PAKISTAN BUSINESS NEWSLETTER

Issue: December 2017

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The Nation

PM launches scheme for promotion of home remittances through M-Wallets

(23 December, 2017)

KARACHI - Prime Minister Shahid Khaqan Abbasi has said that the Federal Government is taking several strategic initiatives to promote inflow of home remittances in the country.

“In continuation of our efforts, I am pleased that GoP in collaboration with the SBP and financial industry is launching a scheme for promotion of home remittances through M-wallets,” he said.

He was addressing the launching ceremony of ‘Promotion of Home Remittances through M-wallet Accounts.’ The Prime Minister said that the scheme will help in channelizing home remittances through branchless banking (BB) channels.

“It will help achieve twin objectives’, said the PM, adding: ‘Firstly, it will facilitate the populace by provision of home remittances in swift, convenient and cost effective manner by utilizing the network of BB agents across Pakistan; secondly, it will help enhance the usage of m-wallets and creation of digital accounts.’

Premier Abbasi also announced government’s budgetary support to incentivize home remittances through M–Wallet accounts.

The Prime Minister reminded the audience that since 2013, after coming to power, his party had made significant strides as it stabilized economy, accelerated GDP growth and introduced structural reforms to uplift the living conditions of the common man. He said that financial inclusion is considered as one of the key instruments for economic development. “Unfortunately, Pakistan is among the countries accounting for around 5 percent of the world’s unbanked population,” he said, adding: ‘In Pakistan only 23% of the adult population has access to formal financial services.’

Abbasi said that in Pakistan remittances have been the second-highest source of foreign exchange earnings for the country, after export receipts. ‘Over the past 10 years, remittances have grown at a compound annual growth rate (CAGR) of over 12 percent – one of the highest growth rates for any country in the world,’ he said, adding, ‘Pakistan’s relatively better performance in the region is principally attributed to sustained increase in emigrant workers during past few years and supportive policies of the Government and the State Bank.’

He also appreciated the role of the Pakistan Remittance Initiative (PRI) in strong growth in remittances .

Earlier, Governor State Bank of Pakistan (SBP) Tariq Bajwa thanked the Prime Minister for his visit to SBP and launching this important initiative. Introducing the scheme of home remittances through M-Wallets, the Governor stated that that it will help to achieve two objectives: one, increasing financial inclusion in the country; and, two, making transfer of home remittances faster and at low cost, thus competing with informal channels of delivery.

THE NEWS

IMF team hails economic stability

(10 December, 2017)

ISLAMABAD: The International Monetary Fund (IMF) delegation appreciated Pakistan’s efforts in maintaining macroeconomic stability and achieving 'impressive' economic growth despite multiple challenges.

A statement by the Ministry of Finance on Saturday said IMF’s post program monitoring mission held various rounds of technical discussions over the last week with the Pakistan’s financial team led by Secretary Finance Shahid Mahmood. The IMF team, led by Harald Finger, discussed a host of areas, including macroeconomic situation, developments in energy, fiscal, financial, monetary and social sectors, the statement added.

Secretary Finance shared with the IMF delegation an overview of the economy. He said it is on track and key economic indicators are moving in the positive direction. Significant growth has been achieved in revenue generation so far in the current fiscal year.

Foreign direct investment climbed 74.4 percent to $940 million in the first four months of the current fiscal year. Tax revenue collection increased 20 percent in the first quarter (July-September) of 2017/18, while fiscal deficit, during the quarter, was lower than the same period a year earlier, signaling that fiscal consolidation is on track this year.

Mahmood said Pakistan achieved fiscal consolidation without compromising on expenditures on development and social protection. The government set its eyes on achieving 6 percent GDP growth "which is inclusive, pro-poor and sustainable".

Secretary Finance also apprised the IMF delegation of recent launch of Sukuk and Eurobond. The country raised US dollar denominated Sukuk and Eurobond worth $2.5 billion in New York against the total offered amounts from investors of $8 billion. It raised $1 billion through five year Sukuk at rate of 5.625 percent and $1.5 billion with 10 year Eurobond maturity at rate of 6.875 percent.

