

NEWSLETTER

4TH ISSUE | OCT – DEC 2020 | IBA ALUMNI UAE CHAPTER

WELCOME NOTE

Greetings Fellow IBAsians,

Finally, an end to the roller coaster ride of the year 2020. From forest fires to a pandemic to closure of businesses... we have experienced it all in just these 12 months. But now it's time to look ahead towards a ray of hope. Many countries have already started giving vaccines and some have inked purchase agreements with pharmaceutical companies. 2021 will be a year of hope, recovery, healing, and moving forward. Economies are picking up quickly, jobs are being created and governments are supporting industries to help them come out of this crisis. We would like to dedicate this newsletter to every doctor, nurse, teacher, economist, parent, delivery person, security personnel, administrator, manager and worker who took up this challenge, fought against all odds, and came out as a winner. Thank you all in helping us pull through this crisis.

Now that entertainment areas are opening up, everyone is looking for avenues which are safe but entertaining. Javeria has highlighted some family entertainment places now open in the UAE.

Commemorating the UAE's 49th national day, decorations were set up all over the country despite covid, and some buildings were beautifully lit and were worth a watch. Few which were captured by the lens have been included

in this newsletter.

We will be celebrating the 144th birthday of our Father of the Nation, Quaid e Azam Mohammad Ali Jinnah on the 25th of December. As a tribute to his endeavors and work done, we have included some of his inspirational quotes.

UAE Chapter has been quite active throughout this quarter and conducted various webinars. Brief of these can be found in the pages ahead. The most recent one has been the Roshan Digital Account webinar to create awareness among Pakistani expats. You will also find an article detailing about RDA and some of its features.

The economies are gradually reviving and recovering, yet it is still a long way to go. Economic activity has begun and consumer demand has finally picked up. A related article has been included focusing on few potential growing sectors of the economy.

We wish everyone a prosperous and a healthy year ahead. Stay safe, stay blessed and a Happy New Year to all.

*Andaleeb,
Head of Publications Committee
IBA Alumni UAE Chapter*

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ROSHAN DIGITAL ACCOUNT

By Ms. Andaleeb Shahid

MBA-2003

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Roshan Digital Account (RDA) is a remarkable opportunity for Non-Resident Pakistanis to do banking and investment activities in Pakistan at a click of a button. This initiative of State Bank of Pakistan is being undertaken through various commercial and Islamic banks operating in Pakistan. The scheme was launched on September 11th, 2020 as an incentive for the Pakistanis residing all over the globe. Most of the major banks in Pakistan are authorized to open these accounts which includes Bank Alfalah, Faysal Bank, HBL, MCB, Meezan Bank, Samba Bank, Standard Chartered and UBL. Roshan Digital Account can be opened in PKR and various FCY. The process to open the account is designed to be easy, hassle-free and user-friendly. Quick turnaround time is also kept a priority. It is estimated that since the launch, over 40,000 new Roshan Digital Accounts have already been opened. That is an average of around 1,000 new accounts being opened each day. As of 10th December, inward remittances from overseas Pakistanis into Roshan Digital Account rose to USD 7.7 million, their highest ever daily amount. Total inward remittances into Roshan Digital Account have reached USD 139.4 million, with USD 81 million invested in Naya Pakistan Certificates.

To create awareness and clarity about this new initiative, various webinars are being conducted worldwide by the expert teams of the State Bank of Pakistan. Various commercial banks and financial bodies are also conducting online seminars and FAQ sessions to play their pivotal role in emphasizing the importance of remittances in national development. This initiative will be extremely helpful in giving a boost to the struggling economy of Pakistan. In the short run, it could bring in huge influx of remittances and in the long run, it

could help keep our balance of payment positive. Dependence on the international lending agencies could also diminish with time. For the first time ever in the history of Pakistan, the scheme provides lucrative investment opportunities for the savings of NRPs with fully repatriable funds.

Eligibility:

1. Pakistanis living abroad.
2. Pakistanis living in Pakistan but have declared assets held abroad (declared assets with the FBR).
3. Foreign nationals having Pakistan Origin Card.

