FBR is also now empowered to disable mobile phones and SIM cards, discontinue electricity connections, discontinue gas connections, and restrict foreign travel of non-filers.
https://shorturl.at/Wr5dI

UN, Development Banks Partner for Sustainable Development Goals

United Nations Secretary-General Mr António Guterres and top UN officials met with the Heads of Multilateral Development Bank (MDB) Group on September 22, 2024, as part of an unprecedented joint effort to help countries accelerate progress toward meeting the Sustainable Development Goals (SDGs) by 2030.

The first-of-its-kind meeting marked a reinvigorated partnership between the UN and MDBs to boost impact from multilateral institutions. Countries need between $2.5 trillion to $4 trillion in additional financing and investment each year to meet the 2030 deadline and MDBs aim to narrow the financing gap with the support of their shareholders.

UN and MDB leaders discussed three areas of collaboration: reinforcing efforts by MDBs to become a better, bigger and more effective multilateral system; enhancing effective collaboration between the UN and MDBs at the country level, especially in fragile and conflict-affected countries; and catalyzing private-sector resources to increase sustainable investment in developing countries.

The UN and MDBs agreed to collaborate towards the 4th International Financing for Development Conference on (FfD4) next year in Seville, Spain, where countries are expected to agree on how to increase development financing and discuss how to improve the international financial architecture.

MDBs welcome the Secretary-General's advocacy for bigger and better MDBs as part of his call to unlock greater volumes of affordable long-term development finance. The UN's global development footprint complements the efforts by MDBs to work as a global system. The UN-MDB partnership aims to build on already-strong examples of collaboration, particularly in some fragile states, where either the UN or specific MDBs have greater on-the-ground experience and comparative advantages in terms of access, presence, and expertise.

Following the working meeting, Spain, Jamaica and Canada co-hosted an open dialogue with MDB leaders, the UN Deputy Secretary-General and high-level UN Member State delegates.

MDB leaders highlighted steps to accelerate the SDGs, based on the 16 concrete deliverables outlined in the "Viewpoint Note", a joint MDB work plan released in April 2024. These wide-ranging initiatives include scaling-up MDB financing capacity, boosting joint action on climate and catalyzing private-sector investment. MDBs also discussed how they can channel special drawing rights (SDRs) to significantly increase financing for the SDGs, including to support initiatives such as the G20 Global Alliance against Hunger and Poverty. https://shorturl.at/88w6N

HR TIPS

To Be a Great Negotiator, Ask Better Questions

Negotiation success often hinges not only on what you say, but also on the quality of your questions. By preparing thoughtful, open-ended questions, you can extract more valuable information and improve your negotiation outcomes. Here is how.

Plan Ahead. Before your next negotiation, prepare three to five open-ended questions to uncover crucial insights about your counterpart's needs and constraints. Questions like "Why is this important to you?" or "What's your biggest challenge right now?" can go a long way.

Reframe Closed Questions. Got a habit of asking yes/no questions? Flip them into open-ended ones. Instead of, "Is this your final offer?" ask, "What factors are influencing your final offer?" This approach leads to richer answers. Then, use these more informative responses to craft compelling counter-proposals.

Build Rapport While You Ask Questions. Asking questions is great, but do not forget to foster a connection. Balancing your "why," "what," and "how" questions helps you gather information while maintaining a strong relationship, increasing the likelihood of favorable outcomes.

(This tip is adapted from *The Most Effective Negotiation Tactic, According to AI,* by Matteo Di Stasi et al. – HBR.)

SNIPS

AI Power of Analysis

Swiss bank UBS has developed an artificial intelligence tool to help it offer clients potential merger & acquisition deals, able to analyze a database of over 300,000 companies in less than half a minute, according to Bloomberg.

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Delegate Decisions More Effectively

Delegating work effectively is a key managerial skill. While passing decision-making responsibilities to employees can be a way to give them control and valuable experience, done incorrectly, it can be perceived as unfair, burdening teams and damaging workplace relationships. Here is how you can successfully give your employees more decision-making power.

Delegate Decisions with Positive Outcomes. Only delegate decisions that lead to favorable results, and avoid delegating decisions with negative outcomes. Delegating a positive decision is viewed as fairer than delegating a negative one.

Delegate within Existing Roles. Ensure the decisions you delegate align directly with the employee's role and expertise. Only assign decisions that fit their job description to avoid perceptions of unfairness.

Limit Impact to the Individual. Delegate decisions that affect only the employee, not their team. Employees are more willing to take responsibility for decisions that impact them personally.

(This tip is adapted from *Research: How to Delegate Decision-Making Strategically,* by Hayley Blunden and Mary Steffel. – HBR.)

How to Connect with a Job Interviewer

Interviews can feel uncomfortable, pushing you to act overly formal or distant. But standing out as a candidate is not about being perfect; it's about being genuine. Here are four tips to help you stay true to yourself and build a real connection during your next interview.

Know Your Style. Reflect on your personality and communication style. This will help you both tailor your answers and combat any potential concerns. For example, if you are naturally extroverted and talkative, you might describe how you successfully engage stakeholders—while trying to stay focused and concise in your answers. If you are introverted and calm, emphasize your listening skills and how your composure helps in challenging situations. Knowing your strengths ensures your responses feel genuine.

Embrace Your Natural Body Language. Rather than forcing stiff posture, focus on feeling comfortable. Use natural hand gestures and maintain relaxed eye contact. If eye contact is challenging for you, be upfront. The more comfortable you are, the more authentic you will seem.

Plan to Build Rapport and Connection. Research your interviewer to uncover any common background or interests. Active listening and thoughtful questions show engagement and help build a conversation, not just a Q&A. Reflect their words back, demonstrating empathy and curiosity.

Choose a Comfortable Space for Remote Interviews. Set up in a familiar, distraction-free area. If unexpected disruptions occur, handle them calmly and naturally. Your ability to adapt under pressure highlights your professionalism.

(This tip is adapted from *4 Ways to Make a Connection with Your Interviewer,* by Marlo Lyons – HBR.)

How to Explain Your Job-Hopping History?

Job hopping can be a red flag for interviewers, but it does not have to be. Here are some key reasons why people leave jobs and how you can explain them to an interviewer in a way that highlights your values and expectations while demonstrating you are a strong candidate.

Financial Concerns. The cost of living in major cities often outpaces wages, especially for entry-level roles. If this was a factor for you, be transparent with hiring managers. You might say something like, "I enjoyed my previous role, but the cost of living in [city] was too high. I am seeking a company that offers competitive wages so I can grow long-term."

Misaligned Values. If you left an organization that did not align with your core values, you can share this with prospective employers by saying, "I realized I thrive in an environment that values X and Y, which is why I'm drawn to your company."

Lack of Work-Life Balance. A lack of flexibility can lead to burnout. If this drove your decision, emphasize your desire for balance. You might say, "My previous job required constant overtime, which affected my well-being. I'm looking for a company that values balance and supports employee health."

Absence of Diversity and Inclusion. If you left a company that claimed to care about DEI but failed to make you feel equal or included, share that with your interviewer by saying, "I'm looking for a company where I feel comfortable being myself. Your commitment to DEI stood out to me, and it's a core value of mine."

(This tip is adapted from *How to Explain Job Hopping in an Interview,* by Emma Waldman – HBR.)

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