

BUSINESS RECORDER

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SBP URGES SMES TO BENEFIT FROM FINANCE POLICY

RECORDER REPORT

KARACHI: While speaking to SMEs based in Sialkot, Syed Samar Hasnain, Executive Director, State Bank of Pakistan said that State Bank has put in place number of refinance facilities both for purchase of plant and machinery for SMEs and working capital finance for special sectors.

In meetings with manufacturers and exporters belonging to SME sectors and bankers based in Sialkot, he emphasized that banks have been instructed to inform SMEs about their facilities. At the same time, he also urged the SMEs to take a step ahead and approach nearby bank branches to know about SBP's facilities available for them.

He said "In terms of numbers, most of the entities in your region are SMEs. If you want to graduate from indirect exporter to direct exporter, you can modernize and expand your plant and equipment by availing SBP's refinance facilities for modernization". He encouraged the SMEs to avail SBP's refinance facility for renewable energy to overcome power problem.

Adding further, he said that SMEs can also use SBP's subsidized refinance facility for setting up silos, cold storage facility and warehouses. He assured the SMEs that SBPSC- Sialkot office will be taking stock of the financing extended to SMEs and progress in this regard will also be monitored closely.

In a presentation, salient features of SBP's Policy for Promotion of SME Finance were explained. It highlighted the nine pillars of the policy, namely, i) Improving Regulatory Framework; ii) Upscaling through Microfinance Banks; iii) Risk Mitigation Strategy; iv) Simplified Procedure for SME Financing; v) Program Based Lending & Value Chain Financing; vi) Capacity Building & Awareness Creation; vii) Handholding of SMEs - Non Financial Advisory Service; viii) Leveraging Technology to promote SME Financing; and, ix) Simplifying Taxation Regime for SMEs.

The meetings/awareness sessions were attended by representatives from associations including Pakistan Sports Goods Manufacturers & Exporters Association, Pakistan Gloves Manufacturers & Exporters Association, Leather Garments Manufacturers & Exporters Association, Pakistan Hosiery Manufacturers & Exporters Association and Pakistan Cutlery & Stainless Utensils Manufacturers and Exporters Association in Sialkot.