

Businessmen must exploit corona-related schemes: SBP governor

FAISALABAD: State Bank of Pakistan Governor Reza Baqir said on Wednesday that

Faisalabad was contributing 20 percent share to national economy and local businessmen must fully exploit the corona related incentive-based schemes of the SBP to further expedite the process of industrialization.

He was addressing a meeting at Faisalabad Chamber of Commerce & Industry (FCCI) to have direct interaction with the business community to give them awareness about SBP schemes and motivate them to avail the schemes in the best national interest.

He said, despite huge share in national economy, the business community belonging to this city was poorly availing from the SBP schemes.

He said that commercial banks avoid out-of-the-box solutions of the problems but in corona like situation, these become imperative and we are also encouraging them to resolve the issues so that negative impact of corona could be controlled and compensated as early as possible.

Introducing new SBP Deputy Governor Sima Kamil Cheema, he said that she had vast experience in commercial banking and was working on various schemes including agriculture finance, female entrepreneurs and digitalization, etc.

Reza Baqir said, these schemes would give a jump start to the economy particularly to the SME sector. He said the SBP had holistic approach which, apart from facilitating the borrowers, wanted to discourage the misuse of incentive-based schemes.

He said that when corona started, the policy rate was 13.25% which had been brought down to 7% within a shortest possible time which would help businessmen to compete their rivals efficiently and affectedly.

He said that private credit was around Rs 6 trillion and due to cut in policy rate, borrowers would enjoy a saving of Rs 470 billion per annum in terms of cash flow and output. Similarly, the banks also deferred the installments of Rs 640 billion, he said and added that 90 percent SME sector was the major beneficiary of this scheme.

Regarding non-performing loan, he said the loan limit of sick units had been doubled which would give them benefit of Rs 170 billion in mark-up.

Regarding Rozgar scheme, the SBP governor said that it was a foremost duty of State Bank to save the jobs of private sector employees. Hence, the SBP launched refinance scheme to provide loan at 3% to the employers who would retain their employees during corona lockdown. Initially this scheme was for three months which was later extended to six months.

A sum of Rs180 billion had been released under the scheme; he said and added that borrowers would have liquidity impact of Rs 1000 billion.

He also appreciated the efforts of government to contain the COVID-19 and said that Temporary Economic Refinance Scheme was launched on the pattern of

LTF (long term finance). The scheme was initially for five export-oriented sectors but later it was opened for all sectors so that they could also contribute their role in the revival of national economy, he said and added this scheme was available by March 30 and hence, people must avail from it.

Regarding sick units, Reza Baqir said that commercial banks avoid from indulging in conflicts of commercial nature, however, the SBP was facilitating them so that they could contribute their role in the rehabilitation and revival of sick industrial units.

It will not only help Pakistan to increase its productivity and export but also provide much needed jobs to the jobless youth, he added.

The SBP governor said that loan worth Rs 5 billion was disbursed through the help desk established at FCCI which had secured jobs of more than 50,000 workers.