

Many unaware of incentive-based loan programmes: report

KARACHI: Majority of the people in Pakistan, particularly entrepreneurs, remain unaware of incentive-based loan programs available to certain economic sectors.

This has been noted in a report of the Karachi Chamber of Commerce and Industry (KCCI) Research and Development Department.

The report noted that for majority of businesses, expansion and at times survival relies on having access to adequate liquidity from the banking sector.

Fortunately, Pakistan has a well-established banking sector with sufficient capital adequacy. However, in a country where majority of the population does not have a bank account, the obstacles to acquire that finance are high.

“The State Bank of Pakistan (SBP) has great incentive packages for various sectors, yet businesses are unaware of these initiatives. Aggressive awareness campaigns should be initiated.

“Some countries have set up a collateral registry which is a concept Pakistan can look into.

“In a number of countries, secured creditors are paid first if a company defaults. However, Pakistan makes no such considerations,” said the report.