



CPDI BUDGET WATCH

World Bank delays approval of \$1.1bn loans for Pakistan

Business Recorder (January 19, 2023)

ISLAMABAD: The World Bank has delayed the approval of two loans for Pakistan worth \$1.1 billion until the next fiscal year pending some steps on the country's energy debt

and tariffs, a finance ministry source told Reuters on Wednesday. The approval of the loans have been pending since June, said the source, declining to be named as they

were not authorised to talk to the media. Pakistan's next fiscal year starts in July. "The major issue is the circular debt management plan in the energy sector an.... [Read More](#)

US wants to see Pakistan 'economically sustainable'

Tribune.com.pk (January 19, 2023)

WASHINGTON: The United States wants to see Pakistan in an 'economically sustainable' position, US State Department spokesperson Ned Price said during a press briefing on

Wednesday. The spokesperson was asked if the US was paying any attention to Pakistan after it had less than \$5 billion left in its foreign exchange reserves or

if it was planning to give debt relief to the country. Price maintained that this was a challenge the US was "attuned" to. "I know that Pakistan has bee.... [Read More](#)

Central bank says Pakistan's current account deficit fell to \$0.4 billion in December

Arabnews.pk (January 18, 2023)

KARACHI: Pakistan's current account deficit fell to \$0.4 billion in December 2022 from \$1.9 billion a year earlier, the central bank said on Wednesday, as the cash-

strapped government slashed imports in a bid to avert an external payments crisis. Foreign exchange reserves held by the central bank stand at \$4.3 billion – enough cover

for just three weeks of imports – and the country's International Monetary Fund (IMF) bailout program has been stalled for months. December's figu [Read More](#)

PBF fears rupee may further depreciate by Rs50 against dollar

The News (January 18, 2023)

LAHORE: Pakistan Business Forum (PBF) has warned that the rupee may further depreciate by Rs50 against the dollar, as the country has to pay back \$25 billion in

three years, with no arrangements in hand at present. The forum asked the government to take immediate measures and negotiate with the world's

leading economies for a bailout. "It is expected that against one dollar Pakistan's currency may depreciate to Rs50, which would be a disaster for the e... [Read More](#)

LSM posts negative growth for 5th consecutive month

Profit.pakistantoday.com.pk (January 17, 2023)

ISLAMABAD: With the economic slowdown in the country, the negative growth in Large Scale Manufacturing (LSM) continued for the fifth consecutive month as it posted a 5.49 % decline in November 2022. Quantum Index of Manufacturing (QIM) measures the changes in production of Large Scale Manufacturing Industries (LSMI) overtime, on a monthly as well as cumulative basis. The weights presently used for the QIM were derived from the Census of Manufacturing I.... [Read More](#)

Pakistan among lower-middle income countries: UN report

The Dawn (January 17, 2023)

UNITED NATIONS: Pakistan remains a lower-middle income country and will continue to be vulnerable to fluctuating energy prices, warns a UN report released on Monday. The report also places India and Bangladesh among lower-middle-income countries despite their economic gains and urges the entire South Asian region to reduce its energy consumption. Nepal is also placed in the same category, although Afghanistan is listed among low-income countries. The report by the... [Read More](#)

IMF says fragmentation could cost global economy up to 7% of GDP

Dunyanews.tv (January 16, 2023)

WASHINGTON: - A severe fragmentation of the global economy after decades of increasing economic integration could reduce global economic output by up to 7%, but the losses could reach 8-12% in some countries, if technology is also decoupled, the International Monetary Fund said in a new staff report. The IMF said even limited fragmentation could shave 0.2% off of global GDP, but said more work was needed to assess the estimated costs to the international mo... [Read More](#)

Miftah calls for economic ‘overhaul’

Business Recorder (January 16, 2023)

KARACHI: Former finance minister and Pakistan Muslim League-Nawaz (PML-N) leader Miftah Ismail on Sunday called for an ‘overhauling’ for strengthening Pakistan’s ‘ill’ economy. In his statement, Ismail said Pakistan’s economy is going backward with every passing day and added that only 30,000 people are paying taxes out of 2.2 million. “Pakistan is not properly functioning for which IMF, Saudi Arabia and China cannot be blamed.” Commenting on [Read More](#)

Systemic risk lurks ahead, says Habib Bank CEO

The Dawn (January 15, 2023)

KARACHI: The banking sector will be exposed to a “systemic risk” should the prevailing uncertainty continue for another few months, Habib Bank Ltd CEO Muhammad

Aurangzeb said on Friday. Speaking at a summit on financial crimes, the CEO of the largest commercial bank warned the participants about a “big blow to the economy” if

the stakeholders didn’t make the right decisions swiftly. “Even the smallest of institutions or the biggest of countries (need) timely decisions, timely [Read More](#)

Pakistan’s economy grinding to a halt as dollars dry up

Business Recorder (January 15, 2023)

