



# CPDI BUDGET WATCH

## Pakistan taps Chinese credit for railway upgrade despite debt crisis

The News (January 05, 2023)

Islamabad/New Delhi: Since the 19th century, Pakistan's clattering railways have carried passengers and cargo from the Arabian Sea to the Himalayas. But the colonial-

era network is in severe disrepair, with decrepit trains and some tracks left unusable by devastating flooding last year. Together with its close ally China, Pakistan is now

preparing at least a partial solution: a \$10 billion revamp of its 1,700km arterial Main Line 1 railway to be paid for with loans from Beijing, FT reported. Prime .... [Read More](#)

## Govt's plan to tax banks' FX income can significantly impact profitability

Business Recorder (January 05, 2023)

The government's plan to impose a tax on banks' foreign exchange income could impact the profitability of the banking sector by around 4-11%, said Topline Securities

in a report on Thursday. The development comes after Federal Minister for Finance and Revenue Ishaq Dar on Wednesday said the government is planning to

impose a tax on banks' foreign exchange income to ramp up revenues. Topline's report stated that the foreign exchange income of listed banks as reported...[Read More](#)

## PM to seek support at 'Resilient Pakistan' conference in Geneva

Bolnews.com (January 04, 2023)

ISLAMABAD: Prime Minister Shehbaz Sharif will co-host along with United Nations Secretary-General Antonio Guterres an international conference on 'Climate

Resilient Pakistan' in Geneva on January 9. According to the Foreign Office, the conference will serve as a platform to marshal international support to build

back better in a resilient manner after the recent devastating floods, as the country transitions from the rescue-and-relief phase towards the mon...[Read More](#)

## Pakistan's finance minister says additional deposit from Saudi Arabia expected soon

Arabnews.pk (January 04, 2023)

ISLAMABAD: Pakistan's finance minister Ishaq Dar said on Wednesday the government was hoping to receive an additional financial deposit from Saudi Arabia in

the coming days which would strengthen the position of its foreign currency reserves. According to official figures, the forex reserves with Pakistan's central bank

plummeted to \$5.8 billion in December which only provided an import cover of about a month to the country. The dip in the foreign reserves arrived amid a ... [Read More](#)

## Petroleum sales continue to plummet

Profit.pakistantoday.com.pk (January 03, 2023)

ISLAMABAD: The oil industry has witnessed a cumulative decline of 19% in the first half of financial year 2023 compared to the previous year, according to data published by the Oil Companies Advisory Committee (OCAC). This is in line with an economic downturn the country has been going through, along with the fact that the government has been trying its best to reduce the import bill. The highest decline in the industry was for the sale of residual fuel oil .... [Read More](#)

## Pakistan to close malls, markets early due to economic crisis

Aljazeera.com (January 03, 2023)

Pakistan's government has ordered measures to conserve energy, including closing all malls and markets by 8:30pm (15:30 GMT), as the country grapples with a crippling power and economic crisis. The cabinet-approved measures are expected to save the country about 62 billion Pakistani rupees (\$273m), Defence Minister Khawaja Asif told journalists on Tuesday. Pakistan finds itself strapped for cash as money expected to come in under an International Monetary Fund .... [Read More](#)

## Pakistan's top security body decides to rationalize imports, curb currency smuggling

Arabnews.pk (January 02, 2023)

ISLAMABAD: Pakistan's top national security body on Monday decided in a high-level meeting to rationalize imports and curb illegal currency outflows to ensure economic stability in a bid to strengthen its ailing economy. The second round of the National Security Committee (NSC) meeting was held under the chair of Prime Minister Shehbaz Sharif today, Monday. The meeting was attended by federal cabinet members, the chairman of the joint chiefs of staff committee .... [Read More](#)

## ML-1, KCR upgrade projects to start in March

The News (January 02, 2023)

ISLAMABAD: The upgrade work on two mega projects of China Pakistan Economic Corridor (CPEC), including Main Line-one (ML-1) and Karachi Circular Railways (KCR), would start from March, a high-level meeting decided in Beijing. The government sources told The News on Sunday that the two sides would follow the consensus held in October last year in the Chinese capital. Besides, the Chinese ambassador to Pakistan, Nong Rong has said that the China-aided Eastbay Ex... [Read More](#)

## Pakistan moving into 2023 without any default: analyst

Business Recorder (January 01, 2023)

KARACHI: The year 2022 while bidding farewell with some unpleasant memories, has brought some good news too that is Pakistan is moving into 2023 without any default.

