

Domestic Economic Roundup

Key Money & Banking Indicators:

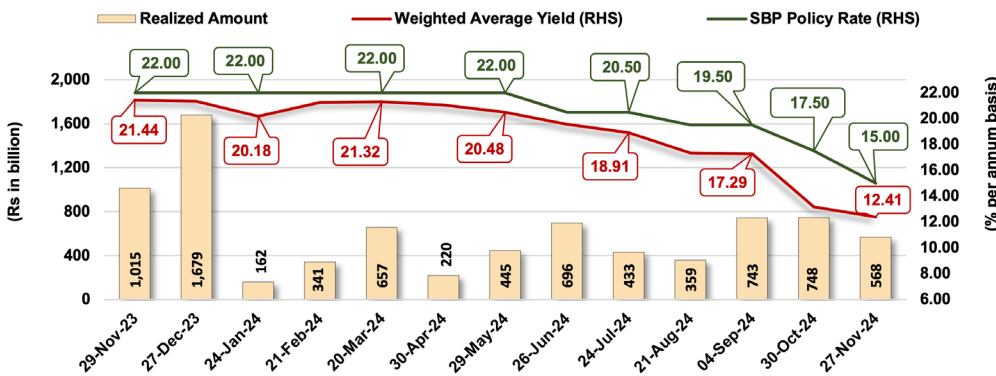
	Stocks at End - June 2024 #	Flows		Monetary Impact Since 1st July to*	
		FY23	FY24	15-Nov-24	17-Nov-23
Total Deposits with Banks	27,264.5	2,327.6	5,002.1	-262.4	447.0
Broad Money (M2)	36,553.0	3,920.6	5,029.8	-210.9	-81.7
Govt. Sector Borrowings (Net)	31,089.5	4,100.2	7,366.4	-1,677.9	1,994.4
Credit to Private Sector	9,531.3	208.3	364.2	880.4	-82.5

(Rs in billion)

<https://tinyurl.com/bdfsvdx>

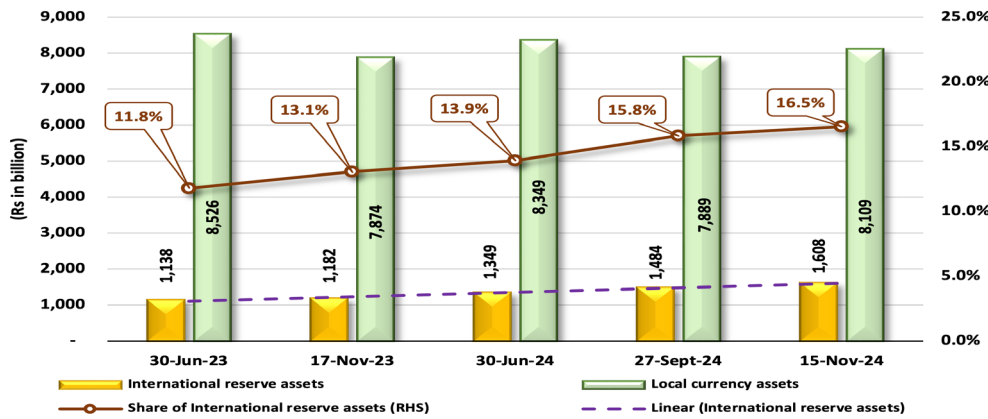
MTBs Acceptance (Auction+ Non-Competitive Bids)

MTB's : <https://shorturl.at/gkx3>
SBP Policy : <https://shorturl.at/gklzG>



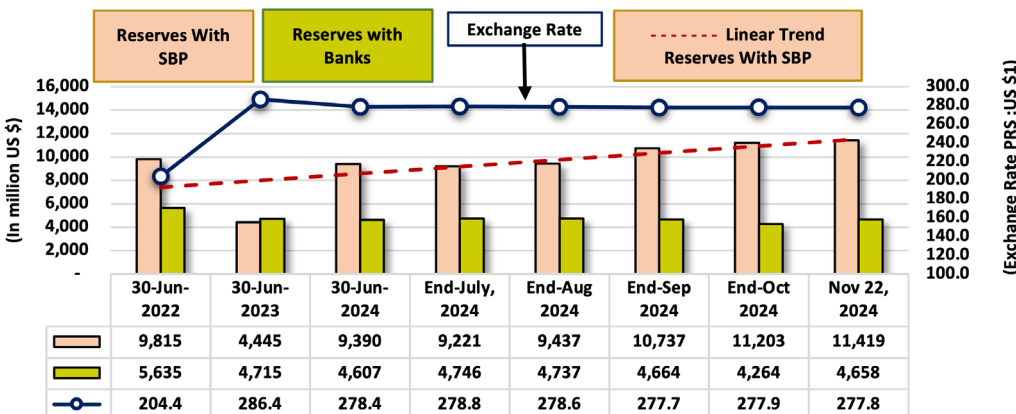
Assets Composition of Total Banknotes Issued

<https://tinyurl.com/22n5xnum>



Forex Reserves and Exchange Rates as on

<https://shorturl.at/dxNU7> | <https://shorturl.at/ajMZ2>



Markets at a Glance

Rates taken till Friday, November 29, 2024

SBP POLICY RATE

15%

Effective from November 05, 2024

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

KIBOR (3 MONTHS)

	Bid%	Offer%
Change	13.53	13.78
Ending	12.56	12.81
Starting	-0.97	-0.97

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

FOREX RATES

	GBP	EURO	USD
Change	PKR 349.37	PKR 291.36	PKR 277.76
Ending	PKR 353.50	PKR 294.00	PKR 278.05
Starting	+4.13	+2.64	+0.29

