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Govt taking all possible steps to boost economy

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After scandals, Johnson to quit as British PM

LONDON: Scandal-ridden Boris Johnson announced on Thursday he would quit as British prime minister after he was abandoned by ministers and most of his Conservative lawmakers.

Bowing to the inevitable as more than 50 ministers quit and lawmakers said he must go, an isolated and powerless Johnson spoke outside his Downing Street to confirm he would resign. "The process of choosing that new leader should begin now."

And today I have appointed a cabinet to serve, as I will until a new leader is in place," Johnson said.

After days of battling for his job, the scandal-plagued Johnson had been deserted by all but a handful of allies after the latest in a series of scandals broke their willingness to support him. "His resignation was inevitable," Justin Tomlinson, deputy chairman of the Conservative Party, said on Twitter.

"As a party we must quickly unite and focus on what matters. These are serious times on many fronts." The Conservatives will now have to elect a new leader, a process which could take weeks or months. A snap YouGov poll found that defence minister Ben Wallace was the favourite to replace Johnson, followed by junior trade minister Penny Mordaunt and former finance minister Rishi Sunak.

Many said he should leave immediately and hand over to his deputy, Dominic Raab, saying he had lost the trust of his party. Keir Starmer, leader of the main opposition Labour Party. —APP

■ Inflation attributed to Russia-Ukraine war, domestic developments

SBP jacks up interest rate to 15pc, highest since Nov 2008

From Our Staff Correspondent

KARACHI: The State Bank of Pakistan (SBP) announced on Thursday that it had increased the interest rate by 125 basis points (BPS) to 15 percent.

In a press conference after the monetary policy committee (MPC) met to decide on the policy rate, the central bank's Acting Governor Dr Murtaza Syed said the "most important" objective behind the move was to control spiraling inflation. He attributed the rise in inflation to global reasons, such as the Russia-Ukraine war, and domestic developments, including a "very high economic growth."

Dr Syed said that while a high economic growth rate was usually a good development, Pakistan's economy was structured in a way that it would start facing problems if the rate was six per cent for two years in a row. Inflation had risen because of fiscal expansion, he added. "The environment is very complex and uncertain. We have seen this kind of inflation globally after 50-60 years."

The acting governor, however, expressed the hope that the country would get past the phase of high inflation in the same way that it had been successful in

combating the coronavirus pandemic.

Syed said that inflation would remain between 18 to 20pc in the current fiscal year, however, the SBP would try to make sure that it did not rise beyond 20pc. If the SBP had not raised the benchmark policy rate, it could have led to a worse situation — hyperinflation and more pressure on the currency, he said.

The central bank acting chief said economic growth was expected to come in at 3 to 4pc in the current fiscal year, which would reduce the risk of a further rise in inflation. "The inflation number will remain high but we will try that it does not increase. We will try to control month-on-month [inflation] but the year-on-year [inflation] will unfortunately remain between 18 to 20pc."

He emphasised the need to control food prices. "While the monetary policy cannot control this, the agricultural output can be increased and bottlenecks in supply distribution can be addressed."

Meanwhile, SBP Deputy Governor Sima Kamal said the Monetary Policy Committee had decided that the Export Finance Scheme (EFS) and Long-Term Finance Facility (LTFF) rates would be 5pc less compared to the interest rate.

"We want to keep supporting the exporter ... this is a very important step," she said. The central bank earlier raised the benchmark interest rate by 150 bps to 13.75pc in May. Pakistan is wrestling with economic turmoil, a fall in reserves and a weakening currency.

Most economists and market watchers believed a hike was inevitable, given persistently high global energy prices, the abrupt ending of fuel subsidies as well as the need to control demand after SBP said in its last policy statement the economy had rebounded much more strongly than anticipated.

Today's meeting, the Monetary Policy Committee (MPC) decided to raise the policy rate by 125 basis points to 15 percent. In addition, as foreshadowed in the last monetary policy statement, the interest rates on EFS and LTFF loans are now being linked to the policy rate to strengthen monetary policy transmission, while continuing to incentivize exports by presently offering a discount of 500 basis points relative to the policy rate. This combined action continues the monetary tightening underway since last September, which is aimed at ensuring a soft landing of the economy amid an excep-

tionally challenging and uncertain global environment. It should help cool economic activity, prevent a de-anchoring of inflation expectations and provide support to the Rupee in the wake of multi-year high inflation and record imports.

