

Daily Economic Update – 2nd & 3rd October, 2022

KSE-100

KSE 100 Index

43,676.56 +240.08 (+0.55%)

Commodities

OIL (BRENT) Commodity

87.25 -0.65 (-0.74%)

12:45:00 AM MI Indication

OIL (WTI) Commodity

81.61 +1.90 (+2.38%)

01:15:00 AM NYMEX

COTTON Commodity

0.93 -0.01 (-1.06%)

Official Close 9/30/2022 MI Indication

TOP NEWS

Factories Making Towels and Bedsheets Are Shutting in Pakistan

Pakistan's small textile mills, which make products ranging from bedsheets to towels mainly for consumers in the US and Europe, are starting to shut after devastating floods wiped out its cotton crop. Complete Story: <https://www.bloomberg.com/news/articles/2022-10-03/factories-making-towels-and-bedsheets-are-shutting-in-pakistan>

Bleak outlook of exports

The US economy shrank in the first two quarters of this year. And even if it experiences expansion in the third and fourth quarters, full year growth may not exceed 1.5 per cent in 2022. It may eventually fall to just 0.5pc in 2023, according to the latest forecast of the OECD.

Complete Story: <https://www.dawn.com/news/1713125>

The bounty of low-hanging fruits

There is room for the IT sector to grow since IT requires minimal investment to set up but generates 2x-6x more revenue per headcount as compared to a textile worker, says PBC. Investing in IT is a low-hanging fruit that reaps bountiful results. Complete Story: <https://www.dawn.com/news/1713100>

Volatile energy could become the norm for garment makers

The worry, at present, is that it is hard to see an end in sight as far as the energy crisis is concerned, which continues to hamper productivity in our garment industry. This crisis is causing sleepless nights for all of us with a vested interest in the success of our most important industry. Complete Story: <https://www.thedailystar.net/opinion/rmg-notes/news/volatile-energy-could-become-the-norm-garment-makers-3133461>

Agricultural products export to China to further grow: Qadir

Pakistan has rich potential of the export of agricultural products to China and the present government is taking concrete measures to take advantage of huge demand of fruits and vegetable in the Chinese markets, said Commercial Counsellor, Pakistan Embassy Beijing, Ghulam Qadir. "I think, the increase in the agricultural products exported to China this year is still tip of iceberg. The potential is much more and we are working hard to further enhance our exports to China," he told APP on Sunday.

Complete Story: <https://pakobserver.net/agricultural-products-export-to-china-to-further-grow-qadir/>

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Pakistani Rupee		Inverse	
 US Dollar	227.50 PKR	-0.19%	
 Euro	222.86 PKR	+0.026%	
 British Pound	253.30 PKR	+0.069%	
 Japanese Yen	1.5702 PKR	-0.3%	

Cotton #2 Futures	Open	Last	Volume
Oct '22	93.00	93.22s	1
Dec '22	85.39	85.52	445
Mar '23	83.10	83.38	142

GENERAL NEWS

Senate approves bill to establish Export Import Bank of Pakistan

In a bid to promote international trade, the Senate session approved on Friday a bill to establish the Export-Import (EXIM) Bank of Pakistan. "The government of Pakistan took the decision with a mandate to provide innovative products to support the growth of exports and export-led foreign direct investment by mitigating related risks," said a statement by the EXIM Bank of Pakistan. Complete Story: <https://mmnews.tv/senate-approves-bill-to-establish-export-import-bank-of-pakistan/>

Crop-switching for conservation

Climate change leads to extreme weather events, causing severe droughts and floods, making water availability less predictable. The situation is problematic for agriculture as it accounts for over 90 per cent of Pakistan's water. Complete Story: <https://www.dawn.com/news/1713130/crop-switching-for-conservation>

BMP urges govt to ensure payments for renewable energy in PKR

The Federation of Pakistan Chambers of Commerce and Industry's Businessmen Panel (BMP) has suggested the government to ensure payments for renewable energy generation in Pak rupees with a view to control the oil import bill in future, as power production through wind and solar energy do not involve the imported fuel like thermal power or coal-based power generations, which are totally dependent on imported oil or coal. Complete Story: <https://www.brecorder.com/news/40200950>

'Environmentally sustainable' bonds

Pakistan faces a significant challenge to finance its large trade deficits and external debt repayments. This is reflected in the sharp drawdown of the SBP (State Bank of Pakistan) foreign currency reserves in the last one year, from a peak of \$ 20 billion in August 2021 the reserves have declined to \$ 8.6 billion in September 2022. Complete Story: <https://www.brecorder.com/news/40200944>

Industry 4.0 — this century's revolution

The government claims that Pakistan is striving to improve innovation and industrial digitisation. However, experts and business leaders assert that the ecosystem has yet to evolve to integrate Pakistan into the global supply chain through digitisation, without which sustainable development will remain a pipedream. Complete Story: <https://www.dawn.com/news/1713104/industry-40-this-centurys-revolution>