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

PAKISTAN STOCK EXCHANGE

	100 Index
Change	97,798
Ending	101,357
Starting	+3,559

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

GOLD RATES

	10 GM, 24K
Change	PKR 238,190
Ending	PKR 236,042
Starting	-2,148

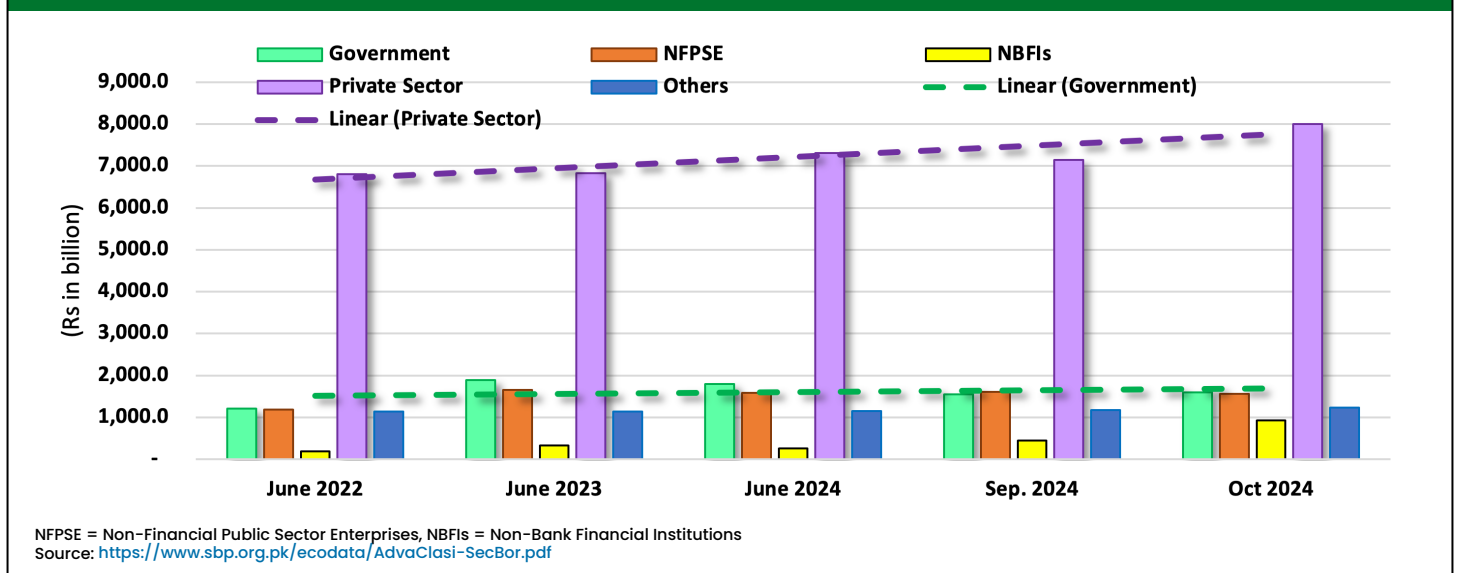
<https://www.forex.pk/bullion-rates.php>

Advances Classified by Borrowers (Outstanding, All Banks)

(Rs in billion)

Borrowers	June 2022	June 2023	June 2024	Sep 2024	Oct 2024
Government	1,206.2	1,887.6	1,789.9	1,552.6	1,592.7
NFPSE	1,182.3	1,659.8	1,583.1	1,601.8	1,562.2
NBFIs	182.7	330.0	254.4	446.4	930.4
Private Sector	6,801.9	6,825.8	7,313.4	7,140.6	7,998.6
Others	1,141.8	1,142.3	1,153.6	1,174.5	1,230.8
Grand total	10,514.9	11,845.5	12,094.4	11,915.9	13,314.7

Advances Classified by Borrowers (Outstanding, All Banks)



CPI Inflation

Annual Average

Year-on-Year

	FY22	FY23	FY24	Oct 2023	Sept 2024	Oct 2024
National CPI	12.1	29.2	23.4	26.8	6.9	7.2
Food (Urban)	13.4	37.6	22.1	28.9	1.7	2.7
NFNE (Urban)	8.1	16.2	16.1	23.1	15.0	14.2

<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	Nov 17, 2023	June 30, 2024	Nov 15, 2024
6,909.9	7,572.5	9,148.7	8,625.6	9,153.1	9,223.3

P=Provisional

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

Central Banks' Gallery

State Bank of Pakistan



The future of banking in Pakistan will be driven by innovation, transparency, and an unwavering commitment to customer satisfaction: Governor SBP at Pakistan Banking Awards 2024 Ceremony

Governor of the State Bank of Pakistan (SBP), Mr. Jameel Ahmad, advised financial institutions to continue striving for excellence and collaborate to foster a more inclusive, dynamic, and future-ready financial ecosystem. He emphasized banks should pursue excellence and contribute to the betterment of our economy and people. He was addressing the financial sector fraternity at Pakistan Banking Awards ceremony.

The 9th Pakistan Banking Awards ceremony 2024 was held on Friday, November 29, 2024 at a local hotel in Karachi. The event was attended by senior executives and distinguished professionals from Pakistan's banking and finance industry. Governor SBP Mr. Jameel Ahmad graced the occasion as the Chief Guest. Mr. Ahmad, who is also the Chairman of the Board of Directors of NIBAF Pakistan, commended the participating banks for their active involvement in the awards and their ongoing efforts to lead in innovation, transformation and sustainability.

Mr. Ahmad highlighted that Pakistan's banking industry has played an important role in the country's economic development and supported the economy in its challenging times through uninterrupted provision of financial services. He added that key financial performance indicators of our banks have remained stronger than many regional peers. However, he also pointed out that there is still considerable ground to be covered in improving financial deepening and inclusion, particularly in agriculture and SMEs.

The Governor SBP identified five core areas that banks must focus on. He advised banks to rethink their business models to play a more active role in financial intermediation, leverage technology to enhance the access, usage, and quality of financial services, make more active participation in improving financial literacy, partner with Fintechs to provide innovative products for customers, and work on improving user experience and customer service.

In his welcome address, Mr. Riaz Nazarali Chunara, Chief Executive Officer of NIBAF Pakistan, commended the organizing partners for their unwavering support, which has made this event possible for the ninth consecutive year. He also acknowledged the contributions of the participating banks and financial institutions, recognizing their commitment and efforts in striving for leadership within their respective sectors.

Organized by the National Institute of Banking and Finance Pakistan, in collaboration with DAWN Media and A.F. Ferguson & Co. (a member firm of the PwC Network) the Pakistan Banking Awards, the first of their kind, were launched in 2016. These awards are considered the industry's definitive benchmark for excellence in banking and encompass participation from Microfinance, Islamic Banks in addition to the mainstream Commercial Banks.