Significant Aspects of Roshan Digital Accounts:

- Accounts can be opened in both PKR and various foreign currencies.
- Easy and convenient account opening process.
- Accounts can be opened online at a click of a button, just upload few listed documents and the account will be processed.
- Banks have been asked to complete the necessary due diligence process within 48 hours.
- Investment in Naya Pakistan Certificates (NPC) is accessible through funds parked in Roshan Digital Account.
- Investment in Pakistan Stock Exchange through CDC (Central Depository Company) account.
- Investment in property market. Various residential projects have already been launched in the last two months. Additional real estate projects, of both commercial and residential nature, will be announced in coming months.
- Real time currency conversion rates will be applicable to minimize any exchange rate loss to the investor.
- The funds in this account will be fully repatriable at any point in time without any regulatory approval.
- Withholding tax is exempted for cash withdrawals and non-cash transactions in Roshan Digital Account.
- A dedicated helpline and email designed to support and assist expats has been made

to cater to their queries.

- No minimum balance is required to maintain the account.
- Full spectrum services of an online account like bill payment, mobile recharge, and transfer funds to other accounts in Pakistan is also possible.
- Issuance of debit card.
- Check book issuance and delivery to any location internationally.
- Tax filing is not a prerequisite to open a Roshan Digital Account.
- Multiple accounts can be opened under one CNIC/NICOP.
- Joint accounts can also be opened.
- The account needs to be funded through foreign inward remittances only sent via proper banking channels.
- Roshan Digital PKR account holders can only invest in PKR denominated investments. Similarly, FCY account funds can be invested in USD denominated investments.
- Islamic financing opportunities of various banks are accessible through this account.
- Investment in Shariah complaint scheme called Islamic Naya Pakistan Certificate (INPC) is also available under the Roshan Digital Account initiative.

Naya Pakistan Certificates (NPCs):

Naya Pakistan Certificates are high-interest yielding investment certificates. These are issued by the State Bank of Pakistan on behalf of the Government of Pakistan. Commercial banks are only acting as a distributor and sub-custodian of these certificates. This feature provides expats an

additional sovereign trust in these certificates resulting in higher comfort level to invest in them. Customers have the option to invest in various tenures ranging from 3 months up to 5 years. NPCs are available in both PKR and USD. Islamic Naya Pakistan Certificates INPC are also available to investors for Shariah compliant investment option. A minimal withholding tax of 10% is applicable on the profits earned through investments in these certificates. Filing of tax return is also not mandatory for investing in NPC/ INPCs.

3 M	6 M	12 M	3 Y	5 Y
USD (% Annualized)				
5.50	6.00	6.50	6.75	7.00
PKR (% Annualized)				
9.50	10.00	10.50	10.75	11.00

Source: State Bank of Pakistan

Roshan Digital Account is just a small step by the Government and SBP to facilitate the non-resident Pakistanis and enabling them a platform to invest/do banking/repatriate funds with extreme ease and convenience. If managed properly and queries addressed well, this SBP scheme might have favorable and long-lasting effect on the economy of Pakistan. We, as expats, can together pitch in to the scheme and be a part of the economic development of Pakistan which is a much-needed act at the moment.

FIVE FAMILY SPOTS TO ENJOY DURING HOLIDAYS

By Ms. Javeria Mustaqeem

BBA- 2015

IBA Alumni UAE Chapter

With international travel restrictions in place owing to the COVID-19 pandemic, residents and expats in the UAE are looking for newer ways to entertain themselves during public holidays and for the remainder of their annual vacations. Below are five recommended places to visit during these holidays.

Dubai Safari Park



Picture Courtesy- Dubai Safari Facebook page

The Dubai Safari Park had its preliminary opening in 2018 after which it shut down for renovations. It finally opened in October 2020 and welcomes all visitors to explore its African, Asian and Explorer villages as well as experience the Safari drive through. Dubai Safari is spread across 119 hectares of land and is home to 2500 animals and over 250 species. It is open every day from 9am -5pm and costs 50 AED per adult whereas children below 3years of age go for free.