KARACHI: Thousands of containers packed with essential food items, raw materials and medical equipment have been held up at Pakistan’s Karachi port as

the country grapples with a desperate foreign exchange crisis. A shortage of crucial dollars has left banks refusing to issue new letters of credit for importers, hitting an

economy already squeezed by soaring inflation and lacklustre growth. “I have been in the business for the past 40 years and I have not witnessed a wors... [Read More](#)

Oil crisis looming as LCs delayed

Tribune.com.pk (January 14, 2023)

ISLAMABAD: Pakistan is facing a looming oil crisis as banks have refused to open and confirm Letters of Credit (LCs) for the import of petroleum products. The Oil

Companies Advisory Council (OCAC), a grouping of refineries and oil marketing companies (OMCs), has drawn attention of the finance secretary and the State Bank

of Pakistan (SBP) towards the emerging situation. In a letter to the finance secretary, OCAC pointed to the challenges being faced by oil companies, which were findi [Read More](#)

PM says tapping friendly nations for more loans 'embarrassed' him

The News (January 14, 2023)

LAHORE: Prime Minister Shehbaz Sharif Saturday spoke about feeling embarrassed while seeking funds and loans from friendly countries during his recent

visits across various nations since the flooding in the summer of 2021. The prime minister, addressing the passing out ceremony of probationary officers of the

Pakistan Administrative Service (PAS) in Lahore, shared his regret stating that asking for foreign loans was not the right solution to deal [Read More](#)

Illegal channels: Pakistan's remittances fall 19% to \$2bn in Dec

Geo.tv (January 13, 2023)

KARACHI: Overseas workers' remittances flowing into Pakistan dropped 19% in December to \$2 billion from \$2.52 billion in the same month of 2021, the central

bank said Friday, mainly owing to the mushrooming of grey transactions as well as a recession that has dented incomes worldwide. The remittances received during

the July-December period of FY23 fell 11% to \$14.052 billion from \$15.807 billion in the first half of FY22, the State Bank of Pakistan (SBP) said. Month-on-month... [Read More](#)

Pakistan gets \$4bn lifeline as economic woes mount

The Dawn (January 13, 2023)

ISLAMABAD: Pakistan on Thursday secured a lifeline of about \$4 billion from the United Arab Emirates and Saudi Arabia to sail through the immediate challenge of a

sovereign default amid rapidly shrinking foreign exchange reserves, massive flood damages and an overall economic slowdown. Two separate official

announcements said the UAE pledged to roll over \$2bn debt payable over the next two months and topped this with an additional \$1bn support during an ongoing... [Read More](#)

UAE pledges \$3bn loan to help cash-strapped ally Pakistan

Aljazeera.com (January 12, 2022)

The United Arab Emirates is pledging a \$1bn loan to cash-strapped Pakistan and also agreed to roll over an existing loan of \$2bn in a boost to the South Asian nation grappling

with an economic crisis, according to Pakistan prime minister's office. The announcement came after Pakistani Prime Minister Shehbaz Sharif held talks with

UAE President Sheikh Mohamed bin Zayed Al Nahyan in the capital Abu Dhabi on Thursday on his third visit to the Gulf country after taking office... [Read More](#)

Pakistan's inflation at highest level since 1970s, says World Bank

Dunyanews.tv (January 12, 2023)

ISLAMABAD: - The World Bank has said that Pakistan's economy was in deep trouble and inflation in the country was at the highest level since 1970s. The World Bank has

released a report on the global economic impact in which it has been stated that the global economy was facing a slowdown due to many reasons including the Russo-

Ukraine war. According to the report, Pakistan's economic growth rate was expected to be two percent in the current financial year due to floods. Earlier, the Worl... [Read More](#)

World Bank projects 2pc growth

Business Recorder (January 11, 2023)

ISLAMABAD: The World Bank has projected Pakistan's GDP growth rate at two percent in the fiscal year 2022-23, half the pace that was anticipated last June, while saying that the country faces challenging economic conditions, including the repercussions of the recent flooding and continued policy and political uncertainty. The bank in its latest report, "Global Economic Prospects" stated that Pakistan, with low foreign exchange reserves and rising sovereign risk, saw its currency depr.... [Read More](#)

Over \$8 billion pledged at Geneva climate conference part of project loans — finance minister

Arabnews.pk (January 11, 2023)

ISLAMABAD: Out of the \$9.7 billion pledged by the international community at a recent climate conference in Geneva, more than \$8 billion were project loans to support the reconstruction and rehabilitation activities carried out by the country, said Pakistan's finance minister Ishaq Dar in a news conference on Wednesday. Prime Minister Shehbaz Sharif and United Nations Secretary-General Antonio Guterres co-chaired a day-long international conference on "Climate Resilien... [Read More](#)

Saudi Arabia hints at Pakistan bailout

Tribune.com.pk (January 10, 2023)