Awards for 2024 were distributed to various banks, financial institutions for their best performance in 8 different categories. A new award category for Woman Inclusion was introduced this year. The details of the awards are as follows: Meezan Bank Limited received the **Best Bank Award**; the awards for **Best Bank for Women Inclusion** and **Best Bank for Agriculture** went to Bank of Punjab; **Best Microfinance Bank Award** went to Mobilink Microfinance Bank Limited; the Award for **Best Bank for SMEs** went to Habib Bank Ltd; Bank Alfalah Limited bagged the awards for **Best Bank for Digital Excellence** and **Best Bank for Customer Engagement**.

The winners were selected by a distinguished jury consisting of six experts from the corporate, banking and financial sectors. As always a neutral, transparent and impartial evaluation process was adopted to determine the best performers for these awards. The eminent jury comprised of former SBP Governor Syed Salim Raza (Chairman of the Jury); former deputy governor SBP Ms. Sima Kamil; former president/ CEO Faysal Bank Ltd Mr. Naved A. Khan; MD & CEO English Biscuit Manufacturers (Pvt) Ltd Dr. Zeelaf Munir; founder & Managing Partner of Dada Partners Pvt Ltd/ Former President and CEO of United Bank Ltd & Standard Chartered Bank in Pakistan Mr. Shazad Dada; and former president Samba Bank Mr. Shahid Sattar.
<https://shorturl.at/BIArJ>

The State Bank of Pakistan to Issue Rs. 55/- Commemorative Coin on the 555th Jayanti of Baba Guru Nanak Dev Ji

On the auspicious occasion of 555th Jayanti of Guru Nanak Dev Ji, the Federal Government has been pleased to issue a commemorative coin of Rs.55 denomination with following metal composition, shape and dimensions:

– Metal composition: Nickel-Brass, Cu 79%, Zn 20% & Ni 1%
Dimension: 30.0 mm Weight: 13.5 grams

OBVERSE: On the obverse side the waxing crescent moon and five-pointed star facing North-West in rising position, is in the center. Along with periphery on the top of crescent star is inscribed in wording "ISLAMI JAMHURIA PAKISTAN" in Urdu Script. Below the crescent and on the top of two springs of wheat with arms curved upward, there is the year of issuance 2024. The face value of coin in numeral "55" in bold letters and RUPIA in Urdu script are written on the right and left sides of crescent star respectively.

REVERSE: On the reverse side of the coin, picture of monument of Sri Guru Nanak Dev Ji is shown in the center. The wording “555th Birthday Celebrations” is written on the top of the monument and “SRI GURU NANAK DEV JI” is written at the bottom of the monument whereas “1469- 2024” is written along with the periphery at the bottom of the coin depicting the span of birthday celebrations.

State of Pakistan is heir to diverse religious denominations; Baba Guru Nanak Dev Ji, founder of Sikh faith tradition, is one of the finest son to blossom out of the land now constituting Pakistan. Sikh faith is a worldwide religion with millions of adherents, the holiest shrines are located in Pakistan. The coin is being issued through the exchange counters of all the field offices of SBP Banking Services Corporation from November 22, 2024.

<https://shorturl.at/CxQy2>



Saudi Central Bank (SAMA)

SAMA Headquarters Receives Leed Gold Certification for Green Buildings

The Saudi Central Bank's (SAMA) renovation project of its Riyadh headquarters received LEED Gold Certification from the U.S. Green Building Council (USGBC). This recognition reaffirms SAMA's environmental commitments and contributions to Saudi Vision 2030's sustainability ambitions. LEED, Leadership in Energy and Environmental Design, is the world's widely used green building rating system. The certification provides a framework for healthy, highly efficient, and cost-saving green buildings, offering environmental, social, and governance benefits.

LEED rating system evaluates and measures the facility's environmental impact and performance through various matrixes, including location, energy and water efficiency, carbon dioxide emissions, environmental responsibility, and operational efficiency. <https://shorturl.at/ksRfl>

Central Bank of Kuwait



CBK Governor Honors the Winners of “2023 Kuwaiti Economic Student Award”

The Central Bank of Kuwait (CBK) held a ceremony to honor the winners of the “Kuwaiti Economic Student Award” which was attended by CBK Governor and Chairman of the Board of Directors of the Institute of Banking Studies (IBS), Basel A. Al-Haroon, and a host of top-level banking sector leaders on Monday, November 18, 2024, at the CBK headquarters.

In his opening speech, the Governor underscored CBK's keenness to advancing economic research in Kuwait, in support of national efforts across various sectors. He emphasized the importance of high-caliber research and innovation in the face of rapid global economic shifts. The Kuwaiti Economic Student Award, is designed to nurture academic excellence and enhance research competencies among Kuwaiti students. By recognizing young talents with outstanding contributions to economic research, CBK seeks to inspire a new generation of researchers who are able to address pressing economic challenges and shape the future of Kuwait's financial landscape.

IBS Director General, Ms. Rana Abdullah Al-Nibari, stated that this award aligns with the CBK's strategy to nurture national talent through the “Kafa'a” initiative. She also noted that this year, the award attracted a total of 19 submissions. The award was evaluated by Committee comprising representatives from CBK, Kuwait Finance House, National Bank of Kuwait, Gulf Bank, and IBS, in addition to international experts.

The Awards Committee announced the following results: – The first-place award was conferred to Mr. Mohammad Rashed F. Al-Bous for his research titled “Exploring the Potential of Hyper-Personalization in the Kuwaiti Banking Sector: Customer Perspectives and Sector Readiness”.

Mr. Salman Salah B. A. Naqj secured the second-place award for his research, “The Central Bank's Digital Currency in Kuwait: Determinants of Issuance and Banking Profitability”.

The third-place jointly awarded to Mr. Ahmad Othman A. Al-Mehteb and Mr. Abdullah Bader M. Al-Hammadi for their paper “The Kuwaiti Banking Sector amid Global Financial Market Volatility and Oil Prices: A VAR Analysis of Credit Distribution and Foreign Assets”.