The Pointe



Picture Courtesy- www.onmanorama.com

The Pointe is a modern waterfront dining and entertainment destination located at Palm Jumeirah across the bay from Atlantis. It showcases the world's largest fountain 'The Palm Fountain' and holds a Guinness World's record for the same. With dining options, a cinema, kids play area as well as supermarket and gyms, The Pointe can be a perfect leisure destination for families to enjoy.

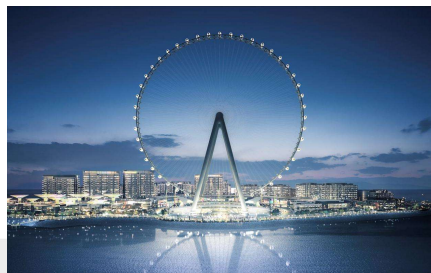
Shees park



Picture Courtesy- Bayut.com

Inaugurated in October 2020, Shees park is spread over an area of 11,362 sq meter and features a 25 m artificial waterfall. Located in Khorfakkan, Shees park has mountain walkways, breathtaking views, an outdoor theatre, barbeque and kids play areas. Visiting Shees park in the coming months can be a perfect getaway for families to enjoy the pleasant weather.

Bluewaters Island



Picture courtesy- www.me.popsugar.com

Home to Ain Dubai, the world's largest observation wheel, set to open just before Expo 2021, Bluewaters Island located off the JBR coastline, extends a serene atmosphere and unique view of Dubai's glistening landscape. With numerous entertainments, dining and retail options, this island gives UAE residents and tourists alike, enough reasons to visit and savor the vibe of the place.

Love Lake



Picture courtesy- @faz3/Instagram

Located near the Al Qudra lake in Dubai, Love Lake is one of the recent additions in famous leisure spots for families. Meticulously designed in the shape of two interconnecting hearts, this lake offers a wide collection of flowers, plants and trees as well as several varieties of birds such as eagles, ducks and swans. Among the breathtaking view surrounded by fountains and waterfalls, a walk across the shallow waterways can also be enjoyed.

Additionally, there are various other attractions to watch out for in the upcoming year in the UAE. Some of the very famous places expected to complete soon include Muhammad Bin Rashid Library, Zombie Park, Madame Tussauds, Snow Abu Dhabi, Museum of the Future and many more.

QUOTES BY MUHAMMAD ALI JINNAH

By Ms. Javeria Mustaqeem

BBA- 2015

IBA Alumni UAE Chapter

1. In an address to the 5th Heavy Ack Ack and 6th Light Ack Ack Regiments, Malir, 21 February 1948, M.A. Jinnah said:

“With faith, discipline and selfless devotion to duty, there is nothing worthwhile that you cannot achieve.”

2. On the auspicious occasion of Eid-ul-Azha, Jinnah's message to the Nation on October 24, 1947 was as follows:

“My message to you of hope, courage and confidence. Let us mobilize all our resources in a systematic and organized way and tackle the grave issues that confront us with the grim determination and discipline worthy of a great nation.”

3. Quaid-e-Azam's broadcasted message on February 1948 said:

“I can assure you that there is nothing greater in this world than your own conscience and, when you appear before God, you can say that you performed your duty with the highest sense of integrity, honesty and with loyalty and faithfulness.”

4. In 1937, following elections held under the new government of India Act, M. A Jinnah is quoted to have said:

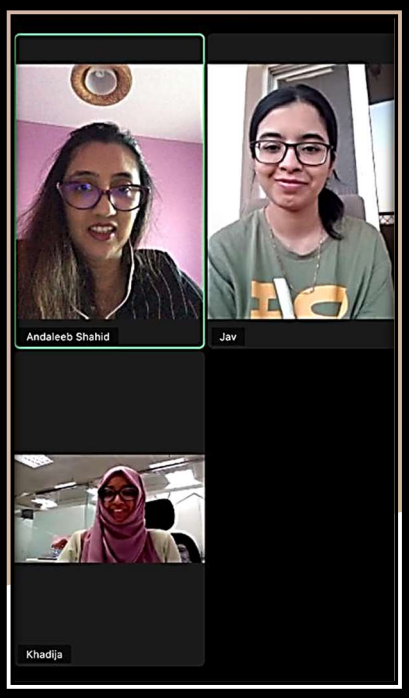
“Think a hundred times before you take a decision, but once that decision is taken, stand by it as one man.”