Further we came out from the grey list of FATF in 2022 and there has been a revival of CPEC in 2022, said Ateeq ur Rehman (economic and financial analyst). Moreover

in 2022, we had natural disaster in the form of Flood and Torrential Rains which damaged not only the human beings, houses, belongings but also the crops. In .... [Read More](#)

## Stocks to hang around economic numbers, IMF demands

The News (January 01, 2023)

KARACHI: Stocks closed higher during the outgoing week on expectations of financial support from friendly countries and continuation of the IMF

programme, with next week expected to hang around the Fund's demands, traders said. Benchmark KSE100 index gained almost 751 points during the week as investors'

confidence improved reflected by a 65 percent week-on-week increase in volumes, said a report of KASB Pakistan Research. During the week, ... [Read More](#)

## Pakistan witnessed 65% decline in forex reserves in 2022 – data

Arabnews.com.pk (December 31, 2022)

KARACHI: Pakistan witnessed a massive drop of 65 percent in its foreign exchange reserves to \$5.8 billion during the outgoing year 2022, according to official data and

experts, which exposed the South Asian country to a risk of default on its international financial obligations. Pakistan headed into 2022 with its foreign exchange

reserves standing at \$16.60 billion. However, the country saw a drastic reduction in official forex reserves as the inflows slowed down and outflows paced .... [Read More](#)

## China shows unflinching commitment to strengthen Pakistan's economy during 2022: report

Dailytimes.com.pk (December 31, 2022)

China showed unflinching commitment to strengthen Pakistan's economy during 2022, Gwadar Pro reported on Friday. Amid economic instability, Net Foreign Direct

Investment (FDI) in Pakistan dropped 52.1% during the first four months of the ongoing fiscal year (FY23), clocking in at just \$348.3 million, revealed State Bank of

Pakistan (SBP) data. Details showed that, during the same period, the highest FDI inflows came from China during the July-November period, amounti ... [Read More](#)

## Flood devastation to keep economic growth below target: finance ministry

Profit.pakistantoday.com.pk (December 30, 2022)

ISLAMABAD: The finance ministry has hinted that economic growth is likely to remain below the budgeted target of 5 percent due to devastation created by floods. Monthly Economic Update and Outlook December 2022, released by the Ministry of finance, shows that CPI inflation will remain in the range of 21-23%. Whereas standing water due to recent floods, may create further problems in achieving the assigned wheat sowing target. As per the report, the average MEI, during the .... [Read More](#)

## Pakistan to spend \$3bn on flood recovery by end-June

The Dawn (December 30, 2022)

ISLAMABAD: Having spent about \$1.5 billion equivalent from its resources so far on flood rehabilitation, Pakistan would be seeking concessional loans from international development partners during the upcoming 'donor conference' in Geneva to build a resilient future with over \$16bn worth of recovery, rehabilitation and reconstruction activities. Talking to journalists, Secretary Ministry for Planning, Development and Special Initiatives Syed Zafar Ali Shah said that.... [Read More](#)

## Market share of Islamic banking sector tops 20pc by Sept-end

Business Recorder (December 29, 2022)

KARACHI: The market Share of Islamic Banking Industry (IBI) in the banking sector continued to post healthy growth and crossed 20 percent by the end of September 2022. According to Islamic Banking Bulletin issued by the State Bank of Pakistan (SBP) Wednesday, the year on year (YoY) growth of assets and deposits of IBI was recorded at 41.3 percent and 31.4 percent, respectively by the end of September, 2022. Assets of IBI stood at Rs 6.902 trillion by the end of September 2022 .... [Read More](#)

## Traders mark 2022 as 'bad year' for Pakistan stock market, fears haunt investors for 2023

Arabnews.pk (December 29, 2022)

KARACHI: Traders and market analysts described 2022 as a tough year for Pakistan's stock market on Thursday, as many of them warned the trend could persist in the coming year amid a worsening economic situation and enduring political uncertainty in the country. According to the Pakistan Stock Exchange (PSX) data, the benchmark KSE100 index lost over 6,000 points since the beginning of the year and the market capitalization of listed companies fell by... [Read More](#)

## Gold outplays all other assets in 2022

The Dawn (December 28, 2022)

KARACHI: Gold outperformed all major investment avenues by a significant margin in 2022, a research note issued by Topline Securities showed on Tuesday. It was followed by one-year (dollar-based) Naya Pakistan Certificates and the US currency as the best-performing assets in the outgoing year. These three asset classes provided returns that were higher than the estimated average inflation of around 20 per cent in 2022. Gold posted a gain of 41pc as its rate rose from Rs108,200 per 10 grams to .... [Read More](#)

## Dar snubs doomsayers, sees 'economic comeback'

Tribune.com.pk (December 28, 2022)

Conceding that Pakistan's economy was stuck between a rock and a hard place, Finance Minister Ishaq Dar on Wednesday expressed his optimism that the country had the potential to stage a "comeback". In an over 35-minutes online address to Pakistan Stock Exchange (PSX), the minister reiterated that the country would not default on any international payments including foreign debt. "We hear every day that Pakistan will default...but how? There is no chance Pakistan will def ... [Read More](#)

## Smuggling of US dollars to Afghanistan harming Pakistan's economy: currency dealer

Geo.tv (December 27, 2022)

KARACHI: The Pakistani currency is under pressure owing to the ongoing political unrest in the country and the smuggling of US dollars to Afghanistan, The News reported Tuesday citing foreign exchange dealers. "Pakistan is currently dealing with problems on several fronts, the political crisis being the first and biggest one. The dollar crisis is also connected with it," said Malik Bostan, the chairman of the Exchange Companies Association of Pakistan (ECAP) at a news.... [Read More](#)

