



MONTHLY
BULLETIN

October 2024



Introduction

This newsletter aims to update the reader with a concise summary of the developments that influence Pakistan's economic landscape.

Economic Events

- As of 25-Oct-2024, the foreign exchange reserves with SBP increased by \$647.8 million from last month Sept'24. The reserves held with SBP are \$11.156 billion and reserves with commercial banks stood at \$4.893 billion.

LIQUID FOREIGN EXCHANGE RESERVES (MILLION US\$)

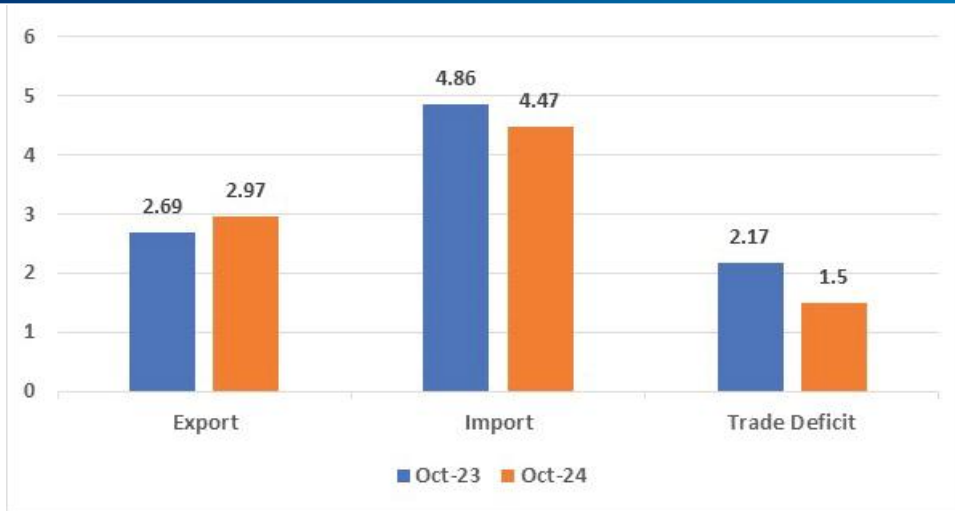
END PERIOD	NET RESERVES WITH SBP	NET RESERVES WITH BANKS	TOTAL LIQUID FX RESERVES
04-Oct-24	10,808.0	5,239.0	16,047.0
11-Oct-24	11,022.7	5,088.6	16,111.3
18-Oct-24	11,040.7	4,976.4	16,017.1
25-Oct-24	11,156.4	4,892.6	16,049.0

- Only one party, Real Estate development company Blue World City, bid Rs 10 billion for the 60% stake out of the six bidders finalized for PIA in June 2024. However, the government already set the minimum price of Rs 85 billion, so now the Privatisation Commission has to make the decision.
- On October 10, during a high-level Saudi delegation's visit to Islamabad, Pakistan and Saudi Arabia had signed 27 MOUs worth \$2.2 billion.

- To facilitate banks, SBP has revised the criteria for conversion of conventional banking branches into Islamic banking branches. To accelerate the conversion of branches, banks may establish a virtual conventional cost centers on a temporary basis to park unconvertible deposits and asset portfolio of converted branches with the approval of bank's Shariah Board. The bank will also approach account holders for seeking their consent for conversion of accounts from C2I through any appropriate channel.
- After Extended fund facilities from IMF, government will focus on tax reforms to simplify revenue collection, broadening the tax base and ensure the progressive of the tax system. Exporters will be brought into the regular income tax regime, and the Exporters Facilitation Scheme will be terminated.
- The Office of Banking Mohtasib disposed of the 18,836 complaints of banking customers in 9MFY25 and provided monetary relief of over Rs 1.06 billion.
- In 1QFY25, the export increased to \$7.88 billion, a growth of 14.11% as compared to the same period of last year. Similarly, the imports also grew by 9.86% and stood at \$13.31 billion in 1QFY25 whereas it was \$12.12 in the same period last year.
- The trade deficit decreased to \$1.5 billion in Oct-24, which was \$2.17 billion in Oct-23 and the trade deficit of 4MFY25 stood at \$6.97 billion, whereas it was \$7.39 billion in SPLY.