Additionally, a special incentive award was conferred to Ms. Hanadi Masoud M. Al-Ajmi for her research “Vision 2035 and the Business Environment/Innovation in Kuwait: Empowering Innovative Startups through SME Support Policy Restructuring.” During the ceremony, the CBK Governor announced the launch of “Kuwaiti Economic Student Award 2024”, details of which including nomination conditions, research evaluation criteria, and the deadline for receiving research, are available on the official website of the “Kafa'a” Initiative: www.kafaakw.org | <https://shorturl.at/tRTxl>

Deutsche Bundesbank



Deutsche Bundesbank: Financial Stability Review 2024: Financial System is Proving Stable

The German financial system has weathered the period of exceptionally strongly rising interest rates well overall and remained stable over the past twelve months, too. Interest rates have gone back down in the meantime. Although the unrealised losses that had accumulated on the balance sheets of financial intermediaries such as insurers, investment funds and pension funds as interest rates were rising have receded, credit risk is now increasingly coming under the spotlight. The financial system is facing acute challenges due to geopolitical tensions and a weak economy. The economy is also undergoing transformation. This is making supervisors more vigilant, particularly with regard to the commercial real estate sector, said Michael Theurer, Member of the Executive Board of the Deutsche Bundesbank, at the unveiling of the Financial Stability Review 2024. "Our top priority must be a resilient financial system," Theurer continued.

Macro-financial environment remains challenging

The macro-financial environment improved over the course of 2023, yet remains challenging in light of continued geopolitical tensions. On the whole, Germany has seen signs of a return to price stability without any major disruptions. Commercial real estate, prices of which continued to decline in 2024, remains exposed to elevated risk. High levels of public and private debt around the world are creating risks. Following the outcome of the US elections, the German economy faces additional uncertainty regarding the precise form that US economic policy will take.

Stable banks and financial intermediaries

Banks' profitability is continuing to develop positively due to the low interest rates in deposit business and correspondingly low funding costs. The major vulnerabilities stemming from the period of low interest rates have so far been declining gradually, particularly those to which residential real estate loans are exposed. Banks' capitalisation has improved steadily over recent years, as Theurer put it.

German non-bank financial intermediaries weathered the rise in interest rates just as well as banks, but they continue to face liquidity risk. Losses on commercial real estate loans have gone up considerably. However, these are concentrated amongst a handful of banks and insurers. On the whole, therefore, the risks remain manageable for the financial system. Liquidity risk in open-end real estate funds could amplify the aforementioned developments in the commercial real estate market. The speed at which liquidity risk can materialise for open-end retail real estate funds is being kept in check by long redemption notice periods and minimum holding periods, though.

Overall risk situation requires sufficient resilience

Given the overall risk situation, it is still important for the German financial system to remain sufficiently resilient. To this end, the package of macroprudential measures from January 2022 remains appropriate. It comprises the countercyclical capital buffer, with which banks had built up additional capital in order to be better prepared for crisis periods. It also contains the sectoral systemic risk buffer, which sets additional capital requirements specifically for loans secured by residential real estate in order to mitigate systemic risk. In the residential real estate market, the favourable developments point to a slow easing of the situation regarding residential real estate loans granted up to 2022. However, uncertainties persist. Overall, an orderly reduction of vulnerabilities in the residential real estate market has become more likely. Macroprudential supervisors will monitor further developments in this area closely.

Structural change and climate risks

Given the structural transformation caused by climate change, the financial system remains in a phase of transition. A special article in the Financial Stability Review explains that an unexpected increase in the carbon price could weigh on the German financial system. Digitalisation is another driver of structural change. This year's Financial Stability Review therefore also looks at the short and long-term impact of the introduction of a digital euro on bank liquidity and funding costs.

Strengthen macroprudential supervision

Since the global financial crisis, the sector for non-bank financial intermediaries has been growing in Europe and Germany. Additionally, German banks and investment funds have close ties with global non-bank financial intermediaries. The regulation of non-bank financial intermediaries, which has thus far been primarily microprudential in its orientation, should therefore strengthen its macroprudential perspective. This macroprudential view still suffers from data gaps. Closing these data gaps is important in order to be able to better assess risks such as liquidity bottlenecks and contagion effects and to take timely measures such as imposing capital or liquidity requirements. Foundations should be laid for a European and international exchange of information on non-bank financial intermediaries, Theurer remarked.

<https://shorturl.at/7GLrc>

SPINS

Global Wellness Industry

The global wellness industry was worth \$6.32 trillion in 2023 with the Global Wellness Institute predicting that as sectors such as tourism and real estate continue to recover from the pandemic, the wellness economy could reach nearly \$6.8 trillion by the end of 2024.

Financial Institutions' Gallery



Meezan Bank participates in 'ICAP Trainees' Induction Fair' at Institute of Chartered Accountants of Pakistan

Meezan Bank participated in the 'ICAP Trainees' Induction Fair' at Institute of Chartered Accountants of Pakistan (ICAP), Karachi. It introduced aspiring finance professionals to its flagship Meezan ProLeague Program. Designed specifically for ICAP trainees, this program provides a structured career path, opportunities for professional development, and in-depth exposure to the world of Islamic banking. According to the Bank's social media post, "It was a pleasure to guide attendees in exploring pathways to successful careers with Meezan Bank. A heartfelt thank you to ICAP and all the talented individuals who joined us. We look forward to shaping the future of Islamic finance together." <https://rb.gy/d7wima>

Bank Alfalah partners with CEIF IMSciences

Bank Alfalah recently collaborated with the Institute of Management Sciences (IMSciences) to drive progress in Islamic Finance. This alliance emphasized innovation, talent development and sectoral growth by offering sponsorships to nurture future Islamic finance leaders, launching research projects to address emerging industry challenges, and creating platforms for knowledge sharing through seminars and workshops. Additionally, the Bank aims to develop innovative financial solutions, co-create academic curriculum tailored to Islamic Finance and promote meaningful engagement with industry stakeholders. <https://rb.gy/29ah8z>

BOP Installs Air Purifiers in Branches across 18 Affected Districts in Punjab, Prioritizing the Health of Employees and Customers Amid Smog Crises

As part of the Government of Punjab's comprehensive efforts to combat the effects of smog and mitigate its harmful impact, the Bank of Punjab (BOP) has taken a proactive step to protect the health of its employees and customers. In a landmark initiative, BOP has announced the installation of air purifiers across its branches in 18 districts in Punjab which have been severely affected by smog, ensuring a safer and healthier environment for all who visit or work in its premises.