The post program monitoring is an annual feature of the Fund whereby overall economic conditions of a member country, which is no more in a program relationship and owes funds to the IMF, are monitored and a report is presented to the executive board of the Fund. The monitoring will continue till 2024.

Last IMF's mission level visit to Pakistan took place in late 2013. The current visit was taking place after a gap of more than three years, reflecting an improved security conditions as well as the economic performance of the country and growing trust of the international community.

The
Frontier Post

ECO SG for boosting efforts to double trade volume

(12 December, 2017)

ISLAMABAD: Terming the current trade volume as far below the potential, Secretary General Economic Coordination Organization (ECO) Halil Ibrahim Akca on Monday called upon the ECO member states to double their joint efforts for increasing the intra-regional trade by two folds.

"ECO Vision 2025 has stipulated to double the intra-regional trade for which we need to at least re-double efforts," he said while addressing the 28th meeting of

Economic Cooperation Organisation Regional Planning Council (ECORPC) here. He said the intra-regional ECO trade accounts for 7.64 per cent of the total trade of the ECO member states which is not comparable with peer economic blocs, therefore ECO needs to intensify efforts on this account. The ECO's share in global trade, he said has been stagnating around just 2 percent of the total trade of the ECO member states despite the fact that ECO has 6.2 percent of the world population.

The four-day meeting was kicked off here to review progress on the implementation of the ECO-approved programmes and projects, and to consider proposals for new programmes and projects for 2018-2019. The inaugural session was co-chaired by Minister for Interior and Planning Ahsan Iqbal and Halil Ibrahim. The meeting is being attended by representatives of 10 ECO member countries besides high officials from the concerned federal ministries.

This forum will discuss preparations for ECO's Special Conference on Afghanistan and will adopt the draft outcomes of the ministerial segment on Annual Work Programme 2018, calendar of events 2018 and draft ECO Advocacy Policy for Afghanistan.

Halil Ibrahim said although China Pakistan Economic Corridor (CPEC) was not part of ECO but the member states of the organization were very much interested to take benefit of the corridor.

The ECO had been established in 1985 by Iran, Pakistan and Turkey which was later joined by seven new members; Afghanistan, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

Meanwhile speaking on the occasion Ahsan Iqbal stressed the need for enhancing regional connectivity among the member states of Economic Coordination Organization (ECO) to maximize trade volume among the member states.

"Keeping in view the increasing connectivity across the world, the region requires greater collaboration to promote trade, development, peace and stability, however the people of ECO member states are still lacking direct road, rail and air links, and are facing problems in acquiring visas, which is fundamental requirement to enhancing trade. He said the world is more connected now therefore "we need cooperation instead of confrontation."

He said, "We need to promote road and railway connectivity and direct flights among the member states besides further facilitating visa regimes so that more and more people could visit each others country."

The Minister said the ECO Summit held in Pakistan earlier this year had chalked out a vision 2025 for ECO member states under which it was agreed to increased regional trade by two folds by 2025. Currently, he said the total trade volume among the member states is less than 9 per cent of the overall trade volume of the member states across the globe.

The Minister also stressed the need for promoting cooperation in energy sectors saying that the Turkmenistan-Afghanistan-Pakistan-Iran (TAPI) gas pipeline project and Central Asia South Asia (CASA) energy project would also help in meeting the growing needs of electricity across the region. He said Asia was emerging as the next continent of economic growth and it was estimated that the region contributes 52 per cent of the world's GDP.

Exports grow by 10.5pc in July-Nov FY18

(12 December, 2017)

ISLAMABAD: Pakistan's exports have registered 10.5 percent growth in first five months of current fiscal year owing to better demand in EU countries and benefits of PM package announced for exporters. According to Pakistan Bureau of Statistics (PBS), the exports increased to $9.03 billion during July – November, 2017/2018 as compared with $8.17 billion in the corresponding period of the last year.

However, imports are remained on the high trajectory and maintained 21.12 percent growth during the first five months of the current fiscal year. The imports increased to $24.06 billion during July – November 2017/2018 as compared with $19.86 billion in the corresponding period of the last fiscal year.

Therefore, trade deficit grew by 28.56 percent to $15 billion during the period under review as compared with the deficit of $11.69 billion in the corresponding period of the last year.