5. As part of the speech at Islamia college for women on March 25, 1940, Jinnah said:

“I have always maintained that no nation can ever be worthy of its existence that cannot take its women along with the men. No struggle can ever succeed without women participating side by side with men. There are two powers in the world; one is the sword and the other is the pen. There is a great competition and rivalry between the two. There is a third power stronger than both, that of the women.”

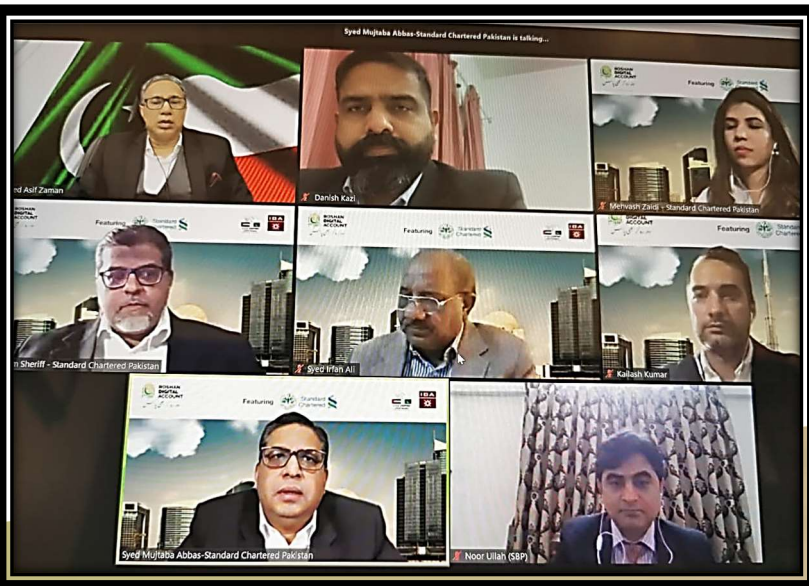
Meetups & Webinar

Compiled by: Ms. Khadija Abubakar
IBA Publication Committee, IBA Alumni UAE Chapter



Virtual meetup of IBA Publication Committee to discuss the Dec 2020 Newsletter
-Nov 01, 2020-

Awareness Webinar on Roshan Digital Account-in collaboration with IBA UAE Chapter, ICAP UAE Chapter and LUMS
-Nov 07, 2020-



Screenshot taken during a tremendously informative webinar on Investment Prospects in Pakistan via Roshan Digital Account. This Webinar was a collaborative effort from IBA UAE Chapter, ICAP UAE Chapter, SBP and SCB Pakistan
-Dec 15, 2020-

ECONOMIC RECOVERY... A RAY OF HOPE

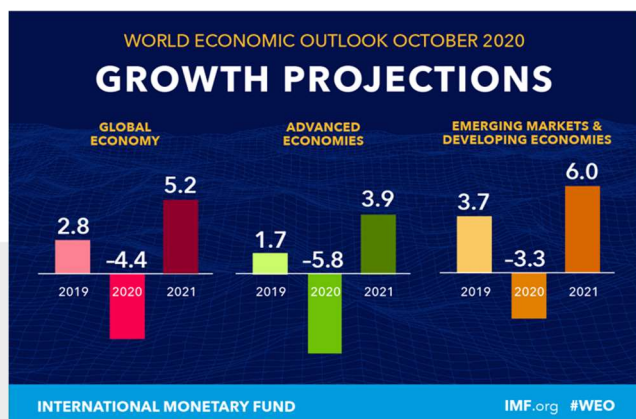
By Ms. Andaleeb Shahid

MBA-2003

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Year 2020 has been a difficult year both with regard to unexpected mortality rate and the economic recession. Many companies had to reduce staff, cut salaries, or furlough employees in order to survive the covid crisis and to remain afloat. Few had resulted in complete shutdown of their outlets and manufacturing units. Millions lost their jobs and had to face severe economic crunch to feed their families. But it seems the worst is over, and we are slowly rising above from the deep economic recession. Businesses are opening up again and new job opportunities are being created leading to the much-needed economic recovery.