	Oct-23	Oct-24	4MFY24	4MFY25	Impact
Export	2.69	2.97	9.59	10.88	13.45%
Import	4.86	4.47	16.98	17.85	5.12%
Trade Deficit	2.17	1.5	7.39	6.97	5.68%

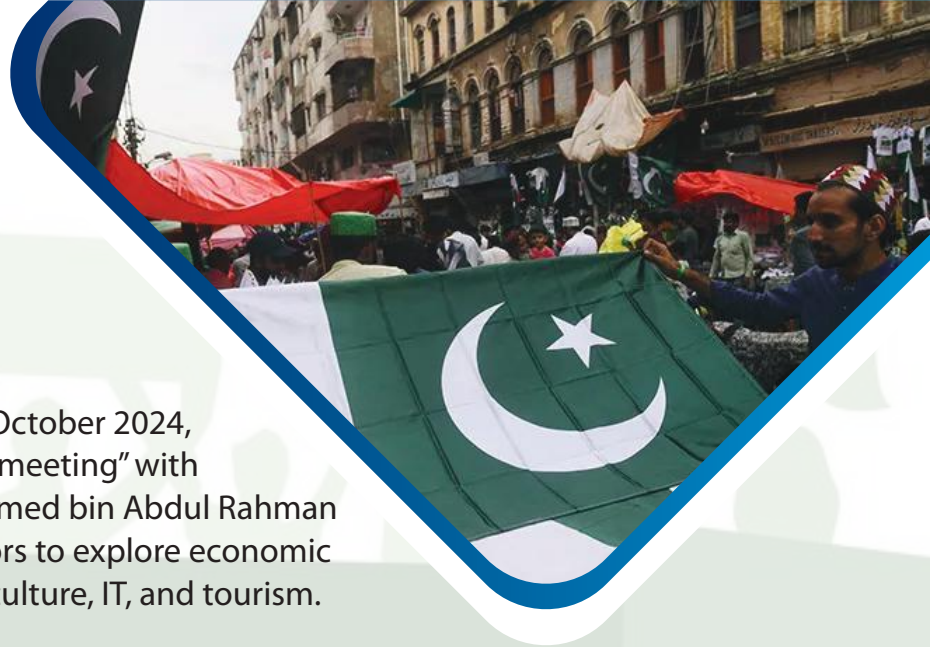
Amount in Billion Dollar



Product	Prices as of 1st Oct (A)	Prices as of 15th Oct (B)	Prices as of 1st Nov (C)	Monthly Increase / Decrease (C-A)
MS (Petrol)	247.03	247.03	248.38	1.35
High-Speed Diesel (HSD)	246.29	251.29	255.14	8.85



Political Front



- PM Shehbaz reached Qatar on 31 October 2024, held an “extensive and productive meeting” with Qatari counterpart Sheikh Mohammed bin Abdul Rahman Al Thani, and invited Qatari investors to explore economic sectors in Pakistan, especially agriculture, IT, and tourism.
- PM Shehbaz attended the Future Investment Initiative (FII) event in Riyadh, where the Saudi investment minister said, “When we came to Pakistan we concluded, in three days, 27 MOUs at 2.2 billion dollars and I mentioned at that time during various events that this was only the beginning. And to prove that, here we are — two or three weeks later — and I would like to announce that the number has increased from 27 MOUs to 34.”
- After the 26th Constitutional Amendment Bill, 2024, set the deadline for eliminating interest from banking in Pakistan. The amendment modifies clause (f) of Article 38 of the Constitution, which focuses on promoting social and economic well-being. The previous wording aimed to “eliminate Riba as early as possible,” but it has now been revised to state that this should be done “as far as practicable, by the 1st of January, 2028.”
- Justice Yahya Afridi takes oath as 30th Chief Justice of Pakistan on 26-Oct-2024 for the next 3 years.
- After the 26th constitutional amendment, the Special Parliamentary Committee nominated Justice Yahya Afridi as the next Chief Justice of Pakistan, set to succeed Qazi Faez Isa upon his retirement on October 25, 2024.
- President Asif Ali Zardari fell while deboarding at Dubai Airport. He was taken to the hospital immediately, and the doctor diagnosed a fracture in his foot and advised him to rest for a week.
- Pakistan hosted the 23rd meeting of the Council of the Heads of Government (CHG) of the member states of the Shanghai Cooperation Organization (SCO) from 15 to 16 October 2024 in Islamabad.
- SCO member states represented by the Prime Ministers of China, Russia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan as well as the First Vice President of Iran and External Affairs Minister of India.
- PM Shahbaz Sharif went Riyadh, Saudi Arabia, on 29th October for a two-day visit, to enhance the bilateral ties and participating in the Future Investment Initiative (FII) summit. This FII themed as “Infinite Horizons: Investing Today, Shaping Tomorrow,” to addressed the critical global issues on AI, energy, and sustainability