Since the last meeting, the MPC noted three encouraging developments. First, the unsustainable energy subsidy package was reversed and an FY23 budget centered on strong fiscal consolidation was passed. As a result, Pakistan faces a significantly lower trade-off between growth and inflation than many countries where the post-Covid recovery has not been as vigorous. However, several adverse developments have overshadowed this positive news. Globally, inflation is at multi-decade highs in most countries and central banks are responding aggressively, leading to depreciation pressure on most emerging market currencies. This strong monetary tightening has occurred despite concerns about a slowdown in global growth and even recession risks, highlighting the primacy that central banks are placing on containing inflation at this juncture.

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PSX gains 184 points, closing at 41,344 points

ISLAMABAD: The Pakistan Stock Exchange (PSX) witnessed bullish trend on Thursday, gaining 184.22 points, a positive change of 0.45 percent, closing at 41,344.01 points against 41,159.79 points on the last working day.

A total of 99,088,707 shares were traded during the day compared to the trade of 98,247,131 shares the previous day, whereas the price of shares stood at Rs 4.041 billion against Rs 2.690 billion on last trading day. As many as 310 companies transacted shares in the stock market, 162 of them recorded gain and 126 sustained losses, whereas the share price of 22 companies remained unchanged.

The three top trading companies were Lotte Chemical with a volume of 7,320,260 shares and price per share of Rs 25.02, Oil and Gas Dev with volume of 5,795,311 and price per share of Rs 80.46 and Sui North Gas with volume of 5,323,483 and price per share of Rs37.37.

Nestle Pakistan witnessed a maximum increase of Rs 190 per share, closing at Rs5,850 whereas the runner up was Allawasaya Tex, the share prices of which climbed up by Rs 131.33 to Rs 1,891.33. Gatron Ind. witnessed maximum decrease of Rs 29.19 per share closing at Rs 400 followed by Otsuka Pak, the share price of which declined by Rs 17.05 to close at Rs213.01. —APP



LAHORE: People on top of trains as they travel to their hometowns ahead of Eid-ul-Azha at the Shahdra Railway Station.

PIA announces 20pc cut on air travel for Eid

ISLAMABAD: Pakistan International Airlines (PIA) has announced a 20 percent discount on all air travel tickets during the Eid-ul-Azha holidays.

The national airline on Thursday said that passengers could avail this opportunity on all three days of the Eid-ul-Azha. PIA made this announcement on the special instruction of Federal Aviation Minister Khawaja Saad Rafique. Earlier, PIA made history by becoming the first-ever carrier to connect Pakistan with the land of the pandas, Changued. PIA shed beautiful clicks of the historic event from the welcoming party to the touching down of the elegant Boeing 777-200ER. PIA has started this operation on a weekly flight. —DNA

EC notifies 5 PTI members on PA reserved seats

LAHORE: The PTI members of assembly have taken oath on three reserved seats for women and two reserved seats for minorities in the Punjab Assembly (PA).

Speaker Punjab Assembly Chaudhry Pervez Elahi administered oath to the members on five reserved seats of PA.

Batool Zain, Saira Raza and Fouzia Abbas Naseem took oath on three reserved seats for women. These seats fell vacant due to de-notification of Uzma Kardar, Aisha Nawaz and Sajida Yousaf over defection.

Habkook Rafiq Babbu and Samuel Yaqoob took oath on two reserved seats for minorities. These seats fell vacant due to the de-notification of PTI MPAs Ijaz Masih and Haroon Imran Gill. —APP

LPG price reduced by Rs10 per kg

ISLAMABAD: The price of Liquefied Petroleum Gas (LPG) has been reduced by Rs10 per kilogram, bringing it down to Rs210 from 220. The price of domestic LPG cylinder was decreased by Rs120 and of commercial cylinder by Rs450.

The domestic cylinder will now be available for Rs2,480 and commercial cylinder Rs9,530. —DNA

Poor economy brought out of red zone: Ahsan

ISLAMABAD: Ahsan Iqbal, Federal Minister for Planning & Development said that when the new government took over power, Pakistan was heading towards default, but with tough decisions, the economy has now been brought out of the red zone towards improvement and efforts are afoot to reconstruct it.

He highlighted the jump-start in exports, export-led growth, enhanced tax revenue, \$25-30 billion annual FDI, political stability and consistency in policies as key requirements for Pakistan to emerge as a stable economy. He said that China's annual imports were \$1 trillion and the business community should focus on increasing their share in this huge market to improve trade with China. He said that the government was focusing on facilitating SMEs and optimizing businesses & agriculture sectors to improve the economy.

