

Pakistan plans to borrow record \$ 13Bn next fiscal year

Pakistan has planned to borrow a record-breaking \$ 13Bn in FY19 alone, nearly 63% higher than the outgoing fiscal year's original estimates of \$ 8Bn, meant largely to repay previously obtained loans and stabilize nose-diving foreign currency reserves. If the plan materializes, it will be the highest borrowing in a single year in Pakistan's 71-year history. In FY17, Pakistan borrowed \$ 10.4Bn. During its first four and a half years, the incumbent govt. has taken over \$ 40Bn in foreign loans. *Tribune-Sun.*

Govt. set to approve 6.2% GDP growth target for next year

As the federal cabinet's approval of the Budget Strategy Paper remains pending, the govt. is set to approve FY19's macroeconomic framework, which envisages 6.2% economic growth rate and 6% inflation targets. The Annual Plan Coordination Committee (APCC) is expected to approve the macroeconomic framework and federal PSDP for FY19 today (16th Apr). Historically, APCC meetings have been held after the approval of the Budget Strategy Paper from the federal cabinet. However, this year, the govt. has convened the APCC meeting without first securing the cabinet's approval of the budget strategy paper. After the APCC's approval, the National Economic Council is the final authority to approve the macroeconomic framework. The NEC is headed by the PM and the provincial chief ministers are its members. *Tribune-Sat.*

World Bank projects 5.8 % growth

The World Bank has projected GDP growth for Pakistan to reach 5.8% in FY18, but warned that macroeconomic imbalances are widening as macroeconomic and political risks have increased. The WB report titled "South Asia Economic Focus, Jobless Growth?" states balance of payments position is particularly vulnerable at the current level of reserves. Upcoming elections may delay decisive policy adjustment, such as increased exchange rate flexibility and fiscal consolidation, until after the elections. The WB maintained that every month, the working age population increases by 250,000 people and Pakistan must create 1.4Mn jobs a year to maintain its employment rate. *BR - Mon.*

Water resources: MoF considering allocating only 8% of PSDP

The Finance Ministry is considering allocating only 8% (PKR 59Bn) of the total proposed federal PSDP FY19, projected at PKR 745Bn, while the water policy had proposed at least 10% of the PSDP for the sector. The National Water Policy is yet to be approved though there was general agreement during a recently convened Council of Common Interests meeting for allocating at least 10% of federal PSDP and gradually increasing it to 20% by 2030. Water Resources Division had proposed budgeting PKR 203Bn for both hydroelectric and water resources but Finance Ministry has provided a ceiling of PKR 59Bn. *BR - Sun.*

Duty-free access to US market renewed

Pakistan has qualified for the US GSP eligibility assessment and will continue to receive duty-free treatment for its eligible exports to the US market. GSP eligibility assessment of countries located in the Asian region, undertaken by the USTR's office, has concluded and its results have been officially released. Pakistan is the 57th largest destination for export of goods from the US while it is one of the few large economies with which Pakistan runs a surplus in its trade. *Dawn - Sun.*

Govt invites lead manager to mobilize \$ 1Bn savings from expats

The govt. has invited local and foreign banks for the appointment as lead manager to mobilize up to \$ 1Bn from Pakistan's expatriates via savings certificates, before the end of FY18. A request for proposal document of the Central Directorate of National Savings (CDNS) has invited applications latest by 30th Apr'18. Initially, the certificates will be launched in the Gulf Cooperation Council market and would later be launched in other countries phase-wise. The certificates are the country's first-of-its-kind risk-free security to channelize investments from overseas Pakistanis. *The News-Sun.*

CPEC projects: CA deficit increased due to continued implementation

In its annual report "Asian Development Outlook 2018", the Asian Development Bank (ADB) has preliminary projected Pakistan's current account deficit at 4.5% of GDP for FY19, mainly due to continued implementation of CPEC projects with somewhat slower growth. The report has stated that the deficit expanded on the back of larger imports that widened the trade deficit despite a strong revival in exports. The report has further stated that in the remainder of FY18, with increased seasonal spending on infrastructure projects, the current account deficit will likely edge up a bit to 4.9% of GDP. *BR - Mon.*

Summit Bank-Sindh Bank merger: SC seeks detailed report of evaluation process

The Supreme Court (SC) has directed the SBP and the counsels of Summit Bank and the Sindh Bank to submit detailed report after completion of the evaluation process of the Sindh Bank's merger with the Summit Bank. Responding to the SC in relation to the merger, the SBP's deputy governor submitted that both the banks had submitted their merger proposal, but the Sindh Bank is yet to meet the required capital requirement, risk management and other legal requirements mandatory for the merger. He said the Summit Bank is facing losses and the evaluation process of the banks has not been concluded yet. *The News-Sun.*