The Nation

Rice exports up by 16.87pc in 4 months

(5 December, 2017)

ISLAMABAD - Rice export from the country during first 4 months (July -October) of current fiscal year increased by 16.87 per cent as compared to same period of last year. The rice export during the period under review rose to $457.66 million from $391.595 million during July-October 2016-17, according to latest data released by PBS. On month-on-month basis, the rice export also increased to $137.423 million in October 2017 from $96.306 million in September 2017, showing an increase of 42.69 per cent. However, on year-on-year basis, the rice export decreased by 7.71 per cent as the export went down $148.9 million in October 2016 to $137.42 million.

Khaleej Times

Strong demand set to lift Pakistan's car production

(10 December, 2017)

Strong auto demand is projected to push car production still higher, as thousands of Pakistanis wheel through the cities and the country-side in bright new, shinning cars.

The demand has been fuelled, among other improving economic indicators, by lowest interest rates in history, and rising personal incomes. The interest rates has been brought down to 5.75 per cent, over the last three years as the government was hard pressed to provide more and more bank cash to credit-starved industry and various economic sectors. As a result this policy, the large-scale manufacturing (LMS) doubled to 5.6 per cent, according to Pakistan Bureau of Statistics.

Auto assembly and manufacturing growth in this overall LSM rise was a big 11.22 per cent, followed by iron and steel and food products. What is the production record for the last few years, and what are the prospects for enlarging auto exports? The annual auto production was around 50,000 units until fiscal year 2012. It rose five times to 250,000 units in fiscal year 2014. The output target for fiscal year 2025 is 350,000 cars.

But a number of auto industry watchers, expect a much higher growth. They base their higher outlook as domestic demand is rising with personal income going up, and new models, with increasing conveniences, are pushing the market up. At the same time, the demand for commercial vehicles is going up, and exports are moving on the fast track. It leads the sector watcher to forecast the output to go up to 500,000 units by fiscal year 2025.

This bounty will be shared by the existing assemblers-producers including Toyota, Honda, and Suzuki, as will as the four new and incoming companies like KIA of South Korea, Faw of China, Renault of France and Volkswagon of Germany.

"The industry is now moving on the fast track as the new Auto Development Policy (ADP), fiscal year-2016-21 provides several facilities, the amount of the available financing has gone up, and performance of the country's overall economy is outstanding," says Ali Asghar Jamali, CEO of Toyota's Indus Motors Company.

Besides other factors like rising personal income, the demand for low-interest bank credit and car companies operating new taxi service like Uber and Careem, which are helping buy cars to use them as taxis." Such internet-based taxi services in major cities like Karachi, Lahore and Islamabad, are providing a neat and quick service to people, rather than riding ugly and broken down taxis and their messy, quarrelling drivers.

SBP reports that auto loans from all banks, during July-September fiscal year 2017 surprisingly doubled to Rs11.5 billion from just Rs5.8 billion in the like period of fiscal year 2016. "What we now see is just a continuity of the big increase, as the amount rose to Rs70 billion in full year fiscal year 2017, up from Rs44 billion recorded in the auto loans in fiscal year 2016," the spokesman said.

What is the size and the output of Pakistani auto sector? Pakistan Auto Manufacturers Association reports state that the total output of cars, jeeps, commercial vehicles and tractors rose 37 per cent to 78,625 in July-September quarter of fiscal year 2018 from 57,496 in the like quarter of fiscal year 2017.

The production of passenger cars and jeeps rose 29 per cent to 53,503 in July-September quarter of fiscal year 2018,up from 41,550 units in the like quarter of fiscal year 2017. The production of 1300 CC and above cars and Jeeps rose 12 per cent from 21,760 to 24,343 units.

