

## **Pakistan expecting \$2 billion from China**

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ISLAMABAD: In the wake of rising current account deficit that swelled to \$14.035 billion in the first 10 months and resulting into slashing down of foreign currency reserves with every passing week, Pakistan is looking towards China as the last available option with expectations of receiving \$01 to \$02 billion on account of safe deposits before June 30, 2018, The News has learnt.

If China does not rescue Islamabad, then there will be no other choice but to knock at the door of the IMF as lender of last resort for all countries facing balance of payment crisis and avoiding default on external payment position.

When Federal Minister for Finance Dr Miftah Ismail was contacted for seeking his comments on Friday, he said that there was a month of heavy repayments to foreign institutions after which the foreign currency reserves declined.

“We will be able to build up our reserves to better position next month,” he hoped but refused to share details when inquired how it would be done. Another top official said, “Wait and see” as something was in the pipeline, which would be materialised most probably by next month.

One top official of the Finance Ministry confirmed to The News on Friday that Pakistan did not make any formal request to China for keeping dollars in the shape of safe deposits into the State Bank of Pakistan (SBP), but Beijing had conveyed through informal channels that they might sanction putting \$01 to \$02 billion for keeping into Pakistan’s central bank in a bid to jack up the dwindling foreign currency reserves. At the moment, China’s \$500 million are lying into safe deposit with the SBP.

Pakistan had returned safe Chinese deposit to Beijing when the country’s reserves had reached comfortable position after graduating the IMF programme successfully during the tenure of former finance minister Ishaq Dar in September 2016.

According to the plan of the Ministry of Finance, Pakistan will be receiving \$01 to \$02 billion from China for keeping into safe deposit and then the government will go for launching Eurobond in the range of \$02 billion.