



28th December, 2019

From the Newspaper

Economic policies

THIS is apropos the news 'Citibank Pakistan gives ringing endorsement to govt's economic policies' (Dec 10). True, some of the economic indicators are giving a positive outlook about the economy, and the international agencies such as the World Bank and Moody's, are also appreciating the government's efforts.

Coming to the endorsement of economic policies, by the managing director of a foreign bank, one gets the feeling that the government's policies are more favourable to the banking sector, and one does not have to look far for the reason: a hefty discount rate of 13.25 in short-term treasury bills, this is an increase by 5.75 since September last.

Furthermore, with such attractive discount rates, the foreign banks have heavily invested in government papers to the tune of Rs75 billion compared to just Rs18.67 billion last year for the same period, an increase of Rs56.33 billion, while its advances portfolio has registered a nominal increase of Rs17.5 billion.

The scenario depicts that the bank has found an easy and hassle-free avenue to earn money by investing in government papers.

The finance and trade sector, which involves painstaking work and risk, and is supposed to be the backbone of a bank, is being neglected, which in turn is slowing down industrial and export activities in the country. This is not good for the economy.

Muhammad K Sufi
Islamabad