FBR collects more than 1722 billion revenue

(31 December, 2017)

Federal Board of Revenue remains on track to achieve annual collection target of Rs 4013 billion. During first half of the current financial year, Federal Board of Revenue has recorded provisional net revenue collection of over Rs. 1722 billion as against Rs. 1466 billion collected during the same period of the previous fiscal year, by recording an increase of around 17.5% over the revenue collected during the corresponding period of last fiscal year. These figures have been arrived at by taking reconciled figures of net revenue collected upto November, 2017 at Rs 1305 and provisional figures of Rs 417 billion for December, 2017. Refunds during last period have been issued to the tune of Rs 58 billion as against Rs 45 billion issued during this year depicting an increase of 28% during the corresponding period of previous fiscal year. The target for the year has been fixed with an annual increase of around 19% over the previous year.

The provisional collection for the month of December 2017 was 417 billion excluding collection on account of book adjustments which may range between 4 to 5 billion as against 382 billion collected during December, 2016 showing an increase of around 39 billion. Moreover, figures of collection received in the treasuries of the remote areas may further swell the revenue figures.

Federal Board of Revenue also wishes to dispel the impression created by some reports appearing in sections of the press that the number of the returns received for the tax year 2017 has declined as compared to returns received for tax year 2016. This impression is grossly misleading as only 953,410 returns were received upto December 31, 2016, whereas 1,158,380 returns have been received till December 31, 2017. This shows a increase of 21.5% in the number of returns received during the same period of previous fiscal year. Also, since the last date of filing of returns of the corporate sector fell on Sunday, which is a public holiday, therefore returns and tax on the basis of returns of the corporate sector has spilled over in January 2018.

DAWN

Value-added textile exports rise 12pc

(22 December, 2017)

ISLAMABAD: Exports of value-added textile products posted a growth of over 12 per cent year-on-year to $3.46 billion in the first five months of 2017-18, the Pakistan Bureau of Statistics said.

This propelled overall growth in exports during the period under review mainly because of a cash subsidy offered to exporters under the prime minister's incentives package and the payment of sales tax refunds. Total exports of the textile sector reached $5.51bn in July-November against $5.11bn a year ago, reflecting an increase of 7.66pc. The share of textile and clothing sector in overall export proceeds stood at 61pc during the period under review.

The main driver of growth was the value-added textile products. Exports of readymade garments edged up 14.69pc in the first five months in value and 11.45pc in quantity. Similarly, exports of knitwear increased 12.07pc in value and 12.82pc in quantity during the period under review.

In the category of primary commodities, exports of cotton yarn witnessed a year-on-year increase of 0.64pc in value. Exports of yarn other than cotton increased 15.8pc in dollar terms.

Exports of made-up articles, excluding towels, increased 7.8pc while those of art, silk and synthetic textiles rose 53.3pc during the period under review. However, exports of tents, canvas and tarpaulin dipped over 33pc. Raw cotton exports recorded a year-on-year increase of 49.7pc.

Food, oil, machinery imports

The import bill of machinery, oil and eatables increased 15.7pc to $12.79bn in July-November.

The import bill of food products rose 16.08pc to $2.71bn mainly because of the arrival of foreign tea, spices, sugar, palm oil and soybean oil.

Imports under the petroleum group went up 35.96pc to $5.55bn in July-November. The surge in imports of raw and petroleum products was witnessed during the period under review. At the same time, growth was also noticed in the imports of liquefied natural gas.

The import bill of overall machinery fell 2.2pc to $4.53bn. The decline was mainly led by a drop in the imports of power-generating machinery, office machinery, construction and mining machinery.

In contrast, a surge in the imports of mobile phones and apparatus was recorded during the period under review. Imports of textile and agriculture machinery also witnessed a growth in the first five months of the current fiscal year.

DAWN

Foreign Direct Investment grows by 57pc

(16 December, 2017)

KARACHI: Foreign Direct Investment (FDI) increased 57.2 per cent year-on-year to $1.14 billion in the first five months of 2017-18.

FDI was dominated by China as its share was 73pc in total inflows, according to data released by the State Bank of Pakistan (SBP) on Friday. It was $729 million in the comparable five-month period of 2016-17.

Rising FDI is a good sign amidst dwindling foreign exchange reserves. The government recently raised $2.5 billion by auctioning bonds in the international market to improve its reserves.

SBP data showed the power sector received $539m, highest among all sectors, during the five months against an inflow of $214m a year ago. The construction sector received an inflow of $271m compared to just $39m in the same period of the preceding fiscal year. The oil and gas exploration sector attracted $74m against $57m a year ago. Inflows to the financial businesses witnessed a decline as foreign investment amounted to $75m against $91m last year.