In the last 6 months, the global economy has shown signs of recovery and expansion. Although the second wave and partial lockdown in various countries might slow down this upward trend, but we are still hopeful that the economic cycle has started. According to the IMF report of September/October, global growth is projected at -4.4% for the year of 2020. The same statistic for the year of 2021 is projected to be at 5.2%, implying a decent recovery in just one year. These projected figures suggest the economy has started moving towards the economic activity figures set initially for 2020-2025 at pre-corona times. Recovery in employment figures as predicted by the annual data will take a bit longer. With the progress of vaccines and social distancing, it is expected that activity may return to pre-covid times more rapidly than expected. Combined with effective fiscal policies, an economic upsurge is expected globally. Since the onset of this crisis, IMF has provided funding from its various lending facilities to about 80 countries for covid control management.



China was the first country to face lockdown and

quarantine since the outbreak of the virus. Many of its manufacturing units and factories were forced to shut down for many months, bringing a complete halt to its economy. This economic slowdown gradually triggered an economic depression all over the world. For the first three months of 2020, China's economy shrank by 6.8% for the first time ever since 1992. However, it picked up quickly as China saw a 4.9% growth between July and September, compared to the same quarter last year making it the only economy in the world to close the year 2020 at a positive growth figure. Although it misses the target of 5.3% as forecasted, overall a 4.9% growth will have a positive bearing on China's economy.

Latest World Economic Outlook Growth Projections

(real GDP, annual percent change)	PROJECTIONS		
	2019	2020	2021
World Output	2.8	-4.4	5.2
Advanced Economies	1.7	-5.8	3.9
United States	2.2	-4.3	3.1
Euro Area	1.3	-8.3	5.2
Germany	0.6	-6.0	4.2
France	1.5	-9.8	6.0
Italy	0.3	-10.6	5.2
Spain	2.0	-12.8	7.2
Japan	0.7	-5.3	2.3
United Kingdom	1.5	-9.8	5.9
Canada	1.7	-7.1	5.2
Other Advanced Economies	1.7	-3.8	3.6
Emerging Markets and Developing Economies	3.7	-3.3	6.0
Emerging and Developing Asia	5.5	-1.7	8.0
China	6.1	1.9	8.2
India	4.2	-10.3	8.8
ASEAN-5	4.9	-3.4	6.2
Emerging and Developing Europe	2.1	-4.6	3.9
Russia	1.3	-4.1	2.8
Latin America and the Caribbean	0.0	-8.1	3.6
Brazil	1.1	-5.8	2.8
Mexico	-0.3	-9.0	3.5
Middle East and Central Asia	1.4	-4.1	3.0
Saudi Arabia	0.3	-5.4	3.1
Sub-Saharan Africa	3.2	-3.0	3.1
Nigeria	2.2	-4.3	1.7
South Africa	0.2	-8.0	3.0
Low-Income Developing Countries	5.3	-1.2	4.9

Source: IMF, World Economic Outlook, October 2020

For India, data and forecasts are presented on a fiscal year basis, with FY 2020/21 starting in April 2020. India's growth is -8.6 percent in 2020 and 6.8 percent in 2021 based on the calendar year.

INTERNATIONAL MONETARY FUND

IMF.org

China's growth largely has been fueled by exports to countries that were still struggling with covid. Demand for personal protection equipment (PPE), masks, laptops, tablets, etc has boomed not only in

China but also in the West. Since China was able to have a quick comeback, it captured this untapped market potential. According to Fortune, in the first half of the year, China's exports of medical equipment jumped as much as 46% and that of laptops and other electronic equipment surged by 9%.