World Updates

PALESTINE UNDER ATTACK

Latest casualty figures as of October 31

PALESTINE	KILLED	INJURED	PRISONERS FREED
	43,997	107,891	240
ISRAEL	KILLED	INJURED	HOSTAGES RELEASED
	1,139	8,730	110

- South Africa has filed “evidence” in International Court of Justice on “genocide” committed by Israel in the Gaza Strip. The document “contains evidence which shows how the government of Israel has violated the genocide convention by promoting the destruction of Palestinians living in Gaza”.
- Canadian PM Justin Trudeau said on 16th October, “The Indian government made a horrific mistake in thinking that they could interfere as aggressively as they did in the safety and sovereignty of Canada”. It was linked to the murder of a Sikh separatist leader in Canada and also kicked out six Indian diplomats from Canada.
- Saudi Arabia’s Sovereign Wealth Fund, the Public Investment Fund (PIF), has signed five MoU with Japanese financial institutions worth up to an overall \$51 billion.
- Bangladesh, for the first time exported the commercial bus, sending an initial shipment of 11 air-conditioned buses to Bhutan. These buses are produced by Ifad Autos at its manufacturing facility in Dhamrai, Dhaka.
- Russian companies are interested in barter deal due to western sanctions over Russia’s invasion in Ukraine. Two agriculture companies from Russia and Pakistan have signed barter deals to trade chickpeas and lentils from Russia in exchange for rice, mandarins and potatoes
- During the Pakistan visit of Chinese Prime Minister Li Qiang, both countries signed the protocol for the export of donkey meat and hides to China. After the protocol’s signing, the process to register the companies involved in export and import will be started. It include Hangeng Group, which will establish a donkey slaughterhouse in the Gwadar Free Zone, with a capacity of 216,000 donkeys processed annually.

- As per the Savills Prime Residential World Cities index Published, Dubai was ahead with a phenomenal 12.1% rental growth in immovable property, due to the higher interest rate environment, the return of tourism and expats. In addition, Bangkok took the second place in the list with 9% return and Lisbon with 7.5% for third place.
- Qatar Airways equipped with Elon Musk's Starlink internet in its inaugural Boeing 777 flight, paving the way for a new era of in-flight connectivity across its entire fleet by next year. Qatar Airways CEO Badr Al Meer held a video call with Elon Musk while flying at 35,000 feet from Doha to London.

BRICS Summit 2024

- The 16th BRICS summit held in Kazan, Russia from 22-24 October-2024, where the leaders from China, Egypt, Brazil, India, Iran, Ethiopia, South Africa and UAE participated. Representatives from 36 countries attended the 3 days summit in Russia.
- UN Secretary-General, Antonio Guterres, attended the BRICS summit, his first meeting with President Putin in over two years.
- Here are the key points highlighting its importance



1- Strengthening Economic Ties

Reaffirmed their commitment to improving financial cooperation and increasing the use of local currencies to promote economic stability and prosperity.

2- Multilateralism and Global Governance

Reflect the dedication to promoting a more equitable global order. In order to fight Western domination, leaders talked about how to strengthen the "Voice of the Global South," ensuring that developing countries play a vital role in global governance.

3 - Inclusion of New Members

Inclusion of new members as Iran, Egypt, Ethiopia, Saudi Arabia, and the UAE. BRICS countries represent approximately 41% of the global population and 24% of the global GDP.

4- Addressing Security Concerns

Security debates focused on counter-terrorism activities and regional stability, particularly in light of continuing conflicts like the Ukraine crisis. The declaration emphasized collective security measures, stating that "dialogue and diplomacy" should take preference over violence.

5- Alternative Financial Mechanisms

The summit sparked discussions about developing alternatives to the present Western-dominated banking institutions. The proposals included a cross-border payment system and expanded functions for the New Development Bank (NDB), with the goal of providing member countries with greater financial autonomy and resilience to external shocks.

6- Cultural and Humanitarian Cooperation

Leaders also discussed the importance of enhancing cultural relations and humanitarian efforts among member states. This theme seeks to build greater links among BRICS members through educational exchanges and joint projects addressing societal concerns.



