

Govt pays \$7.229bn in debt servicing

KARACHI: The government paid \$2.346 billion in the third quarter of last fiscal year as debt servicing payments, reported the State Bank of Pakistan (SBP) on Thursday.

Data published by SBP revealed that the government in the first nine months of FY19 paid \$7.229bn — slightly less than the cumulative payments during FY18.

The rising debt servicing costs have become a cause of concern for the government which is already facing an acute shortage of foreign exchange reserves.

If the country pays another \$2.5bn in the form of debt servicing during the fourth quarter, the cumulative payments would reach to \$10bn. The cumulative payments made during the first three quarters included \$5.184 as principal and \$2.045bn interest.

SBP reserves fall

Foreign exchange reserves of the State Bank of Pakistan (SBP) fell despite receiving \$500 million from Qatar during the week ended on June 28, announced the central bank on Thursday.

The inflow of \$500m was the part of the promised \$3 billion fund from Qatar. The country would place \$3bn in SBP's account.

“After taking into account outflows relating to external debt and other official payments, SBP reserves decreased by \$9m during the week,” said the SBP.

The foreign exchange reserves of the SBP stood at \$7.272bn while the holdings of the commercial banks were \$7.17bn till June 28 making the total reserves of the country at \$14.443bn.

After approval of loans from IMF and inflow from other projected loans, the country's reserves would be able to meet the current account deficit which may fell to \$13bn in FY19 compared to \$20bn in FY18.

The Newspaper's Staff Reporter