

First half PTI govt. Performance spelled out

Finance Minister Asad Umar has said that due to corrective measures introduced by his govt. for bringing stabilization in the national economy, the economic indicators had started showing resilience. During 1HFY19, remittances and exports increased, while imports decreased as compared to 1HFY18. The trade deficit that stood at \$ 17.7Bn in 1HFY18 has shrunk by 5% to \$ 16.8Bn in 1HFY19. Due to these reforms, current account deficit has decreased which will help reducing the pressure on forex reserves. Private sector credit off-take has also witnessed 65% growth as compared to 21% in 1HFY18, highest in last 13 years. The govt. is still in process of negotiation with IMF. *BR.*

'Homegrown' IMF loan alternatives in offing

The govt. has decided to present a 'homegrown' 5-year economic stabilization programme in the National Assembly in the 3rd week of Jan'19, which is expected to mirror the economic priorities of the ruling party. This reflects a slight departure in the approach of the Finance Ministry that had earlier prepared next three fiscal years plan while keeping in mind requirements of the IMF for the three year period. *Tribune.*

Remittances fall due to global economic slowdown

Remittances sent home by overseas Pakistani workers remained sluggish in Dec'18 mainly due to global economic slowdown, particularly in the Middle Eastern region. Workers sent home \$ 1.69Bn in Dec'18, almost 2% lower than the \$ 1.72Bn received in Dec'17. Cumulatively, in 1HFY19, remittances were recorded at \$ 10.72Bn, almost 10% higher compared with \$ 9.74Bn in 1HFY18. The country, however, has missed the target of \$ 11Bn for the first half by 2.54%. *Tribune.*

Trade deficit shrinks 5.9% in first half

PBS data shows that Pakistan's trade deficit for 1HFY19 has narrowed 5.7% or about \$ 1Bn to settle down at \$ 16.9Bn over \$ 17.94Bn in 1HFY18. Exports posted an increase of 1.7% to reach \$ 11.18Bn, while imports eased 3% to decline to \$ 28.1Bn. *The News.*

Sri Lankan exporters hit by RD, says envoy

Despite potential to increase bilateral trade, Sri Lankan exporters are unwilling to take new initiatives in Pakistan due to govt.'s uncertain trade policies, said the Consul General of Sri Lanka G. L. Gnanatheva while addressing members of KCCI. The envoy made these comments after the federal govt. imposed regulatory duty (RD) on Sri Lankan products overnight. He said that there is a need to organize either a day-long or half a day forum in which the business communities from the two countries can get an opportunity to identify trading potential and discuss obstacles. President KCCI Junaid Esmail Makda said that KCCI chamber had opposed the imposition of RD on essential items as it was not a wise move but as country's foreign reserves were depleting, the govt. had no other choice but to impose duties in order to stay afloat. *BR.*

Govt claims inflation rose by only 0.4% in five months

The govt. has claimed that inflation in the country has increased negligibly during its tenure as compared to the same period of previous govt.s. Statistics Division secretary Dr Shaista Sohail presented figures which stated that, inflation posted a growth of 0.4% during Jul-Dec'18, while it grew by 11.2% during initial govt. tenures in 2008 and 4% during 2013. The reason for lower inflation for the low-income groups is minimal increase in gas and electricity rates. *Dawn.*

PM to meet chief ministers for better progress on EoDB

PM Imran Khan has decided to meet with the four chief ministers this month to agree on actions required for improving ease of doing business (EoDB) to attract more investment, Board of Investment (BoI) Chairman Haroon Sharif. The govt. of Pakistan needs to meet the targets of EoDB by Mar'19. *The News.*

Clearance of exporters' refunds: FBR moves proposal on bonds worth PKR 80Bn

The FBR has moved a proposal to the Ministry of Finance for issuance of 3-year negotiable bonds worth PKR 80Bn for clearance of pending refunds of exporters. Consultations with the Ministry of Finance and SBP are under way to finalize the launching of bond for clearing the liability. The govt. has yet to finalize procedural requirements and details of the procedure in this regard. *BR.*

Low-cost houses: Centre asks Sindh to form task force

The federal govt. has urged the Sindh govt. to constitute a special task force on housing to construct low-cost houses for the poor of the province. The federal govt. is not concerned with whatever name the provincial govt. intends to name the scheme, rather it is interested in launching of the scheme by Sindh govt. from its own resources. Sindh CM Syed Murad Ali Shah said that he will place the matter of low-housing scheme on the agenda of the next cabinet meeting. *BR.*

Visa policy for foreign diplomats changed

The govt. has changed visa policy for foreign diplomats assigned in the country with a view to make it convenient for them. Under the new visa policy, the foreign diplomats are required to avail one time Pakistan's visa upon arrival in the country for their terms of appointments in the country. Earlier, the foreign diplomats were required to apply for Pakistani visa every year. *BR.*

SBP wins award

The SBP has won the award for best central bank in the world for promoting Islamic finance in 2018. The award was conferred by Islamic Finance News, an arm of the REDmoney Group, Malaysia, in recognition of the SBP's initiatives to promote Islamic banking in the country. *Dawn.*