This first-of-its-kind initiative in the banking sector reflects BOP's commitment to safety, sustainability, and community welfare.

"The health and safety of our employees and customers are our highest priorities," said Zafar Masud, President and CEO of BOP. "By Equipping branches with air purifiers, we are providing a safe environment. This initiative not only underscores our commitment to employee welfare, but also highlights our dedication to the customers and communities we serve. This is our wish and hope that other organizations follow suit." This initiative aligns with the banks broader goals of sustainability, social responsibility and building trust within communities.

<https://ln.run/wwbmd>

FinTech News/ Views

OPay International acquires Finja Private Limited, Bolstering Digital Financial Services in Pakistan

OPay International, a leading global fintech platform, has successfully acquired Finja Private Limited, a licensed Electronic Money Institution (EMI) in Pakistan, from its parent company, Finja, Inc. (Delaware). This landmark acquisition signals OPay's entry into the dynamic Pakistani fintech market, reflecting its commitment to driving financial inclusion and innovation in the region.

The acquisition aligns with OPay's strategy to expand its global footprint and strengthen its presence in emerging markets. By integrating Finja's operations and expertise, OPay aims to accelerate the adoption of digital financial services across Pakistan, offering cutting-edge solutions to meet the evolving needs of local consumers and businesses.

Aurang Zeb Khan, Country Head of OPay Pakistan, expressed optimism about the acquisition, stating: "This acquisition enables us to offer a wider range of financial services to our customers and contribute meaningfully to the growth of the Pakistani economy."

Saad Hassan, CEO of Finja, Inc. (Delaware), also shared his enthusiasm for the partnership, highlighting OPay's potential to propel Finja's growth to new heights, stating, "We are confident that OPay is the right partner to take Finja to the next level. With their global expertise and resources, they will undoubtedly drive significant innovation and growth in the Pakistani market."

Both OPay and Finja extended heartfelt gratitude to Ali Mubashar Kazmi for his instrumental guidance throughout the acquisition process. The companies also acknowledged the critical role played by Pakistan's regulatory authorities, including the State Bank of Pakistan (SBP), the Securities and Exchange Commission of Pakistan (SECP), and the Competition Commission of Pakistan (CCP), in facilitating the transaction.

This strategic move underscores OPay's dedication to fostering innovation and financial empowerment in Pakistan. The acquisition positions OPay as a key player in the country's burgeoning fintech sector, promising a transformative impact on the digital financial services landscape. <https://rb.gy/2c67zt>

UAE Launches Digital KYC Platform to Enhance Banking Transparency and Combat Financial Crime

The UAE government has unveiled a cutting-edge Know Your Customer (KYC) digital platform, a transformative initiative aimed at boosting transparency in the banking sector, streamlining identity verification processes, and combating financial crime.

Launched under Federal Decree-Law No. 30 of 2024, the platform marks a significant milestone in the Emirates' efforts to modernize its financial infrastructure and position itself as a global leader in financial technology.

The KYC platform is designed to provide accurate and confidential customer data while ensuring compliance with financial regulations. It fosters trust within the UAE's business and financial systems and enhances the global competitiveness of the nation's banking industry.

By integrating advanced digital solutions tailored for the financial, banking, and insurance sectors, the platform facilitates the secure and regulated collection and exchange of customer data, streamlining information flow between relevant authorities. It also bolsters cooperation in efforts to combat financial crime, according to a statement by the UAE Government Media Office.

A newly established entity will develop and oversee the platform, holding the legal authority to manage its operations. This entity will handle tasks including:

- Collecting, storing, analyzing, and categorizing KYC data.
- Generating KYC reports in compliance with the executive guidelines of the Decree-Law.
- Coordinating with data providers to optimize data acquisition and management.

The operations will adhere to stringent national cyber security standards, ensuring robust protection of customer data. The Central Bank of the UAE will regulate the platform's activities, establish operational guidelines, and enforce a code of conduct for data providers and users.

Customers will retain access to their KYC report details and must grant prior approval for the use or sharing of their data.

Violations of KYC data confidentiality will incur severe penalties, including a minimum prison sentence of two years and fines starting at Dh50,000 (\$13,612). Unauthorized disclosures, fraudulent access attempts, or misuse of customer data by public officials or platform employees will be treated as aggravating offences with harsher consequences.

The Decree-Law establishes a robust legal framework to safeguard customer data, permitting disclosure only under specific conditions. All parties involved are obligated to prevent data loss, damage, or unauthorized access.

The UAE's banking sector remains a cornerstone of economic stability and growth. Total capital and reserves of banks operating in the Emirates crossed Dh500 billion for the first time in July, reflecting a 10.5 percent annual increase, according to Central Bank data.

National banks accounted for more than 86 percent of the total capital and reserves, reaching Dh433.7 billion, while foreign banks contributed Dh68.9 billion, marking an 11.1 percent year-on-year growth.

The UAE's economy continues to diversify beyond oil, with non-oil sector growth accelerating in recent quarters. The nation's GDP is forecasted to grow by 4 percent in 2024, up from an earlier estimate of 3.9 percent, as per the latest Central Bank projections.

By launching the KYC platform, the UAE reinforces its commitment to fostering a secure, transparent, and globally competitive financial ecosystem, underscoring its vision to lead the future of financial technology.

<https://shorturl.at/inual>

General Economic Horizon

A. Domestic News

Transforming Pakistan's Financial Ecosystem: PBA, Finance Ministry and SBP Discuss Actionable Steps

The Pakistan Banks' Association (PBA), under the leadership of its Chairman Zafar Masud, has announced a series of strategic projects aimed at fostering a more inclusive and sustainable financial ecosystem in Pakistan. These initiatives were presented during a high-level meeting convened by Senator Muhammad Aurangzeb, Federal Minister for Finance and Revenue, and attended by Jameel Ahmad, Governor of the State Bank of Pakistan (SBP), alongside senior representatives from participating organizations.

Highlighting the PBA's commitment to addressing critical challenges, Zafar Masud outlined several initiatives developed in collaboration with the SBP. These projects target priority sectors, including agriculture, small and medium enterprises (SMEs), and digital innovation:

1. Electronic Warehouse Receipt Financing: Aimed at enhancing liquidity in the agricultural sector.

2. Corporate Farming Financing: Designed to modernize agricultural practices and promote sustainable growth.

3.SME Index Creation: Intended to monitor and support SME growth across Pakistan.