Financial World

Forex Update

- The Inter Bank rate of PKR depreciated by Rs 0.15 in Oct'24 and closed at 278.20.
- The closing rate of major currencies on 31st Oct 2024 were;

INTER BANK RATES

Currency	Symbol	Bank Buying TT Clean	Bank Selling TT & OD
 Australian Dollar	<u>AUD</u>	182.5	182.83
 Canadian Dollar	<u>CAD</u>	199.6	199.96
 China Yuan	<u>CNY</u>	39.35	39.42
 Danish Krone	<u>DKK</u>	40.41	40.48
 Euro	<u>EUR</u>	301.42	301.96
 Hong Kong Dollar	<u>HKD</u>	35.89	35.95
 Japanese Yen	<u>JPY</u>	1.82	1.82
 Saudi Riyal	<u>SAR</u>	73.97	74.1
 Singapore Dollar	<u>SGD</u>	210.04	210.42
 Swedish Korona	<u>SEK</u>	26.12	26.17
 Swiss Franc	<u>CHF</u>	320.94	321.52
 Thai Bhat	<u>THB</u>	8.23	8.24
 U.A.E Dirham	<u>AED</u>	76.16	76.29
 UK Pound Sterling	<u>GBP</u>	359.72	360.37
 US Dollar	<u>USD</u>	277.7	278.2

Capital Market

- The KSE-100 index closed at 88,966.77 points after an increase of 7,852.57 points, the index closed at 81,114.20 points last month.
- The KSE-100 touched the level of record high of 91,872.63 in Oct-2024.



Important Economic Indicators as of 31st August 2024

Currency (PKR to USD) Rs. 278.20	Personal Income Tax Rate 35%
Stock Market (KSE-100 Index) 88,966.77	GDP Annual Growth 2.5% (E)
Unemployment Rate 10.3% (E)	Consumer Confidence 33.5(E)
Inflation Rate 7.2%	Brent Crude Oil \$ 72.55/Bbl
Interest Rate 17.5%	WTI Crude Oil \$ 68.61/Bbl
Corporate Tax Rate 29%	Gold per Tola Rs. 289,690

Gold Movement

- The Gold reached the level of \$2787 per ounce.
- The price of gold in international market in last six increase from \$2318.27 to \$2789.95

Tax World

- On the direction of Chairman FBR, all pending Sales Tax Refund Payment Orders of exporters amounting to worth Rs. 32 Billion processed faster upto 30th Sep, 2024 will be disbursed on 1st November, 2024
- The FBR revised the values of immovable properties upto 75% of market value in 56 cities after the series of meetings with the developers and builders.

- The FBR had previously adjusted property valuations four times, in 2018, 2019, 2021 and 2022. After a gap of over 2 years, now the FBR has issued the fresh values of immovable properties.
- FBR has asked the provinces to adopt a federal schedule of income tax for collecting agricultural income tax. The provincial governments will amend the Agricultural Income Tax through necessary legislative changes where the Federal Personal Income for small farmers and Corporate Income for Commercial Agriculture will be begin from Jan-2025. FBR will collect the tax of approximately Rs 300 billion rupees.
- As per the FBR record, salaried class paid the Rs 111 billion in tax in 3MFY25, which was approx. Rs 71 billion in same period last year. The private employees paid the Rs 83 billion and government employees paid Rs 28 million in taxes during the period.
- As per finance minister, out of total 7 trillion tax evasion, approximately Rs 3.4 trillion is pertained to Sales Tax evasion in key economic sectors. He announced punitive measures including 10 years in jail and substantial fines for chief financial officers (CFOs) of large corporate firms.
- The FBR has missed to achieve the monthly target of Rs 980 billion set for October 2024 by collecting net revenue of Rs 877 billion, a shortfall of Rs 103 billion.
- However, FBR has collected Rs 3,440 billion in the 4MFY25, a shortfall of Rs 196 billion record in the period.

Fact Info

S. No.	Country	Total Area (Sq. Km)	Land Area (Sq. Km)	Ratio in world
1	Russia	17,098,242	16,376,870	11.00%
2	Canada	9,984,670	9,093,510	6.10%
3	China	9,706,961	9,388,211	6.30%
4	United States	9,372,610	9,147,420	6.10%
5	Brazil	8,515,767	8,358,140	5.60%
6	Australia	7,692,024	7,682,300	5.20%
7	India	3,287,590	2,973,190	2.00%
8	Argentina	2,780,400	2,736,690	1.80%
9	Kazakhstan	2,724,900	2,699,700	1.80%
10	Algeria	2,381,741	2,381,740	1.60%
11	DR Congo	2,344,858	2,267,050	1.50%
12	Greenland	2,166,086	410,450	0.30%
13	Saudi Arabia	2,149,690	2,149,690	1.40%
14	Mexico	1,964,375	1,943,950	1.30%
15	Indonesia	1,904,569	1,811,570	1.20%



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