

22<sup>nd</sup> December, 2006

## **Disbursements under LTF-EOP**

The State Bank of Pakistan has been monitoring the disbursements under its Long Term Financing Scheme for Export Oriented Projects (LTF-EOP). It is encouraging to report that as of December 20, 2006 Rs 29 billion has been disbursed, of which Rs 20.2 billion disbursed to the textile sector under the debt swap option offered through SMED Circular 19 of 2006, while fresh disbursements constitute Rs. 8.8 billion.

Under the debt swap option, Privatized banks (including NBP) have swapped Rs. 14.9 billion followed by Private Banks (Rs 3 billion), foreign banks (Rs. 2.1 billion) and Development Finance Institutions (Rs 120 million). Disbursements under the LTF-EOP scheme to new projects on an aggregate basis as on December 20, 2006, stood at Rs 8.8 billion. Like debt swap, the Privatized banks (including NBP) availed Rs. 3.6 billion, followed by the Private banks (Rs. 3.2 billion), foreign banks (Rs. 1.1 billion) and DFIs Rs 0.78 billion.

Further, the SBP is also acting as the executing agency for the Research & Development Support (R&D) offered by the Ministry of Commerce to the garments sector and by the Ministry of Textile Industry to the home textiles & fabrics sector. The State Bank, as of December 19, 2006, has reimbursed R&D claims of Rs. 10.2 billion against 91, 061 cases settled. Of these approximately Rs 9.84 billion has been reimbursed to the garments sector against 87,299 cases from July 2005 to December 19, 2006, while Rs. 340 million has been reimbursed to the home textiles and fabrics sector against 3,620 cases from August 2006 to December 19, 2006.