In the digital and technology domain, the PBA Chairman emphasized initiatives to drive fintech innovation and rural financial inclusion:

- Establishment of a **Venture Capital Fund** to support fintech startups.
- Revitalization of **Agricultural Cooperatives** to improve rural financial access.
- Development of a **Financial Data Exchange** to enable data-driven financial solutions.

The PBA also proposed several short-term, high-impact initiatives with a focus on sustainable and inclusive development:

- **Fan Financing:** Promoting energy-efficient appliances.
- **Electric Vehicle (EV) Financing:** Encouraging the adoption of sustainable transportation.
- **Solarization of Tube Wells:** Enhancing agricultural productivity through renewable energy solutions.
- **Markup Subsidies and First-Loss Coverage:** Stimulating SME financing by mitigating risks.

Governor SBP, Mr Jameel Ahmad, commended the progress made by the PBA and assured regulatory support to facilitate the implementation of these projects. He pledged to issue necessary notifications to expedite the process. Federal Minister for Finance and Revenue, Senator Muhammad Aurangzeb, lauded the collaborative efforts of the PBA and SBP. He stressed the urgency of finalizing high-impact projects by December, with a rollout planned for early next year.

Mr Zafar Masud highlighted the importance of patience and persistence, noting, "Building an ecosystem for priority sector initiatives to thrive and deliver results is a long-term process. The benefits will become evident over time, and we must remain steadfast in our efforts. This is the first time the banking industry has collectively undertaken such a significant initiative, and we will soon begin to see the outcomes."

The meeting concluded with a strong commitment from all stakeholders to work collaboratively toward transforming Pakistan's financial landscape, signaling a new era of inclusive and sustainable growth.

<https://shorturl.at/VtmSw>

PQG, ILMA University Sign MoU to Enhance Talent Pool in Islamic Finance Industry

Pak-Qatar Group (PQG), Pakistan's premier and pioneer Islamic financial services group, has signed a Memorandum of Understanding (MoU) with ILMA University, marking a significant step towards enhancing the talent pool in the Islamic finance industry.

The partnership aims to address Pakistan's capacity constraints in Islamic finance and Takaful by leveraging ILMA University's pool of professionals with expertise in business and technology, said a news release.

This collaboration will enable Pak-Qatar Family Takaful Limited to enhance its service quality by inducting skilled talent from ILMA University across relevant fields.

Kamran Ali Khan, Head of Human Resources and Training at Pak-Qatar Group expressed enthusiasm about the collaboration: "We are pleased to access ILMA University's pool of talented individuals with expert knowledge in business and technology. This initiative aligns with our commitment to providing the best Islamic financial solutions and expertise to our customers, ensuring their secure financial future through innovative products and industry-leading customer service."

<https://shorturl.at/5NWLw>

NETSOL Decides to Sell 2 Million Treasury Shares to its Employees

NetSol Technologies Limited has announced plans to buy back 10 million ordinary shares, the company revealed in a notice to the Pakistan Stock Exchange (PSX) on Monday. The decision was approved during a Board of Directors (BoD) meeting held on November 25, 2024, and will be subject to shareholder approval via a special resolution.

The company also disclosed plans to sell 2 million treasury shares to eligible employees as part of its share option scheme, in line with the Listed Companies (Buy-Back of Shares) Regulations, 2019.

The proposed buy-back will involve the purchase of 10 million issued ordinary shares, each with a face value of Rs10. The shares will be acquired at the prevailing market price during the purchase period, which will commence on January 3, 2025, and conclude on June 29, 2025, or earlier if the buy-back target is met.

NetSol clarified that the buy-back will be financed through the company's distributable profits, using its internal funds. The company anticipates that the buy-back will strengthen its financial position by increasing the break-up value per share and boosting earnings per share (EPS). It also provides an exit opportunity for shareholders who were unable to participate in the previous buy-back.

Following the announcement, NetSol's share price surged by Rs 8.96 during intra-day trading, closing at Rs 135.68 on November 25, 2024.

Both the buy-back plan and the sale of treasury shares require shareholder approval, which will be sought through a special resolution in an upcoming meeting.

NetSol's announcement comes at a time when some companies, such as Pak Suzuki Motor Company, are considering delisting from the PSX due to financial challenges and low valuations. In contrast, NetSol's initiative reflects confidence in its long-term financial health and commitment to enhancing shareholder value.

The move is expected to bolster investor sentiment and further solidify NetSol's position as a leading player in Pakistan's technology sector. https://ln.run/_AsIn



SBP Revises Guidelines for Appointment of Shariah Scholars in Islamic Banking

The State Bank of Pakistan (SBP) has updated the terms and conditions for appointing Shariah scholars in Islamic banks and Islamic banking divisions. This revision aligns with the expanding Islamic banking sector and aims to facilitate the transformation of the conventional banking system into an Islamic banking model by 2028.

Key Highlights of the Revised Framework

The updated **Shariah Governance Framework (SGF)** introduces stricter requirements for Shariah board members at Islamic Banking Institutions (IBIs), effective January 1, 2028. Under the new guidelines:

1. Exclusive Roles for Shariah Scholars:

Shariah board members, including the chairperson, members, and resident Shariah board members, are barred from serving on the Shariah boards of multiple Islamic banking institutions simultaneously.

2. Tenure Limitations:

Scholars cannot serve a single institution for more than two consecutive three-year terms. Reappointment for a third term will require SBP's approval under specific conditions.

3. Mandatory Appointments:

Each Islamic bank must have at least three Shariah board members, including a resident Shariah board member. At least two of these members must not serve on any other Islamic bank's board.

4. Qualifications and Expertise:

Banks are required to engage experienced Shariah scholars who have served on the Shariah boards or committees of reputable local and global organizations.

The revised SGF emphasizes strengthening the Shariah compliance framework of IBIs. Key measures include the explicit definition of roles and responsibilities for the Board of Directors, Executive Management, Shariah Board, Product Development, Shariah Compliance Department, Internal Audit, and External Audit teams. The aim is to ensure robust adherence to Shariah principles in banking operations.