World stock markets are also steadily picking up alongside economic recovery. At the start of the pandemic, Dow Jones Industrial Average fell 34% in March from its all-time high on February 19th. However, with investor's high confidence and markets opening up gradually, it bounced back and showed full recovery by August.



Source: CNN Business
Data as of December 11 2:05 a.m ET

Dow Jones Industrial Average

With the vaccine trials in progress and high investment in research and development, Pharmaceutical industry also exhibits promising financial performance for the next year. It is a growing industry to look out for both in terms of capital gains and job opportunities. In the coming months, we would also see its related industries growing alongside. To distribute and create a process flow of the covid vaccine, countries would require proper infrastructure and manpower. This, in turn, would create job and business opportunities kickstarting the economic wheel to move forward. Stocks of most of the pharmaceutical companies seem to be a promising investment, at least in the next few months.

With the announcement of the coronavirus vaccine, Pfizer (PFE) stock jumped from \$35 to \$40.34 in just over the last one month, an increase of 14%. Pfizer and BioNTech have agreements with the US government for 100 million doses (\$1.95 billion deal) with 500 million more to be added at a later stage. They have deals with Japan, Canada, UK (40 million doses), and the EU countries (200 million doses). Moderna Inc. (MRNA) which announced that its vaccine is equally as effective as Pfizer, but does not need to be maintained at a specific cooling temperature of -70°C. Shares of MRNA jumped from USD 72.45 to USD 152.52 in just

one month, an increase of more than 100%.

Another growing sector during the quarantine period was the IT and communication industry. The demand for applications such as Zoom, Netflix, Microsoft/Office 365 apps, and gaming apps went up sharply. Their sales surged up, increasing their bottom line. This was reflected in the stock prices as well.

Zoom stock listed on NASDAQ was priced at USD 68.72 at the beginning of this year. Now, it is at USD 410.01, an unbelievable hike in stock price, breaking many records. On October 19th, the stock touched a whopping USD 568.34 mark. Netflix, an online streaming company also saw a rise in its share price from USD 329.81 to USD 498.31 to date. Amazon.com Inc. listed on NASDAQ had a similar growth from USD 1,898.01 in January to USD 3,162.58 on December 4th, a 66.6% increase in stock price. Amazon Web Services (AWS) alone surpassed a record high mark of USD 40 billion annual revenue. AWS added an incremental USD 10 billion in revenue in just 12 months, faster than ever and in record time. As the people are quarantined and in lockdown, such applications are in high demand, augmenting their share prices in turn. For the year 2021 as well, we foresee this trend to continue as use of these software is expected to become the new normal.

In January this year, gold costed 1,514.80 USD for a troy ounce. However, due to the economic standstill and uncertainty, on August 5th the price reached up to 2,048.20 USD/oz t. With the development of the vaccine by various pharmaceutical companies, the prices dropped back to 1,843.00 USD/oz t as of December 4th, depicting a confidence boost in the economy and shifting the focus from tangible investments back to business and commerce.



Gold Price in US Dollars

Few economists perceive this recession as a blessing is disguise for the emerging markets. Similar to the Great Depression of 2008, we might witness a flight of capital from developed countries to growing economies of the world. In order to support various sectors/industries, governments in advanced economies, lend funds in the form of economic support packages. This funding is pumped through

borrowings from various commercial banks. To keep their borrowing costs low, the government reduces the discount rate/federal interest rate. This, in turn, makes the investment less attractive for investors in the developed nations and thus they look towards developing countries of the world. This injection of foreign investments helps revive troubling economies of these countries. The economic impact of the pandemic continues

even after the initial jolt; however, the bounce back was far stronger and sooner than expected. Some sectors and industries have seen complete recoveries to pre-covid levels. Companies/investors need to look beyond the dreadful phase of this crisis and exploit growth opportunities in both existing and new areas. Understanding and reacting to the changing market dynamics in order to flourish during this recovery phase is the key to success.

UAE NATIONAL DAY-CELEBRATIONS

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