



CPDI BUDGET WATCH

SBP raises key interest rate by 300bps, takes it to 20%

Business Recorder (March 02, 2023)

The Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) on Thursday raised the key interest rate by 300 basis points, taking it to 20% — the highest level since October 1996 – as it bids to control runaway inflation. “At its meeting held on 2nd March 2023, the MPC decided to increase the policy rate by 300 basis points to 20%,” it said in a statement, in which it also announced moving the next MPC meeting to April 4 from April 27. “During the last meeting in Janua... [Read More](#)

Govt swallows last bitter pills to keep IMF sweet

The Dawn (March 02, 2023)

ISLAMABAD: With unprecedented policy doses within 24 hours, Pakistan on Thursday completed all the prior actions needed for staff-level agreement (SLA) with the International Monetary Fund (IMF) to avert sovereign default and secure long-delayed \$1.2bn disbursement. Sources told Dawn that policy actions stood completed after the exchange rate was allowed to move freely with a massive Rs25 per dollar depreciation in two days, an unusual 300-basis-point surge in State Ba... [Read More](#)

Pakistan's CPI soars to highest rate in nearly 50 years

Aljazeera.com (March 01, 2023)

Pakistan's consumer price index (CPI) jumped 31.5 percent in February year-on-year, the statistics bureau says, the highest annual rate in nearly 50 years, as food, beverage and transportation prices surged more than 45 percent. February's rate is the highest since 1974 when the average inflation rate over the 1973-1974 financial year was 32.8 percent, a spokesperson for the Pakistan Bureau of Statistics told the Reuters news agency on Wednesday. Prices last month were 4.3 percent from the ... [Read More](#)

Pakistan surrenders to another IMF demand

Geo.tv (March 01, 2023)

ISLAMABAD: Desperate to revive the loan programme to stabilise the falling economy, Pakistan on Wednesday gave in to the International Monetary Fund's (IMF) demand of imposing a power surcharge on the consumers in the next fiscal year. The Pakistani officials are baffled by IMF's “shifting goalposts” as the country makes hectic efforts to woo the lender which has set new conditions to unlock the \$6.5 billion Extended Fund Facility (EFF) signed in 2019. The cash-strapped co... [Read More](#)

Pakistan ‘desperately needs debt restructuring’: Dr Murtaza Syed

Business Recorder (February 28, 2023)

Pakistan is passing through a dire economic situation and “desperately needs debt restructuring”, said former deputy governor State Bank of Pakistan (SBP) Dr Murtaza

Syed. Dr Syed, who is also a former IMF official, was talking to ‘Asia Business Report’ at BBC World on Pakistan’s economy. “The situation is really bad,

Pakistan is caught in the crosshairs of a perfect storm. We are facing perhaps the worst economic crisis in our 75-year history, growth is tanking, poverty ... [Read More](#)

Inflation to remain high in coming months

Profit.pakistantoday.com.pk (February 28, 2023)

ISLAMABAD: The Finance Ministry in its monthly Economic Update and Outlook report released on Tuesday forecasted that inflation will remain high in the coming

months before easing out gradually. It is expected that inflation will remain around 28 to 30 % in coming months. The key reasons are uncertain political and economic

environment, pass through of currency depreciation, recent rise in energy prices and increase in administered prices. Although SBP has been enacting contrac ... [Read More](#)

CPEC IPPs: Govt willing to amend PERA to satisfy Chinese lenders

Business Recorder (February 27, 2023)

ISLAMABAD: The government has reportedly shown willingness to amend/ modify Pakistan Energy Revolving Account (PERA) to sort out concerns of Chinese lenders of

CPEC IPPs with respect to payment in future, sources close to Managing Director PPIB told Business Recorder. MD PPIB, sources said, has shared a report of meeting on

PERA with Suo Yun Peng Director Asia and Africa Division, Department of International Cooperation National Energy Administrations [Read More](#)

MoF says ‘stop payments’ news fake

Business Recorder (February 27, 2023)

ISLAMABAD: The Finance Ministry has rejected as completely false the rumours that government has instructed to stop payment of pay and pension. In a

statement, the Finance Ministry said no such instructions have been given. The statement further stated that the AGPR has confirmed that pay and pension have

already been processed and will be paid on time. It said other payments are also being processed as per routine. Meanwhile, in a tweet, Finance Minister... [Read More](#)

KIBOR hits all-time high as SBP seen getting more aggressive on rate hike

The News (February 26, 2023)

KARACHI: Karachi interbank offered rate (KIBOR), an average interest rate at which banks lend money to other banks, hit a record high, as the money market anticipated a

bigger interest rate hike by the central bank. The benchmark six-month KIBOR rose to 20 percent on Friday, which was an all-time high, according to Fahad Rauf, the

head of research at Ismail Iqbal Securities. Markets are certain that the State Bank of Pakistan (SBP) will increase borrowing costs significantly in line with what [Read More](#)

NBP advocates inclusivity for Pakistan a 'sick-man' of South Asia: PBC

Bolnews.com (February 26, 2023)