Supply, terminal business: Govt plans to merge two LNG companies

The govt. has planned to merge two state-owned LNG companies, Pakistan LNG limited and Pakistan LNG Terminals Limited, which are dealing with multibillion-dollar gas terminal and supply contracts. Following the merger PSO will be asked to transfer the handling of 600mmcf of LNG imports to the new entity. *Tribune-Sun.*

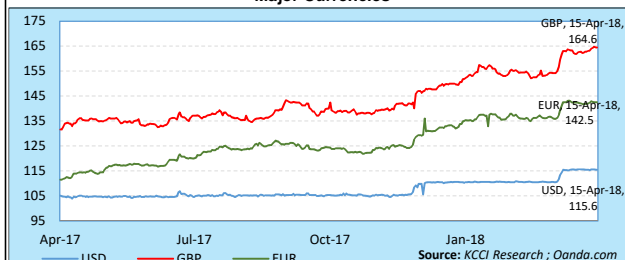
Pakistan, ADB sign \$ 375Mn deals

The ADB would provide loan for projects including the one for Jalalpur Irrigation Project amounting to \$ 274.63Mn and for enhancing Public-Private Partnership Investments amounting to \$ 100Mn (ADB's share). Secretary of Planning and Development Department and Secretary of the Irrigation Department signed the project agreements on behalf of the provincial government. UK govt., through the Department for International Development (DFID), is co-financing the PPP project through a \$ 19.6Mn grant and a \$ 4Mn technical assistance, both of which will be administered by ADB. The total cost of the PPP project is \$ 219.6Mn, with the provincial govt. contributing \$ 100Mn. *The Nation - Sat.*

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	13-Apr	PKR	115.61	0.00%
USD-Open MKT	13-Apr	PKR	116.75	0.17%
KSE-100 index	13-Apr	Pts.	46,072	-0.56%
FIPI	13-Apr	\$ Mn	4.76	NM**
Crude (JU'18)	13-Apr	\$/bbl	67.31	0.49%
Gold (MY'18)	13-Apr	\$/oz	1,344.8	0.76%
Gold (10g) Local	13-Apr	PKR	50,614	-0.05%
Silver (MY'18)	13-Apr	\$/oz	16.64	1.13%
Cotton(KHI)-40 kg	13-Apr	PKR	8,038	0.00%
Kibor-6M	13-Apr	%	6.49	0.00%
			WoW	
Forex Reserves	6-Apr FY18	\$ Bn	17.64	-0.88%
			YoY	
Remittances	Jul-Mar 18	\$ Bn	14.61	3.55%
Exports*	Jul-Mar 18	\$ Bn	17.08	13.08%
Imports*	Jul-Mar 18	\$ Bn	44.38	15.57%
Trade Balance*	Jul-Mar 18	\$ Bn	-27.30	-17.18%
Current Account	Jul-Feb 18	\$ Mn	-10,826	-50.03%
Foreign Direct Inv.	Jul-Feb 18	\$ Bn	1.94	15.64%
LSM Growth*	Jul-Feb 18	%	6.24	
Avg. CPI	Jul-Mar 18	%	3.20	
Discount Rate	Mar-18	%	6.00	
Sources: KCCI Research, PMEX, NCCPL, KSE, SBP, PBS*				
** Not Meaningful on week;				

Major Currencies



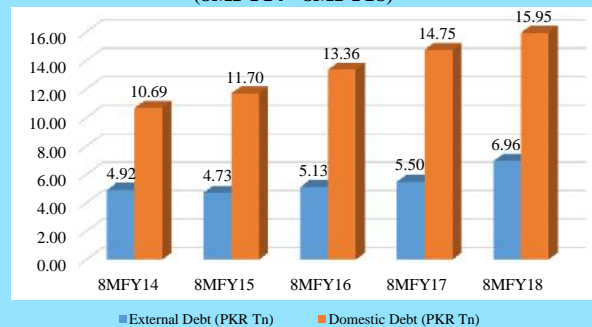
Quote of the Day

"Opportunities don't happen. You create them."

Chris Grosser

Chart of the Day

Pakistan's Domestic & External Debt (8MFY14 - 8MFY18)



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