He said that the government was seeking proposals from chambers of commerce to abolish laws or amend them that were creating hurdles for the private sector in order to turnaround Pakistan and urged that ICCI should form a task force to develop such proposals and share them with his ministry for consideration and implementation.

He further said that ICCI should share its proposal for industrial estate in writing that would be given due consideration.

He announced that ICCI would be given representation in the Advisory Board of the Ministry of Planning. —Online

National solar energy policy on Aug 1: Shehbaz

From Our Staff Correspondent

ISLAMABAD: Prime Minister Shehbaz Sharif has said that a national solar energy policy will be announced on the first of next month to address energy related issues.

Chairing a meeting Energy Task Force in Islamabad on Thursday, he said that the enforcement of this policy will be linked to the approval by the Council of Common Interests (CCI). Shehbaz Sharif said that PM House and Office will be converted to solar energy on emergency basis in one month.

The Prime Minister said providing cheap and environment friendly electricity is the top priority of the government. He said it is our effort to Pakistan self-sufficient in energy sector.

Shehbaz assures Balochistan CM of assistance for rain-hit areas

PM Shehbaz Sharif on Tuesday assured the Government of Balochistan of federal government's all possible sup-

port to help overcome the losses caused by the heavy rains in the province.

The PM, in a meeting with Chief Minister of Balochistan Abdul Quddus Bizenjo, said the development of Balochistan was among his govt's priorities. During the meeting, they discussed the overall political situation particularly the matters pertaining to Balochistan.

PM opens Blue Line, Green Line Metro Bus services in Islamabad

Prime Minister Shehbaz Sharif inaugurated on Thursday the Blue Line and Green Line Metro Bus service routes in Islamabad and said that the launch is an important step for the government.

Addressing the ceremony, the PM said that the provision of a regular, clean and punctual bus service is a major step for the government. He directed authorities to complete all the related facilities, including the passenger stations on these routes at the earliest. PM Shehbaz also announced travel will be for one month on the two lines, adding that the

service is a gift for the residents of Islamabad and Rawalpindi.

The Green Line Metro Bus Service will run between Bhara Kahu area to PIMS Hospital Islamabad. The 15.5 kilometres long route will have eight stations. The Blue Line Metro Bus Service will run between Koral Chowk to PIMS Hospital Islamabad. The 20 kilometres long route will have 13 stations.

Chairman CDA Amir Ahmed Ali said 30 buses from China had been added to the fleet to facilitate the services.

The Govt has decided to shift PM House and office on solar energy. The national Solar Energy policy will be announced on August 01. A high-level meeting of Energy Task Force was held under PM Thursday. Meeting was attended by federal ministers Khurram Dastgir, Miftah Ismail, Ahsan Iqbal, Mariyum Aurangzeb, Minister of State for Petroleum Tassadaq Malik, senior officers and chief secretaries of all the



ISLAMABAD: Minister of State for Petroleum Musadik Malik addresses a press conference.

Declining int'l prices to bring down inflation, says Miftah

ISLAMABAD: Minister for Finance and Revenue, Miftah Ismail said here on Thursday that declining trend in international food and fuel prices would help bring down commodity rates in Pakistan.

Addressing a press conference, the federal minister said that per barrel crude oil prices have come down to \$100 from \$123 while the prices of edible oil and ghee have also declined from the highest \$1700 per ton to \$1000 per ton. He said that the government would pass on the benefit of decreasing international fuel prices to the people at an appropriate time, while the prices of edible oil were also expected to come down by Rs100 to Rs150 to make the commodity avail-

able at Rs350 to Rs370 per kilogram.

The minister said that the government was already providing flour and sugar at the rate of Rs40 and Rs70 respectively through Utility Stores Corporation. The prices would further come down keeping in view the downward trend in international wheat prices. The minister said the economy was under control as the incumbent government saved it from collapse despite huge damages inflicted by the previous regime. Currently, most of the economic indicators were stable.

He said, the government presented a balanced budget, wherein rich were made to sacrifice and poor provided initiatives, adding that the

budget measures are expected to lead to progress and growth. He said, the previous government had left highest trade and current account deficits accompanied by low reserves. However, he added, with \$2.4 billion provided by China, the foreign exchange reserve position has improved. The reserves would further improve once agreement with International Monetary Fund (IMF) is finalized. Things are getting better, he remarked.

Talking about the energy issues, he said, the PTI government did not complete the power projects that were initiated by Pakistan Muslim League and consequently the people had to face load-shedding. —APP