RIYADH: Saudi Arabia on Tuesday hinted at once again rescuing Pakistan from the precarious balance of payment problem, as Crown Prince Mohammed bin Salman directed authorities to consider increasing the cash deposit with the State Bank of Pakistan (SBP) as well as investment in the country. According to the Saudi state media, the crown prince directed the Saudi Development Fund (SDF) to study increasing the amount of the deposit provided by the kingdom in favo.... [Read More](#)

Pakistan may dodge default in next 6 months: Bloomberg

Business Recorder (January 10, 2023)

ISLAMABAD: Pakistan is likely to dodge default in the next six months, but its troubles are not over, stated Bloomberg Economics in a report on Monday. Ankur Shukla, who covers South Asia at Bloomberg, stated that the International Monetary Fund (IMF) will help the country through the end of June. "But investors are now worried about a big dollar debt repayment in April 2024, and are pricing those bonds at a distressed level," the report added, as it mad.... [Read More](#)

\$10.7b pledged as Pakistan races against time

[Tribune.com.pk](#) (January 09, 2023)

GENEVA: Pakistan on Monday secured over \$10 billion in pledges from international financial institutions, donor agencies and development partners for the rehabilitation, recovery and reconstruction of the flood-affected areas at an international conference. The International Conference on Climate Resilient Pakistan which was co-hosted by the government of Pakistan and the United Nations in Geneva. "The message from the world is clear: the world will stand by those who go [Read More](#)

Pakistan reaffirms commitment to IMF program after Geneva meeting

[Arabnews.pk](#) (January 09, 2023)

GENEVA: Pakistan reiterated its commitment to completing a program with the International Monetary Fund in a meeting on the sidelines of a climate conference in Geneva on Monday, the finance ministry said in a statement. Finance Minister Muhammad Ishaq Dar and IMF officials "discussed challenges to regional economies in the wake of climate change," according to the statement following the meeting's conclusion. "(The) finance minister reiterated the commitment ... [Read More](#)

All efforts being made to avoid default, says minister

[The Dawn](#) (January 08, 2023)

TOBA TEK SINGH: Interior Minister Rana Sanaullah has said that all-out efforts are being made by the PDM government headed by Shehbaz Sharif to overcome the economic crisis so that Pakistan can avert default. Addressing the inauguration ceremony of a Nadra office on Jhang Road in his constituency on Saturday, he said the country was facing the price hike and economic crisis due to strict conditions of IMF. These policies of the global lender put pressure on the PDM govern.... [Read More](#)

Pakistan repays over \$1bn external debt

[Business Recorder](#) (January 08, 2023)

KARACHI: The country has successfully repaid over one-billion-dollar external debt to international financial institutions on Friday. Although the country is facing a serious crisis of foreign exchange reserves, it is meeting international financial obligations to avoid default. Sources said that cumulatively, on Friday, the country repaid some \$1.2 billion to the two foreign banks. "Pakistan has paid back \$600 million to the Emirates NBD Bank, the leading Banking ... [Read More](#)

Pakistan Business Council asks govt to seek 'debt forgiveness'

The Dawn (January 07, 2022)

KARACHI: Pakistan should seek forgiveness of principal and interest on the debt extended by China, the Paris Club and bilateral and multilateral lenders, said the

Pakistan Business Council (PBC) on Friday. In its detailed proposals for improving the country's external and fiscal accounts, the advocacy body of

Pakistan's largest private-sector businesses said Islamabad should obtain professional advice from sovereign debt advisers on restructuring an.... [Read More](#)

Dollar shortage threatens to cause healthcare sector crisis in Pakistan

Business Recorder (January 07, 2023)

The ongoing dollar shortage in the country has now taken another threatening turn, as there is a scarcity of life-saving drugs and equipment in the

hospitals, according to Dr Tipu Sultan, one of the foremost names in the country's medical profession and ex-chairman of the Sindh Health Commission. Pakistan

is currently reeling from economic distress amid fast-depleting foreign exchange reserves, weakening rupee, and worsening macroeconomics ... [Read More](#)

PM in last-gasp bid to revive IMF talks

Tribune.com.pk (January 06, 2023)

ISLAMABAD:-With Pakistan's official foreign currency reserves slipping to a dangerous level of \$4.5 billion because of major debt repayments, Prime Minister

Shehbaz Sharif has requested the International Monetary Fund (IMF) managing director to immediately send over a team to the country to start review negotiations for the

next tranche of its loan. While speaking at the inauguration of Hazara Electric Supply Company (HAZECO) in Islamabad, the premier also confirmed a story... [Read More](#)

Pakistan imports threatened as forex reserves hit eight-year low

The News (January 06, 2023)

KARACHI: Pakistan's central bank forex reserves have plunged to an eight-year low of \$5.6 billion, posing a serious challenge for the country in financing imports.

Coupled with another \$5.8 billion held by commercial banks, the nation has \$11.4 billion in reserves — enough to pay for just three weeks of imports, traders and

economists say. "This is a very grave situation. If things get worse, Pakistan will need to have its loans restructured," said Mohammad Sohail, the head of economic... [Read More](#)

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