The SBP's revisions come as part of broader efforts to facilitate the Federal Shariat Court's ruling on transforming the conventional banking system into an Islamic model. With six full-fledged Islamic banks and 16 Islamic banking divisions of conventional banks currently operating, several institutions are actively working on converting their operations to comply with Islamic principles.

First introduced in 2015 and later revised in 2018, the SGF has been updated to reflect international best practices and align with ongoing developments in the Islamic banking industry. The new framework applies to all IBIs, including full-fledged Islamic banks, Islamic banking subsidiaries, and Islamic banking divisions of conventional banks.

These steps reaffirm SBP's commitment to fostering a robust and transparent Islamic banking environment in Pakistan, aligning with the global standards and expectations of the Islamic finance sector.

<https://ln.run/ISlpb>

B. International News

World Bank Group Institutions IBRD and IFC join Government of Türkiye's Groundbreaking Industrial Decarbonization Investment Platform in Partnership with EBRD

The Ministry of Industry and Technology of the Republic of Türkiye (MoIT), in collaboration with the European Bank for Reconstruction and Development (EBRD), the International Bank for Reconstruction and Development (IBRD), and the International Finance Corporation (IFC), have signed today in Ankara, a joint declaration on the establishment of the Türkiye Industrial Decarbonization Investment Platform

(TIDIP). This ambitious initiative will facilitate Türkiye's low-carbon transition in the industrial sector, in line with the country's climate and development goals as outlined in the National Green Deal Action Plan, the National Development Plan, the updated Nationally Determined Contribution (NDC) and 2053 Net-Zero target.

Through the Platform, the Partners commit to advancing the transformation of Türkiye's industrial sector from fossil fuel dependency to renewable energy sources and low-carbon production processes. By driving energy efficiency and fostering innovation, the Platform aims to secure the country's economic competitiveness while enhancing energy security and promoting sustainable economic development.

Focused Industrial Sectors and Low Carbon Pathways

The TIDIP will consider energy-intensive industries such as iron and steel, primary and secondary aluminum production, clinker and cement, and fertilizers —which collectively hold the potential for significant decarbonization— as well as other strategic sectors. The efforts will be guided by four Low Carbon Pathways, developed under the auspices of the MoIT and with EBRD's support, which were completed in March 2024.

Promoting Investment and Collaboration

While the country is already making significant efforts supported by the international financial institutions, the TIDIP will help the identification of additional decarbonization investments in key sectors. The MoIT will oversee the Platform's activities, ensuring collaboration among a wide range of stakeholders including industrial companies, technology providers, engineering firms, development agencies, and sector associations. This approach aims to accelerate the transition to low-carbon technologies across the industrial spectrum, delivering mutual economic and environmental benefits.

Technical Assistance Components

To support the Platform's implementation, TIDIP will be equipped with two dedicated Technical Assistance components:

- **Component 1:** Ensures overall coordination, communication, and outreach among stakeholders. It includes monitoring and reporting, as well as the provision of policy advisory services to MoIT in line with national priorities and, where relevant, EU climate policies.
- **Component 2:** Focuses on assisting individual industrial companies in preparing customized decarbonization investment plans.

These initiatives will contribute to a sustainable future for Türkiye's industrial sector while supporting the global efforts to mitigate climate change. TIDIP represents a transformative opportunity for Türkiye, positioning the country as a regional leader in industrial decarbonization and green innovation. <https://ln.run/dfcyA>

Developing Nations Call \$300 billion COP29 Climate Deal 'An Insult'

Countries at the United Nations climate conference (COP29) in Baku, Azerbaijan, adopted a \$300 billion a year global finance target on November 24, 2024, to help developing nations cope with impacts of climate change, a deal it's intended recipients denounced as 'an insult', according to the U.N.

Developing countries, who had sought over \$ 1 trillion in assistance to truly address the complexities of the climate crisis, expressed their deep disappointment at the outcome of the talks which came to a contentious end.

UN Secretary-General Antonio Guterres also indicated in a social media post his disappointment, saying that he "had hoped for a more ambitious outcome, on both finance and mitigation, to meet the great challenge we face." He said, "The agreement is a base on which to build. It must be honoured in full and on time. Commitments must quickly become cash."

After adoption of the agreement, speakers from one developing country after another assailed the document in furious statements.

"Chaotic, poorly managed, and a complete failure in terms of delivering the ambition required."

After two weeks of intense negotiations, delegates at COP29, formally the 29th Conference of Parties to the UN Framework Convention on Climate Change (UNFCCC), agreed to provide this funding annually, with an overall climate financing target to reach at least \$1.3 trillion by 2035.

That is the amount they say must be invested in the energy transitions of lower-income countries, in addition to what those countries already spend, to keep the planet average temperature rise under 1.5 degrees Celsius. Beyond that threshold, scientists say, global warming will become more dangerous and harder to reverse.

Countries also agreed on the rules for a UN-backed global carbon market, the UN said. This market will facilitate the trading of carbon credits, incentivizing countries to reduce emissions and invest in climate-friendly projects.

These were among the big-ticket issues decided upon as the summit, which has been going on since November 12 at the enormous Baku Stadium in the Azerbaijan capital, went into double overtime. Another was the extension of a program centered on gender and climate change.

This summit had been dubbed the climate finance COP, and representatives from all countries were seeking to establish a new, higher climate finance goal. The target, or new collective quantified goal (NCQG), will replace the existing \$100 billion goal that is due to expire in 2025.

In the closing days at COP29, negotiating teams from the developed and developing worlds were deadlocked over a final deal, with reports that representatives for least developed countries and the Alliance of Small Island States (AOIS) had walked out of the talks.

For some vulnerable nations, it represents a glimmer of hope—but only if commitments translate into swift action. Commitments must quickly become cash, the Secretary-General stressed, urging all countries to work together to meet the upper end of the new financial goal.

Beyond finance, COP29 built on previous gains in emissions reduction targets, the acceleration of the energy transition, and a long-sought agreement on carbon markets. These achievements come despite an uncertain and divided geopolitical landscape, which threatened to derail negotiations.

The UN chief commended negotiators for finding common ground, noting, You have shown that multilateralism – centred on the Paris Agreement – can find a path through the most difficult issues.

UN Climate Change Executive Secretary Simon Stiell described the new finance goal agreed at COP29 as an insurance policy for humanity.