## Certain IMF conditions too harsh for public: Ahsan Iqbal

The News (December 27, 2022)

ISLAMABAD: Federal Minister for Planning and Development Ahsan Iqbal has described some of the International Monetary Fund's (IMF) conditions as "anti-people" and "too harsh" for the public. Speaking on Geo News programme 'Aaj Shahzeb Khanzada Kay Saath', Iqbal hinted at further delay in reaching an agreement with the IMF on the ninth review. "The IMF programme is to be continued but some of the demands of the IMF are unbearable for the people," he said. ... [Read More](#)

## Didn't know extent of Pakistan's economic problems when I took oath: PM Shehbaz

Business Recorder (December 26, 2022)

Prime Minister Shehbaz Sharif said on Monday that he was “unaware of the extent of economic problems facing Pakistan” when he took oath on April 11, 2022. Speaking to a gathering on his visit to Dera Ismail Khan, he stated the threat of default was looming on Pakistan in April 2022 while the International Monetary Fund (IMF) programme was stalled. “When I took oath, I wasn't aware of the gravity of Pakistan's economic problems. A threat of default was upon us, wh.... [Read More](#)

## Russia can send natural gas to Pakistani markets: Deputy PM Novak

Profit.pakistantoday.com.pk (December 26, 2022)

Russia can send its natural gas to the markets of Pakistan and Afghanistan, Russian Deputy Prime Minister Alexander Novak told state TASS news agency. Novak said that Russia can send gas either using the infrastructure of Central Asia or in a swap from the territory of Iran. On December 5, Pakistan's State Minister for Petroleum Musadik Malik said that talks with Russian private firms are underway for the import of Liquefied Natural Gas (LNG). He had added that Islamabad also engaged wit.... [Read More](#)

## Pakistan requires \$62bn to \$155bn for energy sector till 2030: ADB

Geo.tv (December 25, 2022)

ISLAMABAD: The Asian Development Bank (ADB) has said that Pakistan's energy investment ranges from \$62 billion to \$155 billion till 2030, The News reported Sunday. According to ADB's Central Asia Regional Economic Cooperation (CAREC) Energy Outlook for 2030 report, energy investment needs until 2030 vary significantly across the three scenarios. The power generation and the energy efficiency sector need the most significant investments owing to the rapi.... [Read More](#)

## Market capital plummets 35pc in dollar terms: Another bad year for Pakistan stock

Business Recorder (December 25, 2022)

KARACHI: The outgoing 2022 was another bad year for Pakistan stocks where the market capitalization of listed companies at Pakistan Stock Exchange (PSX) fell by 17 percent reaching Rs6.4trillion. In USD terms it plummeted 35 percent reaching \$28billion. Real Estate Investment Trust (REIT), Synthetic & Rayon, and Sugar were the top performing sectors in 2022 as their market cap increased by 12 percent, 6.0 percent and 5.0 percent, respectively in spite of bad mark... [Read More](#)



## Pakistan received \$5.1bn in July-November

The Dawn (December 24, 2022)

ISLAMABAD: Amid external account challenges, Pakistan borrowed about \$5.115 billion in foreign loans in the first five months (July-November) of the current fiscal year, almost 14pc higher than the foreign loans it received in the comparable period last year. In its monthly report on Foreign Economic Assistance (FEA), the Ministry of Economic Affairs (MEA) said it received about \$5.115bn foreign assistance in 5MFY23 compared to \$4.499bn in the same period last .... [Read More](#)

## Stalled programme revival: IMF asks Pakistan to meet all demands in three weeks

The News (December 24, 2022)

ISLAMABAD: The IMF has shared lists of prerequisite actions and told Pakistani authorities in plain words that Islamabad will have to move towards implementing all demands in the next 15 to 20 days for reviving the stalled Fund programme. Now the time has come for taking "all required actions" by Pakistani authorities and there is a timeframe of two to three weeks for implementing all required actions that could pave the way for striking a staff-level agreement and releasing of \$1 bi.... [Read More](#)

## SBP grants approval to Pakistan's first agri-fintech app Digitt+

Dunyanews.tv (December 23, 2022)

KARACHI: - The State Bank of Pakistan (SBP) has formally granted approval to Digitt+, Pakistan's first agriculture focused fintech, to pilot launch their Electronic Money Institution (EMI). Digitt+ is powered by Akhtar Fuiou Technologies (AFT). The purpose of this agri-fintech app is to digitize the agricultural eco system. Digitt+ has partnered with Fuiou Pay, a leading international payment solutions provider, to provide market-based alternative to the traditional ba... [Read More](#)

## Mobile banking doubles, internet banking grows by 51.7% in FY2021-22

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

KARACHI & LAHORE: The past fiscal year has seen a massive increase in the size of the digital payments ecosystem, the State Bank of Pakistan's (SBP) Annual Payment Systems Review for 2021-22 revealed. The report says that mobile phone banking increased by 100.4% to 387.5 million, while internet banking grew by 51.7% to 141.7 million during the year. The impressive numbers come on the back of an important year for the ecosystem that saw a number of milestones. Wi... [Read More](#)

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