

Pakistan

According to SBP, the current account posted a surplus of \$ 432 mn in the first quarter of the current fiscal (July-Sep 2012) against a deficit of \$ 1.339 bn in the same quarter last fiscal.

According to SBP provisional data, net foreign investment in the first quarter of the current fiscal (July-Sep 2012) fell by 15.1% to \$ 183.5 mn against \$ 216.1 mn in the same period last fiscal. While foreign private direct investment stood lower by 67% to \$ 87.2 mn against \$ 176 mn, foreign portfolio investment inflow stood at \$ 96.3 mn against the outflow of \$ 46.9 mn, a rise of 305.2%, during the above periods.

According to SBP, liquid foreign exchange reserves as on October 12, 2012 stood at \$ 14.319 bn of which \$ 9.814 bn was held by the SBP and the rest with banks.

According to the SBP Deputy Governor, Mobile-Phone and Smart Card banking accounts have reached a level of nearly 1.45 million.

At the joint IMF-World Bank annual meeting, the Federal Finance Minister has apprised the international economic community that Pakistan's economic expansion in the current July-June 2012-13 fiscal would be about 4%.

According to the Ministry of Petroleum & Natural Resources, the government has approved auction of 60 exploration and production blocs under the Petroleum Policy-2012. Pakistan is estimated to hold 23 trillion cubic feet of gas reserves, 51 trillion cubic feet of shale gas reserves, 28 trillion cubic feet of low BTU gas reserves and 20 trillion cubic feet of tight gas reserves.

According to the Chairman, WAPDA, the country has a potential to generate 6,000 MWs of hydropower within the next five years and to further 15,000 MWs by 2020 contingent to resolution of variables particularly financial. In the short-term, 420 MWs of hydropower would be added to the national grid by March 2013. The Neelum-Jhelum project is expected to be commissioned by 2016 with a 1,000 MWs capacity by when the completion of the fourth tunnel of Tarbela would generate 1,450 MWs of cheap electricity.

The Allai Khwar hydropower project, one of the three being built on a tributary of river Indus in Khyber Pakhtunkhwa, is to start generating 121 MWs of cheap electricity on a trial basis by the end of this month.

The International Cotton Advisory Committee expects Pakistan's total cotton output in the 2012-13 crop season at 12.5 mn bales while the U.S. Department of Agriculture expects it at 13.4 mn bales. Pakistan's Textile Ministry is reportedly expecting it to fall short by 2.4 mn bales against the target of 14.6 mn bales. Pakistan is the fourth largest producer of cotton after China, India and the U.S.

The Pakistan Telecommunication authority has forecast a revenue generation of Rs 100 bn through the auction of 3G mobiles rather than Rs 79 bn as budgeted.

According to Directorate of National Savings, the agency mobilized over Rs 150 bn by way of new investment in the first quarter of the current fiscal (July-Sep 2012) and thus stands well poised to achieve the full fiscal target of mobilizing Rs 225 bn of fresh investment.

According to Pakistan Automotive Manufacturers Association (PAMA), carsales including light commercial vehicles and jeeps at 30,541 units during July-Sep. 2012 was lower by 30% over the same period of 2011.

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Markets at a glance

Weekly Review	KIBOR (6months)		Foreign Exchange Rates			KSE	Gold Rate
	Bid %	Offer %	GBP (£)	Euro (€)	USD (\$)	100 Index	(10gm)
Beginning	9.64	9.89	Rs 152.98	Rs 123.07	Rs 95.51	15,694	Rs 54,000
Ending	9.51	9.76	Rs 154.20	Rs 125.27	Rs 95.43	15,792	Rs 53,442
Change	- 0.13	- 0.13	+ 1.22	+ 2.20	- 0.08	+ 98	- 558

According to the Minister of Petroleum & Natural Resources, import of crude oil last fiscal was worth \$ 15 bn which equaled 36% of total import cost. Domestic production of crude oil and natural gas last fiscal were valued at \$ 2.4 bn and \$ 4.3 bn respectively.

According to a World Bank report, less than 25% of women entrepreneurs in Pakistan are microfinance borrowers as most of them rely on personal savings, personal assets and family loans to raise capital for their small businesses as their access to microfinance institutions is very low compared to male borrowers.

According to an expert on renewable energy of the UK, Pakistan has a potential of generating near 2,000 MWs of renewable clean energy by harnessing bio-gas of which quick generation of between 120 to 160 MWs of clean power could be generated through already available cattle farms' dung.

The Oil & Gas Regulatory Authority (OGRA) has revised the prices of different petroleum products by way of its weekly fuel adjustment policy related to changes in averaged weekly prices of crude oil and natural gas in international markets. The changed prices of some of them now stand as under: petrol at Rs 103.40 per litre; kerosene oil at Rs 103.87 per litre; CNG for the Northern region at Rs 94.65 per kg and for the Southern region at Rs 86.48 per kg.

The Sensitive Price Indicator (SPI) registered an increase of 6.34% in the week ending October 11, 2012 over the same week of 2011. The weekly SPI monitors changes in prices of 53 essential commodities, mostly kitchen items, data for which is collected from 17 urban centres.

International

The IMF Financial Committee while evaluating the ongoing slowing major world economies has come to conclude that to come out of the present impasse it is necessary that fiscal policies should be growth friendly as far as possible.

According to the Managing Director of the IMF, monetary easing by developing economies could cause overheating and asset bubble bursts in emerging economies straining the capacity of those economies to absorb potentially large capital inflows.

Inflation in India rose to its highest level this year at 7.81% in September against 7.55% in August and 6.87% in July.

India recorded a trade deficit of \$ 18.1 bn in September this year, highest since October 2011.

China posted a trade surplus of \$ 27.7 bn in September following a surplus of \$ 26.7 bn in August.

Teletalk Bangladesh, a public sector entity, has launched 3G services with an initial subscriber base of 300,000 in Dhaka, the capital city, and plans to expand the network in phases.

According to the Minister for Commerce & Industries, financial inflows into Afghanistan in the first nine months of 2012 amounted to \$ 460 mn, an increase of 20% over the same period of 2011. Of the total inflows, foreign private investment stood at \$ 60 mn while \$ 400 mn was home remittance.

Bank Indonesia, the central bank of the country, has left its key lending rate unchanged at 5.75% for the ninth consecutive month as inflation declined to 4.31% in September against 4.58% in August, both year-on-year.

According to the U.S. Treasury, the country's budgetary deficit in the fiscal ending September 30, 2012 stood at \$ 1.1 trillion, lower by 16% over the previous fiscal.

According to the U.N. Food & Agriculture Organization (FAO) 2012 Report, 12.5% of the world population (870 million people) were chronically malnourished during 2010-12 notwithstanding sufficient world food production. Maldistribution and wasted food products explain the phenomenon.



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