



STATE BANK OF PAKISTAN

Press Release

Phone : 9212562 UAN : 111-727-111 Fax : 9212563-4 e-mail : syed.wasimuddin@sbp.org.pk website : www.sbp.org.pk

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Facilitation of Home Remittances to Pakistan

The Governor, State Bank of Pakistan, Dr. Shamshad Akhtar chaired a meeting of Heads of Commercial Banks at SBP, Karachi today to discuss the issues related to transmission of funds from overseas Pakistanis to their families back home. In her opening remarks, the Governor underscored to the participants that the facilitation of cheap, safe and speedy transmission of funds from overseas Pakistanis to their families is on the active agenda of the Government and State Bank of Pakistan. The movement of funds through informal channels represents both a loss of revenue for financial services providers, and a welfare loss for remitters who are forced to send money home via risky, costly and otherwise inefficient remittance channels. The formalization of this market would be both pro-poor and welfare enhancing for the economy as a whole.

She further cited the examples of various other labour-sending countries like Philippines where through a joint effort of public and private sector, the overseas migrants have been phenomenally facilitated in transmission of their incomes back to their families.

The participants were given a brief presentation by Exchange Policy Department of State Bank on recent international efforts and practices being followed by banks in various other developing countries to facilitate the flow of remittances. In turn, the Heads of Commercial Banks apprised the Governor about the problems they face in overseas jurisdictions in providing remittance services to overseas Pakistanis. Some of the participants also highlighted the need for media campaign to inform the overseas Pakistanis about the remittance services being offered by commercial banks of Pakistan.

In her concluding remarks, the Governor State Bank advised the banks to increase their level of commitment and interest in provision of remittance related services to overseas Pakistanis and their families. In this respect, she instructed banks to establish 'Home Remittances Cell' with dedicated professional personnel including IT experts and submit to State Bank their annual strategic plan for mobilization of remittances within four weeks. She also formed a committee headed by President, Habib Bank Ltd, to interface with other commercial banks in order to ensure swift delivery of their strategic plans. The State Bank will coordinate with commercial banks closely and provide the required advice and support to complete their plans to mobilize additional remittance. At the end, she assured the banks of State Bank's active support in discharging the national responsibility of facilitating the remittances by overseas Pakistanis.