KARACHI: The Pakistan Business Council (PBC) in a report said that Pakistan is the 'sick-man' of South Asia. The council said that the country lags behind in

virtually every socioeconomic indicator. The country's per capita earning, which once exceeded China, India, Bangladesh and Sri Lanka, has eroded to just 12 per cent of

China's and is now 30 per cent lower than India and Bangladesh. The long-term GDP growth rate has halved to just over 4 per cent, grossly below the 6 to 7 [Read More](#)

'Completely false': Finance Division rejects rumours of govt directions to stop salary, pension payments

The Dawn (February 25, 2023)

The Finance Division on Saturday denied the government issuing instructions to stop pension and salary payments, deeming reports to the contrary

"completely false". The clarification comes after The News reported that the Accountant General of Pakistan Revenue (AGPR) had been told by the finance

ministry to "stop clearing all federal ministries and attached department's bills until further orders". "Even the clearance of salary bills has also been sto... [Read More](#)

Pakistan 'agrees' to raise policy rate by 2% under IMF pressure

The News (February 25, 2023)

As the economic crisis in Pakistan worsens with depleting foreign currency reserves barely enough to pay for three weeks worth of imports, the country agreed

on Saturday before the International Monetary Fund (IMF) to increase the policy rate by 2% — one of the conditions to secure the Fund's bailout package.

Sources privy to the matter told Geo News that virtual negotiations with the IMF continued till late at night, adding that officials from the international le ... [Read More](#)

Pakistan facing immense economic pressure, Naveed Qamar

Dunyanews.tv (February 24, 2023)

WASHINGTON (Dunya News) - Federal Minister for Commerce Syed Naveed Qamar has said that Pakistan was currently facing immense economic pressure but economic growth will speed up after successful negotiations with the International Monetary Fund (IMF). Addressing a press conference in Washington, the Federal Minister said that the relations between Pakistan and the United States were getting strong with time. He said that US was the biggest market for Pakistan... [Read More](#)

Crumbling Pakistan economy puts children's futures on hold

The Dawn (February 24, 2023)

Sixteen-year-old Nadia makes the one-hour journey to and from her employer's house on foot each day, stopping frequently along the congested streets of Lahore so her mother can rest her weary legs. The teenager still had seven years of schooling left to complete, but was forced to drop out last year to help boost family finances by joining her mother as a maid. "She's my daughter, but we had no other choice," says Mohammad Amin, her father, who earns Rs18,000 a month working as a sec.... [Read More](#)

Higher policy rate on the cards

Profit.pakistantoday.com.pk (February 23, 2022)

ISLAMABAD: The State Bank of Pakistan was able to raise a total of Rs. 257.74 billion through T-Bill auctions, which happened on the 22nd of February. The target of collection for the said auction was supposed to be around Rs. 300 billion. More importantly, the yield cut off for these T-bills happened to be close to 19.9%, which was 2.9% higher than the policy rate, and almost 2% higher than the previous yield cut offs. The policy rate stands at 17% as of the 23rd of February. Mark.... [Read More](#)

Pakistan's FX reserves rise by \$66m to \$3.26bn, says central bank

Arabnews.com (February 23, 2023)

KARACHI: Pakistan's foreign exchange reserves held by the central bank rose by \$66 million to \$3.258 billion in the week ending Feb. 17, it said on Thursday, while its total liquid foreign reserves stood at \$8.726 billion. Pakistan, which is a \$350 billion economy, is facing economic turmoil, with a balance of payment crisis and only enough foreign exchange reserves to cover three weeks of imports. Islamabad is expecting external financing inflows after a deal with the International Mo... [Read More](#)

IMF presses Pakistan for tightening monetary policy

DunyaNews.tv (February 22, 2023)

ISLAMABAD (Dunya News) - The International Monetary Fund (IMF) has stressed upon Pakistan to tighten its monetary policy and enhance interest rate. The demand came at a virtual meeting held between Pakistan and the IMF on Thursday. IMF officials reviewed efforts made by Pakistan to complete the staff level agreement. Sources told Dunya News that Pakistan has been facing pressure to implement on the Fund's requirements through advance measures in time. They said tight [Read More](#)

Pakistan may need debt adjustment despite IMF support: Barclays

Business Recorder (February 22, 2023)

Pakistan may require a debt adjustment in some form given the sharp deterioration in its external position, even if some support from the International Monetary Fund (IMF) and bilateral institutions is materialised, said Barclays Bank. In its report on Pakistan titled 'Payment halt a possibility' released on February 21, Barclays said it maintains an 'Underweight rating' on the country's sovereign debt. Barclays was of the view that Pakistan's debt metrics in and of themselves are... [Read More](#)

Pakistan seeks breakthroughs in high-level US trade talks

Arabnews.pk (February 21, 2023)

