

**SBP assures support for growth of economy**

KARACHI: State Bank of Pakistan (SBP) Governor Dr. Reza Baqir on Friday assured trade and industry leaders that the central bank will continue to support economic growth in the country as it did during Covid-19.

Governor visited the Lahore Chamber of Commerce and Industry (LCCI) where he chaired a session with chamber officials and members and discussed initiatives and efforts of the SBP to promote economic growth in the country and provide liquidity and other support to businesses during Covid-19.

Dr Baqir was accompanied by SBP Deputy Governor Sima Kamil and other senior officials.

He said the central bank has taken a number of steps to mitigate the impact of Covid-19 on economic growth. Since the onset of pandemic-related economic pressure, the SBP has reduced policy rate from 13.25 per cent to 7pc, he said while adding that the central bank also allowed one-year extension in principal payments along with rescheduling and restructuring of loans without affecting the credit history of borrowers.

SBP governor elaborated several other measures taken by the bank to mitigate the impact of Covid-19 while stressing the importance of provision of business-friendly environment.

He said that with regards to the ease of doing business, the central bank has taken a number of proactive measures like encouraging banks to facilitate borrowers by offering products as per their needs and demands. He was confident that the country's banking system was fully equipped to explore the untapped potential of local market.

He said that promoting housing and construction sector is government's top due to its impact on economic development and job creation. Deputy Governor Sima Kamil shared that, in line with its vision of providing affordable housing to the masses, the government will be providing a markup subsidy facility for the construction and purchase of new houses.

She said the SBP has undertaken various initiatives including issuance of separate prudential regulations for housing finance, capacity building of stakeholders and facilitation in establishment of the Pakistan Mortgage Refinance Company.

Among other measures, the SBP has formed a Steering Committee on Housing and Construction Finance chaired by SBP governor to support government's efforts to promote housing and construction sector and has assigned mandatory targets to banks to extend mortgage loans and financing for developers and builders.

Adding further, he said the SBP has allowed banks to remit up to \$200,000 per annum to digital service provider companies, in addition to a mechanism whereby the entities can register contracts with the bank once and thereafter payments can be made directly by the banks on periodic basis.

He said that the SBP has recently rolled out digitalisation of regulatory approval system to provide convenience and visibility of approval of FX-related cases to stakeholders.