This deal will keep the clean energy boom growing and protect billions of lives. It will help all countries to share in the huge benefits of bold climate action: more jobs, stronger growth, cheaper and cleaner energy for all. But like any insurance policy – it only works – if the premiums are paid in full, and on time.

While some delegations applauded the deal, others, especially from the developing world, expressed their deep disappointment at what they argued was an insulting financing target and the fact that the agreed text failed to build on an agreement passed last year calling for nations to transition away from fossil fuels.

Striking a different tone, a representative from the delegation of the European Union said, “The new climate finance goal would simply will bring much, much more private money on the table, and that is what we need. And with these funds, we are confident we will reach the 1.3 trillion objective.” <https://ln.run/GLXOK>

China Leadership in AI Shaping Global Innovation and Cooperation: International AI Leaders

China’s rapid advancements in artificial intelligence (AI) are positioning the nation as a global powerhouse in technological innovation, playing a pivotal role in international collaboration and governance.

Dr. Sean Heigeartaig, Director of the AI: Futures and Responsibility Programme, University of Cambridge told

China Economic Net at the World Internet Conference Wuzhen Summit concluding on November 24, 2024 in China.

Themed ‘Embracing a People-centered and AI-for-good Digital Future – Building a Community with a Shared Future in Cyberspace’, the summit features a dazzling Light of Internet Expo that demonstrates cutting-edge digital solutions and 24 sub-forums that attract the participation of over a thousand guests from over 130 countries.

AI takes center stage during the summit. From humanoid robots, eVOTLs, and unmanned tour buses, to AI-empowered medical therapy, lively demonstrations of AI applications highlight the opportunities China brings to the global AI landscape.

According to the China Internet Development Report 2024 released yesterday at the World Internet Conference, the number of effective artificial intelligence invention patents in China reached 378,000 by the end of 2023, a year-on-year growth rate of more than 40%, 1.4 times the global average growth rate. In the past several years, nearly ten thousand digital plants and smart factories have been built throughout the country.

China has cemented its position as a leader in AI, with innovations seamlessly integrated into daily life and industries.

From improving business operations to addressing critical global issues such as poverty, climate change, and sustainable development, China’s AI ecosystem demonstrates its ability to deliver solutions beyond commercial priorities, Dr. Sean Heigeartaig observed, noting that China rapid innovation provides ideas for how AI can benefit people globally.

John Hoffman, CEO of Global System for Mobile communications (GSMA) told CEN that in China, AI, together with 5G and big data, allows great opportunities especially for the enterprise sector. “Chinese enterprises has put into operation the world largest terrestrial augmentation base station network, built China first large-scale regional digital road, and the country first cross-regional MEC and C-V2X fusion test bed... The size and scale that we’ve seen here in China is unprecedented,” he said.

Statistics from China’s national data bureau show that generative artificial intelligence applications have witnessed vigorous development. As of March this year, the number of large-scale artificial intelligence models in China with over 1 billion parameters each has exceeded 100, empowering an assortment of industries from education, healthcare, finance, and energy, etc. Between 2014 and 2023, China produced more than 38,000 generative AI inventions, ranking first globally.

At the World Internet Conference, an Artificial Intelligence Professional Committee was established, with 173 AI experts from the globe as the first batch of members, marking a step forward in global AI cooperation and governance. Digital divides—both within and between nations—pose a

significant challenge to global AI governance. Addressing disparities in access to AI technology, especially in rural areas and developing countries, is essential for achieving global equity.

“While geopolitical tensions and intellectual property concerns present hurdles, there is an urgent need for China, Europe, and global countries to prioritize collaboration on AI against shared challenges, such as food security and environmental protection,” said Patrick Nijs, co-founder of Europe China Joint Innovation Center.

<https://ln.run/kXFos>

SELF & BUSINESS MANAGEMENT TIPS



When Your Manager is Ineffective

Navigating a relationship with a manager you perceive as ineffective or unqualified can be frustrating. But letting those feelings fester can impact your reputation, productivity, and well-being. Here are steps you can take to shift the dynamic.

Reflect on what’s really bothering you. Is it a disagreement over tasks, or a misalignment in values? Sometimes, it is not about your manager’s competency but rather your own expectations and responses.

Take ownership of your part in the relationship. Consider how actions like disengaging or reacting defensively might contribute to the strain. Think about what this resistance might be costing you in terms of personal growth and team harmony.

Align your approach with your values. If transparency matters to you but feels absent in your working relationship, explore how you can model this value in your behavior—even if it is not fully reciprocated by your boss.

Open a dialogue. Consider initiating a positive conversation, expressing a desire to strengthen collaboration and align on expectations. Simple questions like “How can we support each other better?” or “What priorities should I focus on?” can foster a clearer understanding of expectations and build a more constructive relationship.

(This tip is adapted from *When Your Manager Is Ineffective—and You Feel Stuck*, by Sarah Mann and Luis Velasquez – HBR.)

Nail Your Answer to “Why Should We Hire You?”

When an interviewer asks, “Why should we hire you?” your answer shouldn’t be about why you want the job—it should highlight why they need you. To stand out as the ideal hire, show your interviewer you understand their goals. Here is how.

Focus on the match. Speak directly to their needs. For example, “Your commitment to healthcare innovation excites me, and my experience in AI and health tech can help drive that mission.”

Highlight what makes you unique. Be specific: “I bring hands-on project management and cross-functional leadership experience, which I know is crucial to your team.”

Paint a vision. Go beyond skills and imagine yourself in the role: “With my data analytics background, I see myself delivering insights that shape strategic decisions.”

Connect on culture. Show authentic alignment with their values. “I love how you highlight top performers—it shows you value your team, and I thrive in that environment.”

Use their words. Pick up on key points from the interview and connect: “I know you’re looking for someone with enterprise-level experience; I’ve managed a \$30 million book of business.”

Keep it sharp. Be concise, organized, and confident. Highlight three reasons they should hire you, and let your voice project assurance.

(This tip is adapted from *How to Answer ‘Why Should We Hire You?’ in an Interview*, by Joel Schwartzberg – HBR.)

SNIPS

Investments in Energy Transition

The world invested \$1.8 trillion in the energy transition last year and added 50 percent more renewable-generating capacity than in 2022, according to the World Economic Forum.