It is a good sign that China has been increasing its investment in Pakistan. But at the same time, it also indicates that inflows from countries other than China have decreased. This means Pakistan’s reliance on China for investment has been growing.

FDI from the largest Asian economy rose to $840m from $224m a year ago. Most of Chinese investments are under the China-Pakistan Economic Corridor. More surprisingly, inflows from the United States jumped to $471m during the five months in contrast to an outflow of $5m a year ago. Malaysia was the third biggest foreign investor. Its FDI was $112m compared to $4m in the same period of the last fiscal year.

The SBP reported that the overall foreign private investment, including portfolio investment, increased 66pc to over a billion dollars during the period under review. Portfolio investment noted an outflow $96m, registering little change from a year ago.

THE EXPRESS TRIBUNE

Will play role for fostering Pak-UK ties, London Mayor assures PM

(7 December, 2017)

London Mayor Sadiq Khan has assured Prime Minister Shahid Khaqan Abbasi that he would work towards fostering closer ties between London and Pakistan.

Khan, who is on a three-day official visit to Pakistan, called on the Premier in Islamabad on Thursday, according to *Radio Pakistan.* PM Abbasi said Pakistan gives great importance to its close and cooperative relations with the United Kingdom especially in the area of trade and investment. The London Mayor lauded the government, saying he is impressed with the progress made in infrastructure, technology and energy sectors. The Prime Minister said that successful counter-terrorism efforts have made Pakistan an opportune destination for UK businesses. The London Mayor was also briefed about the investment opportunities for trade and investment in the country.

Earlier in the day, the visiting Mayor also met Foreign Minister Khawaja Asif. “The foreign minister also briefed the Mayor about Pakistan’s successes in the economic field and the regional situation,” a Foreign Office statement said.

THE NEWS

Pakistan's GSP Plus status to persist post-Brexit: UK

(7 December, 2017)

KARACHI: British Deputy High Commissioner Elin Burns on Wednesday said London will continue to maintain Pakistan's GSP Plus status in the wake of Brexit, when United Kingdom (UK) emerges independent of the European Union.

"We will unilaterally agree to put those GSP Plus arrangements in place which is going to be a very positive step in terms of strengthening UK-Pakistan trade ties and it shows UK's strong commitment and desire to expand trade with Pakistan," Burns said at a meeting with the members of Karachi Chamber of Commerce and Industry (KCCI).

Reiterating UK's commitment to replicate GSP Plus system arrangements with Pakistan, the British diplomat said London was keen to bolster trade and investment cooperation with Pakistan.

"We have increased our trade teams with presence in Islamabad, Karachi and Lahore, which is the sign of the importance that we give to strengthening trade relations with Pakistan," she added.

Burns said the UK government has also appointed Rehman Chishti, a British national of Pakistani descent, as adviser to Prime Minister Theresa May for promotion of trade relations between the UK and Pakistan.

"Chishti, who is the UK's trade envoy for Pakistan, is very enthusiastic to strengthen trade relations between the two countries," she said. She added the British government has also doubled Export Financing from 200 million pounds to 400 million pounds, which is a significant figure, for British companies who are interested in doing business in Pakistan.

"We are doing a lot on our side to encourage UK firms to explore good opportunities in Pakistan and increase their businesses in Pakistan," Burns said expressing her optimism about more trade between the two countries in next months and years.

Thanking the British envoy for her detailed discourse, Siraj Kassam Teli, Chairman BMG & former President KCCI, said more than one hundred UK companies were operating in Pakistan with a number of them in joint ventures but the full potential was far from reached.

"We should have been too far ahead from where we stand today in terms of business and trade cooperation," Teli said. Earlier, Muffasar Atta Malik, President KCCI, said after UK's withdrawal from the bloc, EU's share would be reduced to 24 percent from 31 percent. "However, the impact of Brexit on Pakistan's trade can be neutralised if the government works on securing a similar tariff concession deal with UK enabling it to secure its market access after Brexit," Malik said.

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