WASHINGTON: Pakistan is looking for breakthroughs in agriculture and information technology during the first ministerial level meeting of a US-Pakistani trade and investment body in seven years, Pakistan's commerce minister said on Tuesday. Commerce Minister Syed Naveed Qamar will meet on Thursday with US Trade Representative Katherine Tai and other senior US officials under the US-Pakistan Trade and Investment Framework Agreement (TIFA). Qamar told Reuters the [Read More](#)

NA passes IMF-dictated finance supplementary bill

The Dawn (February 21, 2023)

ISLAMABAD: Despite clearly lacking quorum, the National Assembly after a lackluster debate on Monday passed the IMF-dictated Finance (Supplementary) Bill 2023, seeking to impose additional Rs170 billion taxes with minor amendments as Finance Minister Ishaq Dar held the mismanagement in the power sector and poor economic policies of the previous PTI regime mainly responsible for this economic burden on the masses. In his winding up speech on the finance (supple.... [Read More](#)

IMF bailout alone cannot put economy back on track, says BMP

Business Recorder (February 20, 2023)

LAHORE: As the annual Businessmen Panel has budget would further inflation rate has hit the new warned that a bailout from the deteriorate the financial high of 38.42 percent for the International Monetary Fund situation in the country. previous week the Federation (IMF) alone was unlikely to Amidst continuous of hike in of Pakistan Chambers of Commerce and Industry's put the country's economy cost of production in the country, what the... [Read More](#)

Pakistan has capacity to become emerging economy: Bilawal

Dailytimes.com.pk (February 20, 2023)

Minister for Foreign Affairs emerging economy and had badly damaged the Bilawal Bhutto Zardari on resolve its financial issues. In economy of Pakistan. He said Monday said Pakistan was an interview to a television Pakistan was passing through faced with a difficult economic channel during the Munich a phase where unconstitution measures condition but it had the Security Conference, he said could not be take ... [Read More](#) capacity to become an the Ukraine war and floods

Pakistan's REER index falls to 92.8 in January

Business Recorder (February 19, 2023)

Pakistan's Real Effective released by the State Bank of 3.57%.Meanwhile, the Exchange Rate (REER) saw a Pakistan (SBP) on Monday. As the Nominal Effective Exchange significant decrease in per the data, the REER rate Index (NEER) declined by January, clocking in at 92.8 decreased by 4.4% on a yearly 5.8% MoM in January 2023 to compared to 96.2 in basis. On a monthly basis, the a provisional value of 43.56 December, according to data REER value declined by from 46.24 in De ... [Read More](#)

Tax the rich, help the poor, IMF advises Pakistan

Tribune.com.pk (February 19, 2023)

MUNICH: - International need for the Pakistani on the fringes of the Munich Monetary Fund (IMF) government to collect higher Security Conference, Managing Director Kristalina taxes by withdrawing Georgieva acknowledged that Pakistan had been ravaged by Georgieva has said that her subsidies to the rich. Speaking to the German state the unprecedented floods last 'heart goes out to the people broadcaster, Deutsche Welle, year. She told the... [Read More](#) of Pakistan' but stressed the

Wahab joins chorus of ‘tough decisions’ to bail out economy

The Dawn (February 18, 2022)

HYDERABAD: Adviser to Sindh chief minister on law Murtaza Wahab has said the present coalition government is fully mindful of price hike and inflation, but unfortunately tough decisions have become inevitable failing which the country would be heading for default. Claiming to have been aware of price hike and financial hardships faced by people, he said people needed to support each other to get rid of ‘trouble’ thrust upon Pakistan four years ago. In order to rid of it, tough deces.... [Read More](#)

US seeks economic revival plan from PTI

Tribune.com.pk (February 18, 2023)

ISLAMABAD: Notwithstanding its public posturing against the United States, the Pakistan Tehreek-e-Insaf (PTI) is making behind-the-scene efforts to repair ties with Washington as the former ruling party has not only abandoned its anti-US narrative but has also discussed its future plans to pull the country out of the economic abyss with the world’s super power. The first sign that PTI chief Imran Khan’s party was no longer seeking to further antagonise the US, rather wa ... [Read More](#)

IMF surprised at speedy implementation of agreed steps: minister

Geo.tv (February 17, 2023)

ISLAMABAD: Minister of State for Finance Aisha Ghaus Pasha said that the International Monetary Fund (IMF) was surprised at the speedy implementation of agreed steps to revive the stalled loan programme, The News reported Friday . Speaking to the media persons in Islamabad, Pasha said that the lender has shown its satisfaction with the measures taken by the government to generate additional revenue of Rs170 billion through a supplementary ... [Read More](#)

Digitisation to add \$60bn to Pakistan’s economy: OICCI

The News (February 17, 2023)

KARACHI: Digitisation offers employment prospects to young Pakistanis and could add \$60 billion to the economy within the next 7 to 8 years, Overseas Investors Chamber of Commerce and Industry’s (OICCI) report said. The Digital Report 2022 titled, “Recommendations for Digital Transformation in Pakistan” said that prospects for 23 percent of Pakistan’s population that falls in 20-34 years age group, would benefit from digitisation in the country. The report was presented by OI ... [Read More](#)

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