Setting up of six garbage stations, master plan for water distribution in city recommended

The Supreme Court-mandated commission on water and sanitation in Sindh, in its final progress report, has recommended the establishment of six garbage transfer stations on scientific lines, a master plan for water distribution in the provincial capital and sought timely completion of treatment and effluent plants. The commission observed that KWSB must prepare a water distribution and sanitation master plan to meet the existing and future needs of the city and urged the provincial and federal govt.s to address the issues related to K-IV. *Dawn.*

Moody's doubts Pakistan's debt repayment outlook

Moody's has said that Pakistan's ability to refinance its foreign debt and fund its growing deficits is at stake, given low foreign exchange reserves and gross borrowing requirements. Moody's said its external vulnerability indicator (EVI) 5 reading for the country exceeded 160% for 2019, indicating that total public and private external debt due over the next year was larger than foreign exchange reserves. *The News.*

Forex reserves fall to \$ 13.60Bn

SBP has reported that Pakistan's foreign exchange reserves dropped 1.74%, or \$ 240Mn, during the week ended 4th Jan'19 to \$ 13.60Bn. Reserves held by the SBP declined \$ 239Mn to \$ 7.05Bn, amid external debt servicing and other official payments while those held by commercial banks remained stable at \$ 6.55Bn. *The News.*

HVACR building services expo to begin on February 13

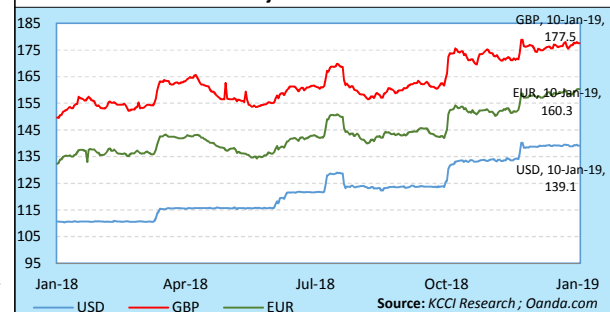
The 26th Pakistan HVACR Building Services Expo and Conference will be held at the Karachi Expo Centre from 13th-15th Feb' 19 and is primarily aimed at showcasing the latest technology and developments in local and international HVACR sector. Around 15,000 professional visitors are expected to turn out and some 1,000 products and brands will be displayed by both the international and local manufacturers and sellers. International participation is expected from over 25 countries. *BR.*

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	10-Jan	PKR	138.86	-0.04%
USD-Open MKT	10-Jan	PKR	138.85	0.07%
KSE-100 index	10-Jan	Pts.	39,090	0.43%
FIPI	10-Jan	\$ Mn	-0.50	NM**
Crude (JA'18)	10-Jan	\$/bbl	52.39	0.42%
Gold (DE'18)	10-Jan	\$/oz	1,286.8	-0.57%
Gold (10g) Local	10-Jan	PKR	58,128	0.74%
Silver (DE'18)	10-Jan	\$/oz	15.55	-1.33%
Cotton(KHI)-40 kg	10-Jan	PKR	9,324	0.00%
Kibor-6M	10-Jan	%	10.76	0.00%
Forex Reserves	4-Jan	\$ Bn	13.60	-1.74%
	FY19			YoY
Remittances	Jul-Dec 18	\$ Bn	10.72	66.34%
Exports*	Jul-Nov 18	\$ Bn	9.12	29.18%
Imports*	Jul-Nov 18	\$ Bn	23.63	23.16%
Trade Balance*	Jul-Nov 18	\$ Bn	-14.51	-19.66%
Current Account	Jul-Nov 18	\$ Bn	-6.09	10.60%
Foreign Direct Inv.	Jul-Nov 18	\$ Bn	0.88	-35.21%
LSM Growth*	Jul-Oct 18	%	-0.65	
Avg. CPI	Jul-Dec 18	%	6.05	
Discount Rate	Nov-18	%	10.00	

Sources: KCCI Research, PMEX, NCCPL, KSE, SBP, PBS*
** Not Meaningful on week;

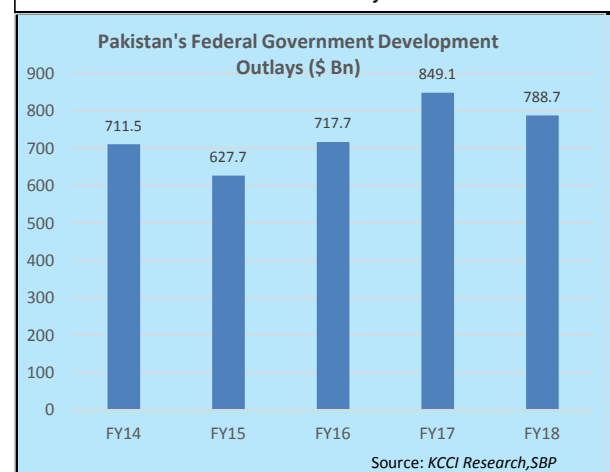
Major Currencies



"You might not make it to the top, but if you are doing what you love, there is much more happiness there than being rich or famous."

Tony Hawk

Chart of the Day



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